



Grant Thornton

Financial Statements

Marten Falls First Nation

March 31, 2016

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Independent Auditor's Report

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To the Chief, Council and Members of
Marten Falls First Nation

We have audited the accompanying financial statements of Marten Falls First Nation which comprise the statement of financial position as at March 31, 2016, and the statements of operations and surplus, changes in net debt, changes in fund balances 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 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 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 financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the First Nation's preparation and fair presentation of the 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 First Nation's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the 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

Canadian Public Sector Accounting Standards require that entities present information about the complete stock of their tangible capital assets and amortization in the financial statements. As described in note 15, the First Nation has not recorded tangible capital assets and have been unable to determine whether any adjustments might have been found necessary in respect of unrecorded tangible capital assets and the elements making up the statements of operations and surplus, changes in fund balances and cash flows. As a result, we have been unable to obtain satisfactory evidence as to the completeness of the tangible capital assets owned by the First Nation.

Qualified opinion

In our opinion, except for the possible effects of the matter described in the Basis for qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Marten Falls First Nation as at March 31, 2016 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other matters

Our audit of Marten Falls First Nation for the year ended March 31, 2016 was conducted for the purposes of forming an opinion on the financial statements taken as a whole. The schedules to the financial statements are presented for the purposes of additional information and are not a required part of the audited financial statements. The supplementary information has been prepared to assist various funding agencies/government departments. Such information has been subjected to the auditing procedures only to the extent necessary to express an opinion on the financial statements of Marten Falls First Nation for the year ended March 31, 2016. Our opinion, dated January 27, 2017, was qualified as a result of the inability to satisfy ourselves as to the completeness of tangible capital assets. In our opinion, except for the effects of the matter described above, the schedules are fairly presented in all material respects in relation to the audited financial statements taken as a whole.



Thunder Bay, Canada
January 31, 2017

Chartered Professional Accountants
Licensed Public Accountants

MARTEN FALLS FIRST NATION

MANAGEMENT'S REPORT

The accompanying financial statements of Marten Falls First Nation are the responsibility of management and have been approved by the Chief and Council of the First Nation.

These financial statements have been prepared by management 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 and as such include amounts that are the best estimates and judgments of management.

Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

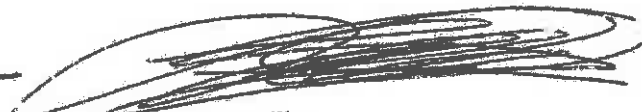
The Chief and Council are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and are ultimately responsible for reviewing and approving the financial statements.

The Chief and 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 their responsibilities, and to review the financial statements and the external auditor's report.

The external auditors, Grant Thornton LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of Marten Falls First Nation and meet when required.

On behalf of the Marten Falls First Nations:


Bruce Achneepineskum
Chief


Councillor

January 31, 2017

MARTEN FALLS FIRST NATION**Statement of Financial Position**

March 31, 2016, with comparative figures for 2015

	<u>2016</u>	<u>2015</u>
Financial Assets		
Accounts receivable (Note 3)	\$ 253,105	\$ 107,565
Trust funds held by federal government (Note 4)	3,662	3,586
Due from government and other government organizations (Note 5)	<u>850,021</u>	<u>2,411,738</u>
	<u>1,106,788</u>	<u>2,522,889</u>
Financial Liabilities		
Bank indebtedness (Note 6)	254,174	781,184
Accounts payable and accrued liabilities (Note 7)	3,191,937	2,165,681
Due to government and other government organizations (Note 8)	980,973	772,060
Deferred revenue (Note 9)	203,929	547,948
Long-term debt (Notes 10 and 11)	<u>5,416,545</u>	<u>6,569,616</u>
	<u>10,047,558</u>	<u>10,836,489</u>
Net Debt	<u>(8,940,770)</u>	<u>(8,313,600)</u>
Non-Financial Assets		
Prepaid expenses (Note 14)	32,786	40,446
Tangible capital assets (Note 15)	<u>22,069,663</u>	<u>22,134,282</u>
	<u>22,102,449</u>	<u>22,174,728</u>
Accumulated Surplus	<u>\$ 13,161,679</u>	<u>\$ 13,861,128</u>
Contingencies (Note 18)		
Contractual Obligations (Note 19)		

Approved on Behalf of Chief and Council

Chief

Councillor

Date

Date

The accompanying notes and supplementary schedules are an integral part of these financial statements.

MARTEN FALLS FIRST NATION

Statement of Operations and Surplus

March 31, 2016, with comparative figures for 2015

	2016 Budget (Note 21)	2016 Actual	2015 Actual
Revenue			
Deferred revenue, beginning of year (Note 9)	\$ 547,948	\$ 547,948	\$ 205,006
Federal Government:			
Indigenous and Northern Affairs Canada	4,332,244	4,332,244	4,500,655
Health Canada	1,629,981	1,680,553	1,454,543
Canada Mortgage and Housing Corporation	226,050	226,051	226,194
Provincial Government:			
Ministry of Health and Long-Term Care	55,476	48,876	49,539
Ministry of Indigenous Relations and Reconciliation	90,000	90,000	90,000
Ministry of Community Family and Children Services	992,660	992,660	868,616
Ministry of Northern Development and Mines	972,256	744,106	2,182,928
Ministry of Natural Resources and Forestry	198,173	198,173	94,593
Ministry of Education	3,196	3,196	1,797
Interest	-	40	339
Trust funds held by federal government (Note 4)	-	76	98
Rent	64,200	127,955	70,670
Nishnawbe Aski Nation	90,959	83,813	67,601
Ontario First Nations Limited Partnership	879,773	879,773	874,826
Matawa First Nations	200,129	285,457	184,113
Ontario Power Generation (Note 11)	195,000	195,000	195,000
Other	51,819	348,245	527,587
Less: deferred revenue, end of year (Note 9)	-	(203,929)	(547,948)
	<u>10,529,864</u>	<u>10,580,237</u>	<u>11,046,157</u>
Expenditures			
Education programs	2,102,038	2,177,810	2,176,561
Health programs	1,975,440	2,031,936	1,641,023
Economic Development programs	1,373,944	1,141,908	1,933,645
Housing Fund	417,328	182,746	475,573
Community services programs	1,094,773	572,919	699,555
Social Services programs	1,149,856	1,234,762	1,121,761
Band government	388,159	1,133,177	1,304,754
Employment programs	31,819	41,169	71,522
Public works	1,996,507	2,141,610	1,814,723
Administration fees and technical services	-	138,895	132,697
Amortization	-	996,454	1,004,986
Interest	-	262,423	256,482
	<u>10,529,864</u>	<u>12,055,809</u>	<u>12,633,282</u>
Annual deficit		\$ (1,475,572)	\$ (1,587,125)
Less: net repayment of surpluses (Note 24)	-	(155,712)	(175,025)
Inter-fund transfers (Note 13)	-	931,835	696,622
Annual deficit		(699,449)	(1,065,528)
Accumulated surplus, beginning of year		13,861,128	14,926,656
Accumulated surplus, end of year	\$ -	\$ 13,161,679	\$ 13,861,128

Segment Disclosure (Note 25)

The accompanying notes and supplementary schedules are an integral part of these financial statements.

