

**Mitaanjigamiing First Nation
Consolidated Financial Statements
For the year ended March 31, 2014**

Mitaanjigamiing First Nation
Consolidated Financial Statements
For the year ended March 31, 2014

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Mitaanjigamiing First Nation Management's Responsibility for Financial Reporting

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

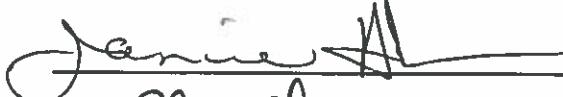
The consolidated financial statements have been prepared by management in accordance with Public Sector Accounting Principles. Consolidated financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has 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.

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

The Mitaanjigamiing 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 reviews the First Nation's consolidated financial statements and 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 annual report, the consolidated financial statements and the external auditor's report.

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

 _____ Chief

 _____ Councilor

 _____ Councilor

Independent Auditor's Report

To the Members of Mitaanjigamiing First Nation

We have audited the accompanying consolidated financial statements of Mitaanjigamiing First Nation as at March 31, 2014, which are comprised of the Consolidated Statement of Financial Position, Consolidated Statement of Operations, Consolidated Statement of Changes in Accumulated Surplus, Consolidated Statement of Change in Net Financial Assets (Debt) and Consolidated Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating 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 audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly in all material respects, the financial position of Mitaanjigamiing First Nation as at March 31, 2014, and the results of operations, change in net financial assets (debt) and cash flows for the year then ended in accordance with Canadian public sector accounting standards.



Other Matters

Mitaanjigamiing First Nation has also prepared another set of financial statements for the year ended March 31, 2014 in accordance with Canadian public sector accounting standards. However, these financial statements include unaudited supplementary schedules which present detailed program revenues and expenditures prepared to assist management of Mitaanjigamiing First Nation to meet the reporting requirements of various funding agencies. Our audit report on the other set of financial statements was issued to Chief and Council of Mitaanjigamiing First Nation and was dated August 14, 2014.

BDO CANADA LLP

Chartered Accountants, Licensed Public Accountants

Fort Frances, Ontario
August 14, 2014

Mitaanjigamiing First Nation
Consolidated Statement of Financial Position

March 31	2014	2013
Financial assets		
Short-term investment (Note 3)	\$ 111,429	\$ 244,000
Accounts receivable	799,109	506,287
Loans and advances (Note 4)	18,515	17,059
Trust funds	8,859	393,329
Advances to affiliated parties (Note 5)	228,970	680,000
Portfolio investments (Note 7)	609,603	347,807
Due from related party	<u>16,696</u>	-
	<u>1,793,181</u>	<u>2,188,482</u>
Liabilities		
Bank indebtedness (Note 2)	73,397	146,833
Accounts payable and accrued liabilities	1,287,316	922,870
Term loans (Note 12)	269,573	395,831
Demand debt (Note 11)	2,490,548	1,925,164
Deferred revenue (Note 10)	90,730	204,681
Investment in government business enterprise (Note 6)	<u>41,430</u>	-
	<u>4,252,994</u>	<u>3,595,379</u>
Net financial assets (debt)	<u>(2,459,813)</u>	<u>(1,406,897)</u>
Non-financial assets		
Tangible capital assets (Note 9)	6,453,861	6,668,530
Prepaid expenses	2,350	21,835
Tangible capital assets under construction	<u>1,577,824</u>	<u>50,300</u>
	<u>8,034,035</u>	<u>6,740,665</u>
Accumulated surplus (Note 8)	<u>\$ 5,574,222</u>	<u>\$ 5,333,768</u>