MARTEN FALLS FIRST NATION**Statement of Changes in Net Debt**

March 31, 2016, with comparative figures for 2015

	<u>2016</u>	<u>2015</u>
Annual Deficit, including capital assets	\$ (1,475,572)	\$ (1,587,125)
Less: capital assets included in Annual Deficit (Note 13)	<u>931,835</u>	<u>696,622</u>
Annual Deficit	<u>(543,737)</u>	<u>(890,503)</u>
Tangible capital assets:		
Acquisition of tangible capital assets	(931,835)	(696,622)
Amortization of tangible capital assets	<u>996,454</u>	<u>1,004,986</u>
	<u>64,619</u>	<u>308,364</u>
Acquisition of prepaid expenses	(32,786)	(40,446)
Use of prepaid expenses	<u>40,446</u>	<u>11,235</u>
	<u>7,660</u>	<u>(29,211)</u>
Increase in net debt	(471,458)	(611,350)
Net debt, beginning of year	<u>(8,313,600)</u>	<u>(7,702,250)</u>
Net debt, end of year	<u>\$ (8,940,770)</u>	<u>\$ (8,313,600)</u>

The accompanying notes and supplementary schedules are an integral part of these financial statements.

MARTEN FALLS FIRST NATION

Statement of Changes in Fund Balances For the year ended March 31, 2016

Schedule	Surplus (Deficit) Beginning of Year	Indigenous and Northern Development Canada Funding	Deferred Revenue and Other Funding	Total Revenue for the Year	Total Expenditures for the Year	Surplus (Deficit) for year	Recoveries and Transfers	Surplus (Deficit) End of Year
Education								
1 Education	\$ 929,095	\$ 987,253	\$ 31,075	\$ 1,018,328	\$ 1,273,624	\$ (255,296)	\$ 74,804	\$ 748,603
2 Parental Engagement Strategy	-	4,600	-	4,600	4,600	-	-	-
3 Secondary Education	265,844	388,600	-	388,600	281,425	107,175	(107,175)	265,844
4 Post Secondary Education	382,781	221,338	-	221,338	152,898	68,440	-	451,221
5 Teacher Retention and Recruitment	-	12,350	-	12,350	12,546	(196)	196	-
6 Local Transportation and Student Accommodation	45,805	237,642	-	237,642	226,934	10,708	-	56,513
7 Enhanced Teacher Salaries	-	22,700	-	22,700	22,700	-	-	-
8 Band Operated Special Education	(69,031)	196,600	-	196,600	236,568	(39,968)	-	(108,999)
9 Improving School Effectiveness	6,971	20,000	(9,207)	10,793	10,793	-	-	6,971
10 First Nation Education Management and Governance Capacity	-	10,955	(1,505)	9,450	9,450	-	-	-
	<u>1,561,465</u>	<u>2,102,038</u>	<u>20,363</u>	<u>2,122,401</u>	<u>2,231,538</u>	<u>(109,137)</u>	<u>(32,175)</u>	<u>1,420,153</u>
Health								
11 Brighter Futures	(12,399)	-	164,794	164,794	185,284	(20,490)	-	(32,889)
12 Risk and Security	-	-	-	-	-	-	-	-
13 Building Healthier Communities	1,026	-	86,240	86,240	115,515	(29,275)	-	(28,249)
14 Diabetes Initiative	(1,264)	-	39,937	39,937	40,079	(142)	-	(1,406)
15 Medical Services	(33,822)	-	250,873	250,873	284,693	(33,820)	-	(67,642)
16 Patient Transportation	(1,610)	-	62,744	62,744	84,752	(22,008)	-	(23,618)
17 FAS/FAE Project	8,061	-	11,054	11,054	11,181	(127)	(80)	7,854
18 Home and Community Care	(10,939)	-	77,387	77,387	91,270	(13,883)	-	(24,822)

The accompanying notes and supplementary schedules are an integral part of these financial statements.

MARTEN FALLS FIRST NATION

Statement of Changes in Fund Balances For the year ended March 31, 2016

Schedule	Surplus (Deficit) Beginning of Year	Indigenous and Northern Development Canada Funding	Deferred Revenue and Other Funding	Total Revenue for the Year	Total Expenditures for the Year	Surplus (Deficit) for year	Recoveries and Transfers	Surplus (Deficit) End of Year
Health (cont'd)								
19 Aboriginal Healing & Wellness - Crisis Intervention	(20,339)	-	43,885	43,885	44,612	(727)	6,842	(14,224)
20 Healthy Babies Healthy Children	(4,493)	-	28,875	28,875	29,877	(1,002)	879	(4,616)
21 Family Violence Program	25,888	-	40,537	40,537	40,558	(21)	-	25,867
22 Health Administration	33,725	-	55,074	55,074	71,461	(16,387)	-	17,338
23 Early Childhood Development	(9,868)	-	68,484	68,484	68,733	(249)	-	(10,117)
24 Community Health Prevention and Promotion	(6,277)	-	96,450	96,450	99,813	(3,363)	-	(9,640)
25 NNADAP	(21,767)	-	137,723	137,723	154,194	(16,471)	-	(38,238)
26 Homemakers	(118,171)	8,300	48,876	57,176	80,911	(23,735)	-	(141,906)
27 Drug and Lab Box Ground Delivery	(40,844)	-	65,596	65,596	81,973	(16,377)	-	(57,221)
28 Health Clinic	-	-	592,640	592,640	592,640	-	-	-
	<u>(213,093)</u>	<u>8,300</u>	<u>1,871,169</u>	<u>1,879,469</u>	<u>2,077,546</u>	<u>(198,077)</u>	<u>7,641</u>	<u>(403,529)</u>
Economic Development Fund								
29 Employment Development Office	15,246	50,000	-	50,000	48,971	1,029	-	16,275
30 MNM - Ring of Fire Regional Process Fund	(64,275)	-	-	-	-	-	64,275	-
31 Summers Student Program	-	-	4,200	4,200	90,233	(86,033)	86,033	-
32 Mining Resources Project	(100,230)	-	90,000	90,000	123,632	(33,632)	-	(133,862)
33 CCLO Project	-	-	18,867	18,867	46,600	(27,733)	-	(27,733)
34 Mining - S.P.I.	(86,989)	175,000	-	175,000	42,213	132,787	(99,925)	(54,127)
35 Negotiations	174,338	-	-	-	-	-	-	174,338

The accompanying notes and supplementary schedules are an integral part of these financial statements.

MARTEN FALLS FIRST NATION

Statement of Changes in Fund Balances For the year ended March 31, 2016

Schedule	Surplus (Deficit) Beginning of Year	Indigenous and Northern Development Canada Funding	Deferred Revenue and Other Funding	Total Revenue for the Year	Total Expenditures for the Year	Surplus (Deficit) for year	Recoveries and Transfers	Surplus (Deficit) End of Year
Economic Development Fund (cont'd)								
36 Regional Framework	-	-	442,716	442,716	529,092	(86,376)	(89,253)	(175,629)
37 MNM Skills/Training Demonstrations Project	-	-	78,150	78,150	78,150	-	-	-
38 MNM Skills/Training Project	-	-	-	-	-	-	-	-
39 MNM - Well-Being Study	-	-	24,674	24,674	24,712	(38)	-	(38)
40 MOU project	-	-	300,005	300,005	350,891	(50,886)	-	(50,886)
	<u>(61,910)</u>	<u>225,000</u>	<u>958,612</u>	<u>1,183,612</u>	<u>1,334,494</u>	<u>(150,882)</u>	<u>(38,870)</u>	<u>(251,662)</u>
Housing Fund								
41 MisAmik Housing	(2,363,293)	-	78,792	78,792	195,028	(116,236)	51,600	(2,427,929)
42 CMHC 2000/01 Five-Unit Housing	(155,206)	-	32,009	32,009	32,543	(534)	23,100	(132,640)
43 CMHC 2001/02 Three-Unit Housing	44,900	-	21,455	21,455	23,387	(1,932)	13,860	56,828
44 CMHC 2002/03 Five-Unit Housing	(601,199)	-	38,247	38,247	34,621	3,626	23,100	(574,473)
45 CMHC 2003/04 Three-Unit Housing	1,419,929	-	23,233	23,233	28,949	(5,716)	13,860	1,428,073
46 CMHC 2006/07 Four-Unit Housing	436,717	-	32,315	32,315	54,177	(21,862)	18,480	433,335
47 Replacement reserve	421,900	-	31,150	31,150	-	31,150	-	453,050
48 Housing Renovations	<u>(193,482)</u>	<u>158,406</u>	<u>32,872</u>	<u>191,278</u>	<u>85,609</u>	<u>105,669</u>	<u>87,003</u>	<u>(810)</u>
	<u>(989,734)</u>	<u>158,406</u>	<u>290,073</u>	<u>448,479</u>	<u>454,314</u>	<u>(5,835)</u>	<u>231,003</u>	<u>(764,566)</u>

The accompanying notes and supplementary schedules are an integral part of these financial statements.

MARTEN FALLS FIRST NATION

Statement of Changes in Fund Balances For the year ended March 31, 2016

Schedule	Surplus (Deficit) Beginning of Year	Indigenous and Northern Development Canada Funding	Deferred Revenue and Other Funding	Total Revenue for the Year	Total Expenditures for the Year	Surplus (Deficit) for year	Recoveries and Transfers	Surplus (Deficit) End of Year
Community Services Funds								
49 Right to Play Project	-	-	8,314	8,314	36,025	(27,711)	27,711	-
50 Community Activity Centre	3,232,270	-	195,000	195,000	352,819	(157,819)	-	3,074,451
51 Casino Rama	-	-	879,777	879,777	406,492	473,285	(473,285)	-
	<u>3,232,270</u>	<u>-</u>	<u>1,083,091</u>	<u>1,083,091</u>	<u>795,336</u>	<u>287,755</u>	<u>(445,574)</u>	<u>3,074,451</u>
Social Services								
52 Social Assistance - Administration	(82,149)	60,000	195,642	255,642	303,527	(47,885)	-	(130,034)
53 Social Assistance - Basic Needs	641	52,700	797,018	849,718	882,585	(32,867)	-	(32,226)
54 Social Assistance - Special Needs	4,152	2,400	-	2,400	2,400	-	-	4,152
55 National Child Benefit Reinvestment	-	38,900	3,196	42,096	46,250	(4,154)	4,154	-
	<u>(77,356)</u>	<u>154,000</u>	<u>995,856</u>	<u>1,149,856</u>	<u>1,234,762</u>	<u>(84,906)</u>	<u>4,154</u>	<u>(158,108)</u>
Band Government								
56 Band Support	(3,751,025)	388,159	345,475	733,634	1,272,746	(539,112)	39,431	(4,250,706)
Employment Programs Fund								
57 Employment and Training	-	-	31,819	31,819	41,169	(9,350)	9,350	-

The accompanying notes and supplementary schedules are an integral part of these financial statements.