 Chief


 Councilor


 Councilor

Mitaanjigamiing First Nation Consolidated Statement of Operations

For the year ended March 31	Budget	2014	2013
Revenue			
AANDC - grant	\$ 135,866	\$ 135,866	\$ 135,889
AANDC - set contribution funding	1,010,694	667,382	1,243,695
AANDC - fixed contribution funding	1,277,355	956,428	695,172
Revenue - trust fund	27,664	9,933	19,590
Rental - housing and other buildings	16,350	16,350	16,850
Ministry of Community and Social Services	-	178,468	146,525
Ministry of Aboriginal Affairs	895,620	697,304	540,071
Miscellaneous	11,128	132,944	140,825
Shooniyyaa Wa-Biitong	60,932	54,762	46,649
Resource revenue	-	155,607	50,000
Ministry of Health	45,000	45,000	45,000
Northern Ontario Heritage Fund	756,068	686,214	20,096
Casino Rama revenue	644,404	396,678	397,775
Fort Frances Area Tribal Health Authority	114,102	100,698	106,060
Weechi-it-te-win	336,064	415,384	286,064
Referral fees	-	-	147,352
Health Canada	196,364	196,364	232,136
Loss from government business enterprise (Note 6)	-	(41,430)	-
	5,527,611	4,803,952	4,269,749
Deferred revenue, beginning of year	-	204,681	-
Deferred revenue, end of year	-	(90,730)	(204,681)
	5,527,611	4,917,903	4,065,068
Expenditures			
Band support	604,234	876,676	977,823
Operations and maintenance	264,727	334,378	308,845
Education	1,060,531	1,047,595	1,110,433
Social services	156,328	224,886	249,231
Other operating programs	45,565	58,969	52,356
Weechi-it-te-win program	336,064	413,384	298,545
Aboriginal healing and wellness strategy	50,049	50,049	50,148
Capital programs	196,360	197,948	339,429
Medical transportation	39,659	44,269	70,948
Other AANDC programs	76,774	67,565	65,017
Integrated Community Based Health Services	133,302	133,302	138,214
Casino Rama	679,759	250,847	198,142
New Relationship Fund	239,220	180,704	127,072
Gymnasium Project	45,650	2,436	-
Land and flood claims	800,526	794,441	696,297
	4,728,748	4,677,449	4,682,500
Annual surplus (deficit)	\$ 798,863	\$ 240,454	\$ (617,432)

Mitaanjigamiing First Nation
Consolidated Statement of Changes in Accumulated Surplus

For the year ended March 31	2014	2013
First Nation accumulated surplus, beginning of year	\$ 5,333,768	\$ 5,951,200
Annual surplus (deficit)	240,454	(617,432)
First Nation accumulated surplus, end of year	\$ 5,574,222	\$ 5,333,768

**Mitaanjigamiing First Nation
Consolidated Statement of Change in Net Financial Assets (Debt)**

<u>For the year ended March 31</u>	<u>Budget</u>	<u>2014</u>	<u>2013</u>
Annual surplus (deficit)	\$ 798,863	\$ 240,454	\$ (617,432)
Acquisition of tangible capital assets	(1,893,333)	(1,527,524)	(351,563)
Amortization of tangible capital assets	214,669	214,669	222,313
	<u>(879,801)</u>	<u>(1,072,401)</u>	<u>(746,682)</u>
(Acquisition)/consumption of prepaid expenses and inventory of supplies	-	19,485	(11,513)
Net decrease in net assets (debt)	(879,801)	(1,052,916)	(758,195)
Net financial assets (debt), beginning of year	(1,406,897)	(1,406,897)	(648,702)
Net financial assets (debt), end of year	\$ (2,286,698)	\$ (2,459,813)	\$ (1,406,897)

**Mitaanjigamiing First Nation
Consolidated Statement of Cash Flows**

For the year ended March 31	2014	2013
Cash flows from operating activities		
Annual surplus (deficit)	\$ 240,454	\$ (617,432)
Item not involving cash		
Amortization of tangible capital assets	214,669	222,313
Changes in non-cash working capital		
Accounts receivable	(292,824)	534,402
Loans and advances	(1,456)	-
Advances to affiliated parties	451,030	65,975
Prepaid expenses	19,485	(11,510)
Accounts payable and accrued liabilities	364,448	(217,234)
Deferred revenue	(113,951)	204,681
Government business enterprise	41,430	-
	923,285	181,195
Cash flows from capital activities		
Purchase of capital assets	(1,527,524)	(351,563)
Cash flows from financing activities		
Increase in demand and long-term debt	439,126	472,109
Cash flows from investing activities		
Acquisition of portfolio investments	(261,796)	(312,097)
Disposal/(acquisition) of investments	132,571	(244,000)
Trust funds	384,470	433,585
Related party loan	(16,696)	-
	238,549	(122,512)
Increase in cash during the year	73,436	179,229
Bank indebtedness, beginning of year	(146,833)	(326,062)
Bank indebtedness, end of year	\$ (73,397)	\$ (146,833)

Mitaanjigamiing First Nation Summary of Significant Accounting Policies

March 31, 2014

Basis of Accounting	<p>These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local government entities, as defined in the Canadian Institute of Chartered Accountants Public Sector Accounting and Auditing Handbook, and include all Organizations, operations and activities that are:</p> <ol style="list-style-type: none">1) accountable for the administration of their financial affairs and resources directly to the First Nation; and2) owned or controlled by the First Nation. <p>This includes all aspects of band operations including provision of social, educational, administration and operational services, as well as, the results of First Nation enterprises on a modified equity method as disclosed in Note 6 to these consolidated financial statements.</p> <p>Other long-term investments are reflected at cost as disclosed in Note 7.</p> <p>Government business enterprises are separate legal entities which do not rely on the First Nation for funding. The First Nation's government business enterprise consist of its wholly owned subsidiary 1468069 Ontario Limited operating as Gobe Corporation. This investment is accounted for using the modified equity basis of accounting. Under this method, the government business enterprise's accounting policies, which follow Canadian generally accepted accounting principles for publicly accountable enterprises, are not adjusted to conform with Public Sector Accounting Standards and inter-entity transactions and balances are not eliminated.</p>
Government Transfers	<p>Government transfers, which include legislative grants, are recognized as revenue in the consolidated financial statements 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. When transfer stipulations give rise to a liability, government transfers are recognized as referred revenue and recognized as revenue when the stipulations are settled.</p>
Cash and Cash Equivalents	<p>Management considers all highly liquid investments with maturities of three months or less at acquisition to be cash equivalents.</p>

Mitaanjigamiing First Nation Summary of Significant Accounting Policies

March 31, 2014

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:

Buildings	50 years
Equipment	10 years
Vehicles	10 years
Roads	15 to 80 years
Housing	50 years
Other	20 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.

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.

Financial Instruments

The First Nation's financial instruments consist of cash and cash equivalents, accounts receivable, loans and advances, accounts payable and accrued liabilities, trust funds, advances to affiliated parties, short-term investments, portfolio investments and demand debt. Unless otherwise noted, it is management's opinion that the First Nation is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

Investments

The modified equity method of accounting is used to account for investments in First Nation business enterprises which the First Nation owns and controls. Under this method, the investment is initially recorded at cost and the carrying value is adjusted annually thereafter to include the First Nation's pro rata share of post acquisition earnings.

Other investments, where control does not exist, are accounted for following the cost method of accounting. Under this method, the investment is recorded at cost and earnings from the investment are recognized only to the extent received or receivable.

Mitaanjigamiing First Nation Summary of Significant Accounting Policies

March 31, 2014

Measurement Uncertainty	Estimates are used to accrue revenues and expenses in circumstances where the actual accrued revenues are unknown at the time the consolidated financial statements are prepared. Uncertainty in the determination of the amount at which an item is recognized in the consolidated financial statements is known as measurement uncertainty. Such uncertainty exists when there is a variance between the recognized amount and another reasonable possible amount, as there is whenever estimates are used.
Use of Estimates	<p>The preparation of consolidated financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.</p> <p>The estimates used in the preparation of these consolidated financial statements are the useful lives of property, plant and equipment and accrued liabilities.</p>

Mitaanjigamiing First Nation Notes to Consolidated Financial Statements

March 31, 2014

1. Change in Accounting Policy

Effective April 1, 2013, the First Nation adopted on a prospective basis the new accounting standard PS3410 Government Transfers from the Chartered Professional Accountants Canada Handbook.

Government transfers are recognized when authorized and eligibility criteria have been met unless the transfer contains stipulations that create a liability. If the transfer contains stipulations that create a liability, the related revenue is recognized over the period that the liability is extinguished.