MARTEN FALLS FIRST NATION

Statement of Changes in Fund Balances For the year ended March 31, 2016

Schedule	Surplus (Deficit) Beginning of Year	Indigenous and Northern Development Canada Funding	Deferred Revenue and Other Funding	Total Revenue for the Year	Total Expenditures for the Year	Surplus (Deficit) for year	Recoveries and Transfers	Surplus (Deficit) End of Year
Public Works								
58 Infrastructure	5,171,753	49,824	-	49,824	333,875	(284,051)	-	4,887,702
59 Community Buildings	6,684,359	220,576	127,955	348,531	548,789	(200,258)	856,835	7,340,936
60 Remediation Project	-	40,000	-	40,000	41,551	(1,551)	-	(1,551)
61 Minor Capital	1,071,929	153,888	-	153,888	-	153,888	-	1,225,817
62 Diesel Generation Upgrade Project	-	-	-	-	-	-	-	-
63 Water Treatability Study	-	-	-	-	-	-	-	-
64 Four Units and Training Centre	-	-	130,592	130,592	339,195	(208,603)	208,603	-
65 Land Use Planning Project	(79,513)	-	198,173	198,173	235,802	(37,629)	-	(117,142)
66 Winter Roads	24,017	195,558	364,784	560,342	577,957	(17,615)	-	6,402
67 Bottled Water Program	(19,821)	363,820	-	363,820	343,793	20,027	-	206
68 Safe Water Operations Program	1,251	-	-	-	-	-	(1,251)	-
69 Water & Sewer O&M project	1,129,263	139,068	-	139,068	229,380	(90,312)	-	1,038,951
70 Water O&M	-	76,674	-	76,674	76,674	-	-	-
71 Waste Water O&M	-	56,933	-	56,933	56,933	-	-	-
72 Capacity Building Project	-	-	-	-	-	-	-	-
Other Funds	13,983,238	1,296,341	821,504	2,117,845	2,783,949	(666,104)	1,064,187	14,381,321
73 Trust Fund	3,586	-	76	76	-	76	-	3,662
Closed Programs	173,687	-	-	-	-	-	(63,024)	110,663
Capital Additions	\$13,861,128	\$ 4,332,244	\$ 6,418,038	\$10,750,282	\$12,225,854	\$(1,475,572)	\$ 776,123	\$13,161,679
Funding recoveries (Note 24)							\$ 931,835	
							(155,712)	
							\$ 776,123	

The accompanying notes and supplementary schedules are an integral part of these financial statements.

MARTEN FALLS FIRST NATION**Statement of Cash Flows**

For the year ended March 31, 2016, with comparative figures for 2015

	<u>2016</u>	<u>2015</u>
Operating Activities		
Annual deficit *	\$ (699,449)	\$ (1,065,528)
Items not affecting cash:		
Amortization of tangible capital assets	<u>996,454</u>	<u>1,004,986</u>
	297,005	(60,542)
 Changes in non-cash items on Statement of Financial Position		
(Increase) decrease in accounts receivable	1,416,177	(1,475,623)
(Increase) in trust funds held by federal government	(76)	(98)
(Increase) decrease in prepaid expenses	7,660	(29,211)
Increase (decrease) in accounts payable and accrued liabilities	1,235,169	874,421
Increase (decrease) in deferred revenue	<u>(344,019)</u>	<u>342,942</u>
	<u>2,611,916</u>	<u>(348,111)</u>
 Capital activities		
Purchase of tangible capital assets	<u>(931,835)</u>	<u>(696,622)</u>
 Financing activities		
Proceeds from long-term debt	-	500,000
Payment of long-term debt	<u>(1,153,071)</u>	<u>(143,581)</u>
	<u>(1,153,071)</u>	<u>356,419</u>
 Decrease in cash for the year	527,010	(688,314)
Bank indebtedness, beginning of year	<u>(781,184)</u>	<u>(92,870)</u>
Bank indebtedness, end of year	<u>\$ (254,174)</u>	<u>\$ (781,184)</u>

* Interest received during the year was \$40 (2015 - \$339). Interest paid during the year was \$251,869 (2015 - \$256,482). Interest received is made up of interest income from the Statement of Operations and Surplus in the amount of \$nil (2015 - \$nil). Interest paid is made up of interest expense from the Statement of Operations and Surplus in the amount of \$262,423 (2015 - \$256,482) less the increase in accrued interest payable in the amount of \$nil (2015 - increase \$nil)

Notes to the Financial Statements**March 31, 2016****General**

Marten Falls First Nation ("the First Nation"), a "band" as defined in the Indian Act, is located north east of Nakina, Ontario. It conducts its operations guided by the provisions of federal and provincial statutes.

1. Significant Accounting Policies**(a) Basis of Accounting:**

These financial statements have been prepared in accordance with accounting policies generally accepted for public sector as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants.

(b) Reporting Entity:

Marten Falls First Nation reporting entity includes the Marten Falls First Nation government only since there are no other related entities that are controlled by the First Nation. Consolidated financial statements are therefore not applicable.

(c) Asset Classification:

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale. Non-financial assets include tangible capital assets and prepaid expenses.

(d) Cash:

Cash includes cash on hand and balances with banks net of bank overdrafts.

(e) Net Debt:

The First Nation's financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt of the First Nation is determined by its financial liabilities less its financial assets. Net debt is comprised of two components, non-financial assets and accumulated surplus.

Notes to the Financial Statements
March 31, 2016

1. Significant Accounting Policies (continued)

(f) 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.

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as tangible capital assets. Assets under construction are not amortized until the asset is available to be put into service.

Amortization of tangible capital assets is recognized as an expense in the Statement of Operations and Surplus. Tangible capital assets are amortized over their expected useful lives using the declining balance method at the following rates.

CMHC Housing	4%
Seniors' Complex	4%
Activity Centre	4%
Map and Conference Centre	4%
Nurses duplex	4%
Police Station	4%
School Upgrade	4%
Modular homes	4%
Warehouse	4%
Water Treatment Plant	4%
Fuel tanks	10%
Furnaces	20%
Furniture and equipment	20%
Heavy equipment	20%
Automotive	20%
Fire truck	30%
School buses	30%
Computers	30%
Diesel Generating Station Upgrade	4%
Health Clinic	4%

Tangible capital assets are written-down when conditions indicate that they no longer contribute to Marten Falls 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 Statement of Operations and Surplus.

Contributed capital assets are recorded into revenues at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value. Transfers of tangible capital assets from related parties are recorded at carrying value.

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as tangible capital assets. Assets under construction are not amortized until the asset is available to be put into service.

Notes to the Financial Statements**March 31, 2016****1. Significant Accounting Policies (continued)****(g) Revenues:**

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.

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 and Surplus 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.

(h) Measurement Uncertainty:

In preparing the financial statements for the government of Marten Falls First Nation, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. The main estimates used in preparing these financial statements include allowance for doubtful accounts, due to/from government and government organizations and asset amortization rates. Actual results could differ from these estimates.

(i) Expense Allocation:

Certain expenses which pertain to the operations as a whole have been allocated to various projects at the discretion of Chief and Council.

(j) Casino Rama Fund:

Under terms of the agreement with the Ontario First Nations Limited Partnership, all income distributions from Casino Rama are designated for community development, health programs, education programs, economic development and/or cultural development. The First Nation has therefore designated an externally restricted fund to allocate all funds distributed from Casino Rama, but unspent at year-end.

(k) Administration fees:

It is the First Nation's policy to allocate certain administrative costs to the various programs. Such allocations are recorded as administration fees revenue on the applicable program Schedules on the Statements of Operations and Surplus.