2. Bank Indebtedness

	2014	2013
Externally restricted Capital improvements	\$ -	\$ 154,681
Internally restricted Reserves	42,799	42,799
Unrestricted Operating	<u>(116,196)</u>	<u>(344,313)</u>
Total bank indebtedness	<u>\$ (73,397)</u>	<u>\$ (146,833)</u>

Bank indebtedness is covered by a credit line with a maximum authorized amount of \$300,000. The credit line carries an interest rate of prime + 2.20% and is due on demand.

3. Short-term Investment

	2014	2013
One year GIC, 0.8% interest, maturity date October 21, 2014	<u>\$ 111,429</u>	<u>\$ 244,000</u>

Mitaanjigamiing First Nation Notes to Consolidated Financial Statements

March 31, 2014

4. Loans and Advances

	2014	2013
Loans and advances	\$ 31,720	\$ 30,264
Allowance for doubtful accounts	<u>(13,205)</u>	<u>(13,205)</u>
	<u>\$ 18,515</u>	<u>\$ 17,059</u>

The majority of loans and advances are due from band members for rent, services provided or outstanding travel advances.

5. Advances to Affiliated Parties

	Payment Terms	Interest Rate	2014	2013
Agency One	Unspecified	Unspecified	\$ -	\$ 142,500
Rainy Lake Tribal				
Development Corporation	Unspecified	Unspecified	35,715	356,745
Nanicost Ltd.	Unspecified	Unspecified	<u>193,255</u>	<u>180,755</u>
			<u>\$ 228,970</u>	<u>\$ 680,000</u>

The Rainy Lake Tribal Development Corporation loan was reduced by transferring \$321,030 into preference shares. All amounts due from affiliated Companies are unsecured.

Mitaanjigamiing First Nation Notes to Consolidated Financial Statements

March 31, 2014

6. Investment in Government Business Enterprise

1468069 Ontario Limited operating as GOBE Corporation

1468069 Ontario Limited operating as GOBE Corporation is a Corporation that was created for the purpose of exploring economic activities that the First Nation can be involved in. This may include partnerships, joint ventures or creating business within the Corporation. The Corporation currently is in the exploratory stage at the end of the fiscal year.

The condensed supplementary financial information is as follows:

	<u>2014</u>
Financial position	
Current assets	\$ 13,779
Capital assets	<u>55,863</u>
Total assets	<u>69,642</u>
Current liabilities	22,072
Long-term liabilities	<u>88,999</u>
Total liabilities	<u>111,071</u>
Share capital	1
Net deficit, end of year	<u>(41,430)</u>
Deficit	<u>\$ (41,429)</u>
Results of operations	
Revenues	\$ 10,000
Operating expenses	<u>51,430</u>
Net loss	<u>(41,430)</u>
Net equity, beginning of year	-
Net deficit, end of year	<u>\$ (41,430)</u>

Mitaanjigamiing First Nation Notes to Consolidated Financial Statements

March 31, 2014

7. Portfolio Investments

	Percentage ownership	2014	2013
Rainy Lake Tribal Development Corporation (RLTDC) - common shares	16 2/3%	\$ 35,714	\$ 35,714
Rainy Lake Tribal Development Corporation (RLTDC) - preference shares		489,835	232,483
Rainy Lake Resource Management	16 2/3%	100	100
New Gold Inc.		83,954	79,510
		<hr/> <u>\$ 609,603</u>	<hr/> <u>\$ 347,807</u>

Portfolio investments are valued at cost. 10,971 New Gold Inc. shares were trading at \$5.54/share as of March 31, 2014. The fair market value of the investment at March 31, 2014, is \$60,779 (March 31, 2013, is \$50,388). The fair market value of all other investments approximate their costs.

Mitaanjigamiing First Nation Notes to Consolidated Financial Statements

March 31, 2014

8. Accumulated Surplus

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

	2014	2013
Investment in tangible capital assets		
Tangible capital assets	\$ 6,453,861	\$ 6,668,530
Tangible capital assets under construction	<u>1,577,824</u>	<u>50,300</u>
Total investment in tangible capital assets	<u>8,031,685</u>	<u>6,718,830</u>
Current funds	<u>(2,467,691)</u>	<u>(1,821,191)</u>
Government business enterprise	<u>(41,430)</u>	-
Reserve funds		
School bus	22,799	22,799
Water treatment plant	<u>20,000</u>	<u>20,000</u>
Total reserve funds	<u>42,799</u>	<u>42,799</u>
Trust investments		
Capital trust	-	370,240
Revenue trust	<u>8,859</u>	<u>23,090</u>
Total trust investments	<u>8,859</u>	<u>393,330</u>
	<u><u>\$ 5,574,222</u></u>	<u><u>\$ 5,333,768</u></u>

The investment in tangible capital assets represents amounts already spent and invested in infrastructure and other non-financial assets.

Reserve funds represent funds set aside by Council resolution for specific purposes.

Mitaanjigamiiing First Nation
Notes to Consolidated Financial Statements

March 31, 2014

9. Tangible Capital Assets

	<u>2014</u>						
	Buildings	Equipment	Vehicles	Roads	Housing	Other	Total
Cost, beginning of year	\$ 4,729,287	\$ 454,093	\$ 369,652	\$ 207,373	\$ 3,569,699	\$ 65,870	\$ 9,395,974
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Cost, end of year	4,729,287	454,093	369,652	207,373	3,569,699	65,870	9,395,974
Accumulated amortization, beginning of year	1,425,572	366,982	165,946	73,903	662,108	32,933	2,727,444
Amortization	94,586	12,350	30,426	2,620	71,394	3,293	214,669
Disposals	-	-	-	-	-	-	-
Accumulated amortization, end of year	1,520,158	379,332	196,372	76,523	733,502	36,226	2,942,113
Net carrying amount, end of year	\$ 3,209,129	\$ 74,761	\$ 173,280	\$ 130,850	\$ 2,836,197	\$ 29,644	\$ 6,453,861

The net book value of tangible capital assets not being amortized because they are under construction is \$1,577,824 (2013 - \$50,300). These items are recognized separately as tangible capital assets under construction in the consolidated statement of financial position. This relates to the gymnasium project.

Mitaanjigamiiing First Nation
Notes to Consolidated Financial Statements

March 31, 2014

9. Tangible Capital Assets (continued)

	2013						
	Buildings	Equipment	Vehicles	Roads	Housing	Other	Total
Cost, beginning of year	\$ 4,689,654	\$ 454,093	\$ 320,022	\$ 207,373	\$ 3,357,699	\$ 65,870	\$ 9,094,711
Additions	39,633	-	49,630	-	212,000	-	301,263
Disposals	-	-	-	-	-	-	-
Cost, end of year	4,729,287	454,093	369,652	207,373	3,569,699	65,870	9,395,974
<hr/>							
Accumulated amortization, beginning of year	1,330,212	355,752	127,876	71,283	590,368	29,640	2,505,131
Amortization	95,360	11,230	38,070	2,620	71,740	3,293	222,313
Disposals	-	-	-	-	-	-	-
Accumulated amortization, end of year	1,425,572	366,982	165,946	73,903	662,108	32,933	2,727,444
Net carrying amount, end of year	<u>\$ 3,303,715</u>	<u>\$ 87,111</u>	<u>\$ 203,706</u>	<u>\$ 133,470</u>	<u>\$ 2,907,591</u>	<u>\$ 32,937</u>	<u>\$ 6,668,530</u>

Mitaanjigamiing First Nation Notes to Consolidated Financial Statements

March 31, 2014

10. Deferred Revenue

	Balance March 31, 2013	Funding Received 2014	Revenue Recognized 2014	Balance March 31, 2014
Federal Government				
Land Management	\$ 50,000	\$ 10,000	\$ 10,150	\$ 49,850
Provincial Government				
Ministry of Aboriginal Affairs	154,681	-	154,681	-
Post Secondary Education	- 361,826	361,826	320,946	40,880
	\$ 204,681	\$ 371,826	\$ 485,777	\$ 90,730

Land Management

Aboriginal Affairs and Northern Development Canada advances the First Nation funding in relation to land management. These funds must be spent on land management projects within the boundaries of the First Nation.