Notes to the Financial Statements
March 31, 2016

2. Financial Instruments

The First Nation's financial instruments consist of accounts receivable, bank indebtedness, accounts payable and accrued liabilities, due to/from government and other government organizations and long-term debt which may be subject to certain types of risk.

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The First Nation has no foreign exchange and is not subject to currency risk.

Interest risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The First Nation has interest bearing debt that is subject to changes in interest rates, therefore, the First Nation is subject to interest risk. It is management's opinion that the First Nation is not exposed to significant interest risks.

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur financial loss. It is management's opinion that the First Nation is not exposed to significant credit risks.

3. Accounts Receivable

	<u>2016</u>	<u>2015</u>
<u>Operating Fund</u>		
Due from members:		
Social Housing	\$ 420,098	\$ 417,748
Loans	9,239	9,239
Marten Falls Power Authority - Client Services	804,204	804,204
Miscellaneous	<u>-</u>	<u>-</u>
	1,233,541	1,231,191
Allowance for doubtful accounts	<u>(1,231,191)</u>	<u>(1,229,741)</u>
	<u>2,350</u>	<u>1,450</u>
Due from others:		
Right to Play	8,314	-
Burmet Northern - Winter Road Usage	80,000	-
Hydro One - Remote Communities Inc. - Winter Road usage	30,508	-
Matawa First Nation Management	109,778	76,279
Nishnawbe Aski Nation	13,126	29,836
Small amounts owing (net of allowance for doubtful accounts)	<u>9,029</u>	<u>-</u>
	<u>250,755</u>	<u>106,115</u>
	<u>253,105</u>	<u>107,565</u>
<u>Casino Rama Fund</u>		
Miscellaneous	<u>-</u>	<u>-</u>
Total Accounts Receivable	\$ <u>253,105</u>	\$ <u>107,565</u>

Notes to the Financial Statements
March 31, 2016

4. First Nation Trust Funds

Trust fund accounts 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.

	Opening Balance	Additions	Withdrawals	Closing Balance	2016 Total	2015 Total
Revenue	\$ 3,187	\$ 76	\$ -	\$ 3,263	\$ 3,263	\$ 3,187
Capital	399	-	-	399	<u>399</u>	<u>399</u>
Fund Total					<u>\$ 3,662</u>	<u>\$ 3,586</u>

5. Due from Government and Other Government Organizations

	<u>2016</u>	<u>2015</u>
Federal Government		
Indigenous and Northern Affairs Canada	\$ 205,786	\$ 1,173,935
Health Canada	-	140,480
Canada Mortgage and Housing Corporation	<u>18,838</u>	<u>131,886</u>
	<u>224,624</u>	<u>1,446,301</u>
Provincial Government		
Ministry of Transportation	23,465	-
Ministry of Natural Resources and Forestry	19,817	-
Ministry of Northern Development and Mines	<u>489,953</u>	<u>829,947</u>
	<u>533,235</u>	<u>829,947</u>
Other Government Organizations		
HST receivable	<u>92,162</u>	<u>135,490</u>
	<u>\$ 850,021</u>	<u>\$ 2,411,738</u>

Notes to the Financial Statements
March 31, 2016

6. Bank Indebtedness

All bank overdrafts are due on demand and bear interest at the bank's prime lending rate plus 5% (7.85% at year-end), (2015 - 7.85%).

Under the terms of an agreement with Canada Mortgage and Housing Corporation, Marten Falls First 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.

Cash is comprised of the following:

	<u>2016</u>	<u>2015</u>
Externally Restricted		
Capital projects - Marten Falls Soil Remediation Project	\$ 847	\$ 952
Health - capital project	<u>50</u>	<u>1,527</u>
	<u>897</u>	<u>2,479</u>
Internally Restricted		
<u>Operating Fund</u>		
Arena Project account	121	130
INAC Co-management	78	3
Cliffs	765	873
Clinic Holdback	107	107
Education	(102,565)	(153,730)
Health and Social Services	291,006	(99,103)
MisAmik Housing Authority	128	6,697
Social Assistance	<u>(52,995)</u>	<u>12,660</u>
	136,645	(232,363)
<u>Casino Rama Fund</u>		
Casino Rama	<u>38,467</u>	<u>(82,362)</u>
	<u>175,112</u>	<u>(314,725)</u>
Unrestricted		
Operations and maintenance	(430,204)	(471,899)
Power Authority	<u>21</u>	<u>2,961</u>
	<u>(430,183)</u>	<u>(468,938)</u>
	<u>\$ (254,174)</u>	<u>\$ (781,184)</u>

Notes to the Financial Statements
March 31, 2016

7. Accounts Payable and Accrued Liabilities

	<u>2016</u>	<u>2015</u>
Trade payables	\$ 2,917,024	\$ 1,973,363
Accrued salaries and employee benefits payable	182,439	113,577
WSIB payable	24,857	38,295
Other accrued liabilities	<u>67,617</u>	<u>40,446</u>
	<u>\$ 3,191,937</u>	<u>\$ 2,165,681</u>

8. Due to Government and Other Government Organizations

	<u>2016</u>	<u>2015</u>
Federal Government	\$ 412,054	\$ 328,386
Provincial Government	95,694	6,441
Other Government organizations	<u>473,225</u>	<u>437,233</u>
	<u>\$ 980,973</u>	<u>\$ 772,060</u>

Notes to the Financial Statements
March 31, 2016

9. Deferred Revenue

	<u>Balance</u> <u>March 31, 2015</u>	<u>Funding</u> <u>Received</u>	<u>Revenue</u> <u>Recognized</u>	<u>Revenue</u> <u>Repayable</u>	<u>Balance</u> <u>March 31, 2016</u>
Federal Government					
<u>Aboriginal Affairs and Northern Development Canada</u>					
Water Treatability project	\$ 2,925	\$ -	\$ -	\$ -	\$ 2,925
Remediation project	-	40,000	40,000	-	-
Improving School Effectiveness	-	20,000	10,793	-	9,207
First Nation Education Management and Governance Capacity	-	10,955	9,450	-	1,505
	<u>2,925</u>	<u>70,955</u>	<u>60,243</u>	<u>-</u>	<u>13,637</u>
<u>Health Canada</u>					
Health Clinic - Health Canada	<u>121,187</u>	<u>628,325</u>	<u>592,640</u>	<u>-</u>	<u>156,872</u>
<u>Canada Mortgage and Housing</u>					
Housing Renovations	<u>32,872</u>	<u>158,406</u>	<u>191,278</u>	<u>-</u>	<u>-</u>
	<u>156,984</u>	<u>857,686</u>	<u>844,161</u>	<u>-</u>	<u>170,509</u>
Provincial Government					
<u>Ministry of Northern Development</u>					
<u>Development and Mines</u>					
CCLO Project	10,593	8,274	18,867	-	-
Skills Demonstration Project	85,520	-	52,100	-	33,420
Regional Framework Project	270,096	167,741	437,837	-	-
Well Being Project	<u>24,755</u>	<u>9,610</u>	<u>24,674</u>	<u>(9,691)</u>	<u>-</u>
	<u>390,964</u>	<u>185,625</u>	<u>533,478</u>	<u>(9,691)</u>	<u>33,420</u>
Total Deferred Revenue	<u>\$ 547,948</u>	<u>\$ 1,043,311</u>	<u>\$ 1,377,639</u>	<u>\$ (9,691)</u>	<u>\$ 203,929</u>