Post Secondary Education

Aboriginal Affairs and Northern Development Canada advances the First Nation funding in relation to post secondary education. This funding must be spent on post secondary education costs of members of the First Nation.

Mitaanjigamiing First Nation Notes to Consolidated Financial Statements

March 31, 2014

11. Demand Debt

	2014	2013
Flood claim litigation loan, non-interest bearing, maturing March 2019 or when litigation is settled, whichever comes first.	\$ 15,000	\$ 15,000
Flood claim litigation loan, non-interest bearing, maturing March 2015 or when litigation is settled, whichever comes first. Maximum 5 year extension is available if litigation is not settled by 2015.	142,566	142,566
Flood claim litigation loan, non-interest bearing, maturing March 2016 or when litigation is settled, whichever comes first. Maximum 5 year extension is available if litigation is not settled by 2016.	565,546	565,546
Flood claim litigation loan, non-interest bearing, maturing March 2017 or when litigation is settled, whichever comes first. Maximum 5 year extension is available if litigation is not settled by 2017.	345,044	345,044
Flood claim litigation loan, non-interest bearing, maturing March 2018 or when litigation is settled, whichever comes first. Maximum 5 year extension is available if litigation is not settled by 2018.	305,082	-
Land claim litigation loan, non-interest bearing, maturing March 2017 or when litigation is settled, whichever comes first.	51,410	51,410
Land claim litigation loan, non-interest bearing, maturing March 2018 or when litigation is settled, whichever comes first.	130,395	130,395
Land claim litigation loan, non-interest bearing, maturing March 2019 or when litigation is settled, whichever comes first.	182,793	182,793
Land claim litigation loan, non-interest bearing, maturing March 2015 or when litigation is settled, whichever comes first. Maximum 5 year extension is available if litigation is not settled by 2015.	151,140	151,140
Land claim litigation loan, non-interest bearing, maturing March 2016 or when litigation is settled, whichever comes first. Maximum 5 year extension is available if litigation is not settled by 2016.	187,965	187,965
	<hr/> <u>\$ 2,076,941</u>	<hr/> <u>\$ 1,771,859</u>

Mitaanjigamiing First Nation Notes to Consolidated Financial Statements

March 31, 2014

11. Demand Debt (continued)

	<u>2014</u>	<u>2013</u>
Carried forward	\$ 2,076,941	\$ 1,771,859
Land claim litigation loan, non-interest bearing, maturing March 2017 or when litigation is settled, whichever comes first. Maximum 5 year extension is available if litigation is not settled by 2017.	153,305	153,305
Land claim litigation loan, non-interest bearing, maturing March 2018 or when litigation is settled, whichever comes first. Maximum 5 year extension is available if litigation is not settled by 2018.	260,302	-
	<u>\$ 2,490,548</u>	<u>\$ 1,925,164</u>

Demand debt is not secured.

Scheduled principal repayments are as follows:

Year	Amount
2015	\$ -
2016	-
2017	51,410
2018	130,395
2019	197,793
Thereafter	<u>2,110,950</u>
	<u>\$ 2,490,548</u>

Mitaanjigamiing First Nation Notes to Consolidated Financial Statements

March 31, 2014

12. Term Loans

	2014	2013
Housing loan with interest at 5.5%, repayable in monthly instalments of \$3,310 principal plus interest, due December 2013.	\$ -	\$ 97,831
Road study loan with interest at 5.5%, repayable in monthly instalments of \$4,667 principal plus interest, due December 2013.	-	48,000
RBC loan relating to litigation with interest at 5.5% repayable in monthly instalments of \$8,696 principal plus interest, maturing October 2014, secured by assignment of Ontario First Nations Limited Partnership funds due to the borrower.	<u>269,573</u>	<u>250,000</u>
	<u><u>\$ 269,573</u></u>	<u><u>\$ 395,831</u></u>

Principle repayments required over the next 3 years are as follows:

	Principle Repayments	Interest	Total
2015	\$ 104,351	\$ 12,196	\$ 116,547
2016	104,351	6,457	110,808
2017	<u>60,871</u>	<u>1,116</u>	<u>61,987</u>
	<u><u>\$ 269,573</u></u>	<u><u>\$ 19,769</u></u>	<u><u>\$ 289,342</u></u>

13. Economic Dependence

Mitaanjigamiing First Nation receives a major portion of its revenue pursuant to a funding arrangement with Aboriginal Affairs and Northern Development Canada.