Notes to the Financial Statements

March 31, 2016

10. Long-Term Debt

	<u>2016</u>	<u>2015</u>
Royal Bank of Canada -		
Demand loan repayable in monthly instalments of \$1,270 including interest at 4.85% due March, 2017, secured by bus and Band Council Resolution assigning education transportation funding to repay the loan.	\$ 14,802	\$ 28,946
Term loan repayable in annual instalments of \$195,000 plus interest at prime plus 2.0%, due December, 2015, secured by general security agreement.	785,224	935,242
Demand loan repayable in monthly instalments of \$3,637 plus interest at prime plus 2.75%, secured by general security agreement.	19,947	61,250
Term loan repayable in monthly instalments of \$4,745 including interest at 4.25%, secured by general security agreement.	85,299	137,195
Term loan with interest only payments required monthly at prime plus 2.65%, due April, 2015, secured by general security agreement.	350,476	804,000
Term loan repayable in monthly instalments of \$3,064 including interest at 4.7% due May, 2018, secured by general security agreement.	74,215	106,647
Term loan repayable in monthly instalments of \$5,300 including interest at 4.95% due October, 2017.	356,702	401,275
Term loan repayable in monthly instalments of \$7,354 including interest at 4.75% due October, 2016 secured by general security agreement.	785,128	834,478
Guaranteed loan repayable in monthly instalments of \$6,968 including interest at 3.13% due April, 2017, guaranteed by INAC.	433,589	502,492
Guaranteed loan repayable in monthly instalments of \$3,879 including interest at 2.94% due April, 2014, guaranteed by INAC.	334,536	370,697
Guaranteed loan repayable in monthly instalments of \$3,865 including interest at 3.07% due February, 2019, guaranteed by INAC.	325,536	361,361
Capital lease for 2005 Caterpillar IT28 Loader and 2001 John Deere 550 H LT Dozer. Monthly rental payments of \$2,913 including interest at 5.50%, with an option to purchase for \$1 on April 10, 2017.	33,939	66,065
Caterpillar Financial Services Limited -		
Capital Lease repayable in monthly lease payments of \$2,706 including interest at 5.363% with an option price of \$55,200 due March 25, 2020. Secured by a 2014 Caterpillar DSK2LGP Track Type Tractor.	161,216	184,360

Notes to the Financial Statements
March 31, 2016

10. Long-Term Debt (continued)

Canada Mortgage and Housing Corporation -

Guaranteed loan repayable in monthly instalments of \$2,772 including interest at 2.63% due June, 2016, guaranteed by INAC.	292,463	318,409
Guaranteed loan repayable in monthly instalments of \$3,292 including interest at 1.62 due March, 2018, guaranteed by INAC.	430,750	463,638
Guaranteed loan repayable in monthly instalments of \$1,851 including interest at 1.65% due June, 2017, guaranteed by INAC.	223,351	242,053
Guaranteed loan repayable in monthly instalments of \$1,861 including interest at 2.61% due September, 2014, guaranteed by INAC.	259,852	277,267
Guaranteed loan repayable in monthly instalments of \$2,640 including interest at 1.65% due June, 2017, guaranteed by INAC.	<u>449,520</u>	<u>474,241</u>
	<u>\$ 5,416,545</u>	<u>\$ 6,569,616</u>

Anticipated repayments over the next five years and thereafter, assuming renewal on similar terms and conditions, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 638,276	\$ 214,505	\$ 852,781
2018	598,691	166,441	765,132
2019	560,160	116,835	676,995
2020	577,000	95,412	672,412
2021	528,164	73,101	601,265
Thereafter	<u>2,514,254</u>	<u>70,824</u>	<u>2,585,078</u>
	<u>\$ 5,416,545</u>	<u>\$ 737,118</u>	<u>\$ 6,153,663</u>

11. Ontario Power Generation Agreement

In accordance with the terms of an agreement in a prior year with Ontario Power Generation, the First Nation is entitled to receive \$195,000 annually until the year 2018 as a contribution toward the Arena project.

Under a letter of direction agreed to by the First Nation, that amount is applied annually against certain outstanding debt related to the arena project included in Note 10 above.

Notes to the Financial Statements
March 31, 2016

12. Replacement Reserve

	<u>2016</u>	<u>2015</u>
Balance, beginning of year	\$ 421,900	\$ 367,950
Replacement reserve allocation	<u>31,150</u>	<u>53,950</u>
Balance, end of year	<u>\$ 453,050</u>	<u>\$ 421,900</u>

Under the terms of housing funding agreements with Canada Mortgage and Housing Corporation ("CMHC"), this reserve, calculated as a stipulated amount (\$350 - \$1,100) per unit, is to be held in a separate bank account and used only with CMHC approval. As at the year-end, a separate bank account has not been established. Schedule 47 shows the transfers from each housing program. In the prior year, an additional one-time allocation of \$22,800 was recognized to match the CMHC requirements for prior years.

13. Interfund Transfers

During the year, an amount of \$931,835 (2015 - \$696,622) was transferred from Capital Funds to the Operating Funds which represent tangible capital assets purchased and capital asset projects that were developed by the First Nation during the year from various capital projects.

14. Prepaid Expenses

	<u>2016</u>	<u>2015</u>
Honorariums	\$ 3,000	\$ 30,211
Student tuition, room and board and allowances	<u>29,786</u>	<u>10,235</u>
Total prepaid expenses	<u>\$ 32,786</u>	<u>\$ 40,446</u>

15. Tangible Capital Assets

The Tangible Capital Assets detailed in this note presents all balances and changes in the year relating to tangible capital assets owned by the First Nation acquired after March 31, 1997. Tangible capital assets acquired previous to April 1, 1997 are not reflected in the Tangible Capital Assets balance.

In April 2009, the First Nation adopted Public Sector Accounting Handbook Section 3150 - Tangible Capital Assets which requires all tangible capital assets in use to be included in the Statement of Financial Position. The First Nation is in the process of preparing a complete listing of tangible capital assets and valuing the assets which have not been previously recorded, but this list has not yet been completed.

MARTEN FALLS FIRST NATION

Notes to Financial Statements

March 31, 2016

15. Tangible Capital Assets (continued)

	Cost		Amortization		Net Book Value		Increase (decrease) in Net Book Value
	Opening Balance	Additions (disposals)	Closing Balance	Opening Balance	Total 2016	Total 2015	
Tangible Capital Assets							
CMHC Housing	\$ 6,685,286	\$ -	\$ 6,685,286	\$ 2,727,130	\$ 3,958,156	\$ 3,958,156	\$ (158,321)
Seniors' complex	665,814	-	665,814	326,253	339,561	339,561	(13,582)
Activity Centre	5,358,129	-	5,358,129	1,108,213	4,079,919	4,249,916	(169,997)
Map and Conference Centre	117,555	-	117,555	26,726	87,196	90,829	(3,633)
Nurses duplex	419,583	-	419,583	157,145	251,940	262,438	(10,498)
Police Station	183,619	-	183,619	71,096	108,022	112,523	(4,501)
School Upgrade	1,332,283	-	1,332,283	278,921	1,011,228	1,053,362	(42,134)
Modular Homes	1,296,534	-	1,296,534	92,054	1,156,300	1,204,480	(48,180)
Warehouse	187,495	-	187,495	81,333	101,915	106,162	(4,247)
Water Treatment Plant	466,793	-	466,793	105,426	346,912	361,367	(14,455)
Fuel tanks	422,063	-	422,063	379,856	29,545	42,207	(12,662)
Furnaces	96,917	-	96,917	91,262	4,523	5,655	(1,132)
Furniture and equipment	598,210	-	598,210	444,771	122,752	153,439	(30,687)
Heavy equipment	1,134,594	-	1,134,594	791,676	274,333	342,918	(68,585)
Automotive	8,500	-	8,500	8,374	89	126	(37)
Fire Truck	96,500	-	96,500	94,877	1,135	1,623	(488)
School buses	148,235	-	148,235	127,175	14,741	21,060	(6,319)
Computers	60,813	-	60,813	53,099	5,400	7,714	(2,314)
Diesel Generating Station upgrade	5,547,066	-	5,547,066	957,758	4,405,736	4,589,308	(183,572)
Health Clinic	5,545,796	592,640	6,138,436	314,358	5,602,968	5,231,438	371,530
Assets Under Construction							
Four unit housing and training centre	-	339,195	339,195	-	339,195	-	339,195
Total	\$ 30,371,785	\$ 931,835	\$ 31,303,620	\$ 8,237,503	\$ 22,069,663	\$ 22,134,282	\$ (64,619)

Notes to the Financial Statements
March 31, 2016

16. Operating Agreement with Hydro One Remote Communities Inc.

On May 11, 2009, Marten Falls First Nation entered into a five-year operating agreement with Hydro One Remote Communities Inc. (Hydro One) which began on December 15, 2009. Under this agreement, the First Nation maintains ownership of the assets used with Hydro One operating and maintaining the assets, as well as collecting all revenue from the operations.

17. Economic Dependence

The government of Marten Falls First Nation receives a major portion of its revenue from Indigenous and Northern Affairs Canada and Health Canada. The nature and extent of this revenue is of such significance that the First Nation is economically dependent on this source of revenue.

18. Contingencies

Marten Falls First Nation has entered into contribution agreements with various federal government departments. Funding received under these contribution agreements is subject to repayment if the First Nation fails to comply with the terms and conditions of the agreements.

For Canada Mortgage and Housing Corporation, the First Nation is contingently liable for subsidy surpluses as assessed by CMHC for prior periods. The settlement of amounts receivable or payable, if any, will be determined in a future period and recorded at that time.

In addition, in the normal course of its operations, Marten Falls First Nation becomes involved in legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded on Marten Falls First Nation's financial statements.

The First Nation is in the process of defending a default judgment in the amount of \$530,488 plus interest and costs. The default judgemental relates to winter road construction and maintenance costs plus services related to stumping. The outcome is not determinable at this time.

19. Contractual Obligations

The nature of Marten Falls First Nation's activities can result in some multi-year contracts whereby it will be obligated to make future payments when the goods or services are received. Significant contractual obligations that can be reasonably estimated at year-end are summarized as follows:

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2019 and thereafter</u>	<u>Total</u>
Photocopier lease - education	\$ 2,717	\$ -	\$ -	\$ -	\$ -	\$ 2,717
Photocopier lease - administration	2,688	-	-	-	-	2,688
RBC Leasing (Loader) - administration	34,958	-	-	-	-	34,958
CAT Financing (Dozer) - administration	<u>32,468</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,468</u>
Total	<u>\$ 72,831</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 72,831</u>

Notes to the Financial Statements

March 31, 2016

20. Comparative Figures

Certain of the prior year's figures have been reclassified to conform with the current year's presentation.

21. Budgeted Figures

The budgeted figures are presented for comparative purposes and are unaudited. The operating budget has been approved by Chief and Council and is reflected in the Statement of Operations and Surplus and in note 25 Segment Disclosure. The First Nation does not budget activity for reserve funds or for capital projects. Budget figures have been restated to be comparable with the PSAB reporting reflected in the actual results.

22. Capital Disclosure

The First Nation considers its capital to be the balance retained in its fund balances, generally the difference between its assets and its liabilities as reported on the Statement of Financial Position.

The First Nation's objectives when managing capital are to safeguard its ability to continue as a going concern so that it can continue to provide delivery of its services to the members.

Management maintains its capital by ensuring that annual operating and capital budgets are developed (and approved by the Chief and Council) based on known or estimated sources of funding available each year.