Mitaanjigamiing First Nation Notes to Consolidated Financial Statements

March 31, 2014

14. Budget Information

The budget was prepared on a modified accrual basis while Public Sector Accounting Standards now require a full accrual basis. The budget figures anticipated recovering deficits. In addition, the budget did not include amortization expense. As a result, the budget figures presented in the consolidated statements of operations and change in net financial assets (debt) represent the Financial Plan adopted by Council, with adjustments as follows:

	<u>2014</u>
Financial Plan (budget) by-law deficit for the year	\$ (314,416)
Add:	
Capital expenditures	1,893,333
Less:	
Amortization	(214,669)
Loan proceeds budgeted as revenue	<u>(565,385)</u>
Budget deficit per consolidated statement of operations	<u>\$ 798,863</u>

15. Trust Funds Held by Federal Government

	Balance March 31, 2013	Additions 2014	Withdrawals 2014	Balance March 31, 2014
Capital Revenue	\$ 370,239 23,090	\$ - -	\$ 370,239 14,231	\$ - 8,859
	<u>\$ 393,329</u>	<u>\$ -</u>	<u>\$ 384,470</u>	<u>\$ 8,859</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.

Mitaanjigamiing First Nation Notes to Consolidated Financial Statements

March 31, 2014

16. Casino Rama Funds

Casino Rama Funds represent amounts received from the Ontario First Nation Limited Partnership as a distribution to the First Nation of their share of Casino Rama profits according to a formula used for that purpose. The use of these funds, according to agreements, is restricted to community development, health, education, economic development and cultural development. The First Nation holds a unit in the Ontario First Nation Limited Partnership and share of a related Company - Ontario First Nation General Partner Inc. - the carrying values of which are nominal and are not recorded on the First Nation's consolidated financial statements.

17. Comparative Figures

The prior year's figures have been restated to conform to current year's financial statement presentation and new AANDC requirements.

18. Expenditure by Object

	2014	2013
Salaries, wages and employee benefits	\$ 1,311,903	\$ 1,241,746
Materials and supplies	1,054,473	1,183,786
Contracted services	1,381,303	1,219,241
Rents and financial expenses	461,172	524,756
Travel	310,879	327,865
Amortization	214,669	222,313
Transfer from other program	(56,950)	(37,207)
	<hr/> <u>\$ 4,677,449</u>	<hr/> <u>\$ 4,682,500</u>

19. Segmented Information

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

Mitaanjigamiing First Nation Notes to Consolidated Financial Statements

March 31, 2014

19. Segmented Information (continued)

Services are provided by departments and their activities are reported in these funds. Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

Education

The education department provides 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 reimburses tuition costs and provides living and other allowances to students who are attending post-secondary institutions.

Operations and Maintenance

The infrastructure department provides public services that contribute to community development and sustainability through the provision of operating services such as roads, water and sanitation, fire protection, electrical and community buildings.

Medical and Other Health Services

The community wellness department provides a diverse bundle of services directed towards the well-being of members including such activities as long-term care, medical 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.

Band Support

The administration department oversees the delivery of all governmental 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. In addition, this department includes the governance activities of chief and council.

Capital

This department is responsible for all capital asset activities occurring in the First Nation during the year, including housing construction and renovations.

Other Services

The First Nation provides a wide array of other services, including youth employment projects, economic development, housing activities and others.

Mitaanjigamiing First Nation Notes to Consolidated Financial Statements

March 31, 2014

19. Segmented Information (continued)

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 and have been apportioned based on a percentage of budgeted expenses.

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

20. Pension Plan

The First Nation has a defined contribution pension plan for full-time employees. The First Nation matches employee contributions at 5.5% of the employee salary. As a defined contribution pension plan, the First Nation has no further liability or obligation for future contributions to fund future benefits to plan members. Contributions made by the First Nation to the pension plan for 2014 were \$28,808.