23. Expenses by Object

The following is a summary of expenses by object:

	<u>2016</u>	<u>2015</u>
Salaries and wages	\$ 3,939,927	\$ 3,454,119
Employee benefits	136,210	90,064
Staff development	15,795	30,564
Supplies and services	2,669,837	3,019,314
Interest	278,609	271,749
Professional services	848,226	1,083,057
Rental expenditures	445,192	391,506
Fees and contract services	1,797,046	2,051,094
Other	1,098,558	1,081,302
Amortization	<u>996,454</u>	<u>1,004,984</u>
	<u>\$ 12,225,854</u>	<u>\$ 12,477,753</u>

Notes to the Financial Statements

March 31, 2016

24. Repayment of surpluses

Repayment (recovery) of program surpluses are identified by program as follows:

	<u>2016</u>	<u>2015</u>
Indigenous and Northern Affairs Canada		
Schedule 3 - Secondary Education	\$ 107,175	\$ 149,278
Nishnawbe Aski Nation		
Schedule 17 - FAS/FAE Project	80	-
Schedule 19 - Aboriginal Healing & Wellness - Crisis Intervention	(6,842)	-
Schedule 20 - Healthy Babies Healthy Children	(879)	-
Ministry of Northern Development and Mines		
Schedule 34 - Mining - Strategic Partner Initiative	(33,075)	-
Schedule 36 - Regional Framework	89,253	-
Closed Programs		
- Diesel Generation Upgrade Program	<u>-</u>	<u>25,747</u>
	<u>\$ 155,712</u>	<u>\$ 175,025</u>

	Education			Health			Economic Development			Housing			Community Services		
	2016 Budget	2016 Actual	2015 Actual	2016 Budget	2016 Actual	2015 Actual	2016 Budget	2016 Actual	2015 Actual	2016 Budget	2016 Actual	2015 Actual	2016 Budget	2016 Actual	2015 Actual
Revenues															
Federal	2,102,038	2,091,326	2,154,539	1,759,468	1,653,168	1,462,843	225,000	225,000	315,370	417,328	417,329	393,414	-	-	-
Government	-	-	-	55,476	48,876	49,539	1,453,220	937,374	1,958,059	-	-	-	-	-	-
Provincial	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic	-	-	23	-	4	50	-	-	-	-	-	-	-	-	-
Activities	-	31,075	(126,290)	160,496	177,421	54,023	-	21,238	(33,270)	31,150	31,150	53,950	1,074,773	1,083,087	1,169,119
Other revenue	-	2,122,401	2,028,272	1,975,440	1,879,469	1,566,455	1,678,220	1,183,612	2,240,159	448,478	448,479	447,364	1,074,773	1,083,091	1,169,119
Total Revenues	2,102,038	2,122,401	2,028,272	1,975,440	1,879,469	1,566,455	1,678,220	1,183,612	2,240,159	448,478	448,479	447,364	1,074,773	1,083,091	1,169,119
Expenses															
Salaries and benefits	934,765	999,225	853,875	554,251	647,785	613,820	1,105,293	479,166	496,226	-	55,925	20,624	292,159	84,869	187,111
Amortization	-	12,336	16,854	-	-	146	-	586	157	-	171,908	179,071	-	169,997	177,111
Debt Servicing	-	1,095	2,215	-	-	-	-	-	-	383,651	68,510	82,977	195,000	52,420	56,111
Other Expenses	1,167,273	1,218,882	1,392,473	1,421,189	1,429,646	1,074,235	572,927	854,742	1,611,299	64,827	157,971	508,899	587,614	488,050	482,111
Total Expenses	2,102,038	2,231,538	2,265,417	1,975,440	2,077,546	1,688,201	1,678,220	1,334,494	2,107,682	448,478	454,314	791,571	1,074,773	793,336	904,111
Annual Surplus (Deficit)	-	(109,137)	(237,145)	-	(198,077)	(121,746)	-	(150,882)	132,477	-	(5,835)	(344,207)	-	287,755	265,008

MARTEN FALLS FIRST NATION

Notes to the Financial Statements March 31, 2016

25. Segment Disclosure (continued)

	Social Services			Band Government			Other			Inter-segment Eliminations			Consolidated Totals		
	2016 Budget	2016 Actual	2015 Actual	2016 Budget	2016 Actual	2015 Actual	2016 Budget	2016 Actual	2015 Actual	2016 Budget	2016 Actual	2015 Actual	2016 Budget	2016 Actual	2015 Actual
Revenues															
Federal Government	154,000	154,000	149,800	388,159	388,159	412,745	1,299,266	1,296,341	1,302,589	-	-	-	6,345,259	6,225,323	6,191,3
Provincial Government	995,856	995,856	870,413	-	-	-	198,173	452,449	398,869	-	-	-	2,702,725	2,434,555	3,276,1
Economic Activities	-	-	-	-	32	195	64,200	238,539	96,956	-	-	-	64,200	238,579	97,2
Other revenue	-	-	250	20,000	345,443	279,736	162,411	162,411	268,404	(170,045)	(170,045)	(183,147)	1,417,680	1,681,780	1,480,1
Total Revenue	<u>1,149,856</u>	<u>1,149,856</u>	<u>1,020,463</u>	<u>408,159</u>	<u>733,634</u>	<u>692,676</u>	<u>1,724,050</u>	<u>2,149,740</u>	<u>2,066,818</u>	<u>(31,150)</u>	<u>(170,045)</u>	<u>(183,147)</u>	<u>10,529,864</u>	<u>10,580,237</u>	<u>11,046,1</u>
Expenses															
Salaries and benefits	215,000	115,156	143,255	300,000	568,291	326,632	600,000	787,189	774,875	-	-	-	4,001,468	3,737,606	3,417,1
Amortization	-	-	1,799	-	71,417	66,837	-	570,094	563,039	-	-	-	-	996,453	1,004,1
Debt Servicing	-	-	-	-	68,152	52,926	-	72,246	61,849	-	-	-	-	262,423	256,1
Other Expenses	934,856	1,119,606	978,506	108,159	564,886	637,449	1,124,050	1,395,589	1,454,368	(31,150)	(170,045)	(183,147)	5,949,745	7,059,377	7,954,1
Total Expenses	<u>1,149,856</u>	<u>1,234,762</u>	<u>1,123,560</u>	<u>408,159</u>	<u>1,272,746</u>	<u>1,083,844</u>	<u>1,724,050</u>	<u>2,825,118</u>	<u>2,834,131</u>	<u>(31,150)</u>	<u>(170,045)</u>	<u>(183,147)</u>	<u>10,529,864</u>	<u>12,055,809</u>	<u>12,633,1</u>
Annual Surplus (Deficit)	<u>-</u>	<u>(84,906)</u>	<u>(103,097)</u>	<u>-</u>	<u>(539,112)</u>	<u>(391,168)</u>	<u>-</u>	<u>(675,378)</u>	<u>(767,313)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,475,572)</u>	<u>(1,475,572)</u>	<u>(1,587,1)</u>