**Mitaanjigamiiing First Nation
2014 Segment Disclosure**

	For the year ended March 31, 2014							
	Operations and Support Maintenance		Band	Medical and Health	Education	Capital	Other	Total
Revenue								
AANDC	\$ 185,166	\$ 176,755	\$ 1,092,404	\$ 185,960	\$ 119,391	\$ 1,759,676		
Canada	-	-	-	196,364	-	-	196,364	
Ontario	45,000	-	-	967,579	-	580,927	1,593,506	
Casino Rama	-	-	-	-	-	396,678	396,678	
Trust income	9,933	-	-	-	-	-	9,933	
Other Aboriginal organizations	-	-	-	55,149	-	474,337	529,486	
Interest, rentals and other	263,183	16,350	-	-	22,900	15,876	318,309	
	503,282	193,105	1,092,404	1,219,092	208,860	1,587,209	4,803,952	
Deferred revenue, beginning of year	50,000	-	-	154,681	-	-	204,681	
Deferred revenue, end of year	(49,850)	-	(40,880)	-	-	-	(90,730)	
	503,432	193,105	1,051,524	1,373,773	208,860	1,587,209	4,917,903	
Expenditures								
Salaries, wages and benefits	362,218	74,266	183,603	134,598	34,781	522,437	1,311,903	
Materials, supplies and capital	124,867	148,640	163,438	64,126	163,167	390,235	1,054,473	
Contracted services	28,977	18,262	590,191	9,236	-	734,637	1,381,303	
Rents and financial expenses	258,484	19,573	-	-	-	183,115	461,172	
Travel	25,959	2,015	106,054	16,479	-	160,372	310,879	
Amortization	133,121	71,622	4,309	5,617	-	-	214,669	
Transfer to other program	(56,950)	-	-	-	-	-	(56,950)	
	876,676	334,378	1,047,595	230,056	197,948	1,990,796	4,677,449	
Excess (deficiency) of revenue over expenses	\$ (373,244)	\$ (141,273)	\$ 3,929	\$ 1,143,717	\$ 10,912	\$ (403,587)	\$ 240,454	

Mitaanjiigamiiing First Nation
2013 Segment Disclosure

	For the year ended March 31, 2013						
	Band Support	Operations and Maintenance	Education	Medical and Health	Capital	Other	Total
Revenue							
AANDC	\$ 249,211	\$ 171,728	\$ 1,106,057	\$ 393,925	\$ 153,835	\$ 2,074,756	
Canada	-	-	-	232,136	-	-	232,136
Ontario	68,000	-	-	195,096	-	488,596	751,692
Casino Rama	-	-	-	-	-	397,775	397,775
Trust income	19,590	-	-	-	-	-	19,590
Other Aboriginal organizations	-	-	-	55,248	-	336,876	392,124
Referral fees	147,352	-	-	-	-	-	147,352
Interest, rentals and other	229,585	16,850	-	-	6,840	1,049	254,324
	713,738	188,578	1,106,057	482,480	400,765	1,378,131	4,269,749
Deferred revenue, end of year	(50,000)	-	-	(154,681)	-	-	(204,681)
	663,738	188,578	1,106,057	327,799	400,765	1,378,131	4,065,068
Expenditures							
Salaries, wages and benefits	342,295	101,332	194,972	137,944	36,594	428,609	1,241,746
Materials, supplies and capital	154,728	113,905	212,386	77,566	286,386	338,815	1,183,786
Contracted services	9,619	21,654	605,464	6,371	-	576,133	1,219,241
Rents and financial expenses	332,220	-	-	-	16,449	176,087	524,756
Travel	43,050	329	93,302	29,268	-	161,916	327,865
Amortization	133,118	71,625	4,309	13,261	-	-	222,313
Transfer to other program	(37,207)	-	-	-	-	-	(37,207)
	977,823	308,845	1,110,433	264,410	339,429	1,681,560	4,682,500
Excess (deficiency) of revenue over expenses							
	\$ (314,085)	\$ (120,267)	\$ (4,376)	\$ 63,389	\$ 61,336	\$ (303,429)	\$ (617,432)