

Mitaanjigaming First Nation
Financial Statements
For the year ended March 31, 2015

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Mitaanjigamling First Nation
Financial Statements
For the year ended March 31, 2015

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Mitaanjigamiing First Nation Management's Responsibility for Financial Reporting

The accompanying 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 financial statements have been prepared by management in accordance with Public Sector Accounting Principles. 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 financial statements are presented fairly, in all material respects.

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 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 financial statements.

The Council reviews the First Nation's 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 financial statements and the external auditor's report.

The 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



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Port Francis, ON P9A 1H1 Canada

Independent Auditor's Report

To the Chief and Council of Mitaanjigaming First Nation

We have audited the accompanying financial statements of Mitaanjigaming First Nation as at March 31, 2015, which are comprised of the Statement of Financial Position, Statement of Operations, Statement of Changes in Accumulated Surplus, Statement of Change in Net Financial Assets (Debt) and 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 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 of 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 judgement, 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 entity'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 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 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 financial statements present fairly in all material respects, the financial position of Mitaanjigaming First Nation as at March 31, 2015, 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

Mitaanjigaming First Nation has also prepared another set of financial statements for the year ended March 31, 2015 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 Mitaanjigaming 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 Mitaanjigaming First Nation and was dated July 24, 2015.

BDO CANADA LLP

Chartered Professional Accountants, Licensed Public Accountants

Fort Frances, Ontario
July 24, 2015

Mitaanjigaming First Nation Statement of Financial Position

March 31

2015

2014

Financial assets

Cash and cash equivalents (Note 1)	\$ 291,806	\$ 111,429
Short-term investment (Note 2)		799,109
Accounts receivable	2,635,326	18,515
Loans and advances (Note 3)	20,333	8,859
Investments held in trust (Note 14)	134,563	228,970
Advances to affiliated parties (Note 4)	234,970	609,603
Portfolio investments (Note 6)	1,623,939	(24,734)
Government business enterprise (Note 5)	18,453	

4,959,390 1,751,751

Liabilities

Bank indebtedness (Note 1)	900,000	73,397
Accounts payable and accrued liabilities	746,562	1,287,316
Term loans (Note 11)	2,825,424	269,573
Demand debt (Note 10)	2,842,977	2,490,548
Deferred revenue (Note 9)	166,801	90,730

7,481,764 4,211,564

Net financial assets (debt)

(2,522,374) (2,459,813)

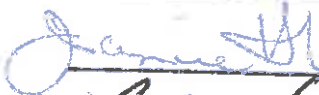

Non-financial assets

Tangible capital assets (Note 8)	8,378,503	6,453,861
Prepaid expenses		2,350
Tangible capital assets under construction	661,491	1,577,824

9,039,994 8,034,035

Accumulated surplus (Note 7)

\$ 6,517,620 \$ 5,574,222

 Chief
 Councilor
 _____ Councilor

Mitaanjiigamiing First Nation Statement of Operations

For the year ended March 31

	Budget	2015	2014
Revenue			
AANDC - grant	\$ 162,786	\$ 162,786	\$ 135,866
AANDC - set contribution funding	995,986	1,019,112	667,382
AANDC - fixed contribution funding	528,383	2,266,417	956,428
Revenue - trust fund	-	2,182	9,933
Rental - housing and other buildings	16,350	17,000	16,350
Ministry of Community and Social Services	-	186,832	178,468
Ministry of Aboriginal Affairs	198,810	333,945	697,304
Ministry of Transportation	-	1,034,032	-
Miscellaneous	46,645	316,363	127,544
Shooniyaa Wa-Bittong	-	57,588	54,762
Resource revenue	-	1,557,089	155,607
Ministry of Health	45,000	45,000	45,000
Northern Ontario Heritage Fund	-	133,593	886,214
Casino Rama revenue	469,388	406,690	396,678
Fort Frances Area Tribal Health Authority	99,283	108,914	100,698
Weechi-it-te-win	286,064	365,474	415,384
Health Canada	190,746	207,224	196,364
Loss from government business enterprise (Note 5)	-	(106,501)	(36,030)
	3,039,441	8,113,740	4,803,952
Deferred revenue, beginning of year	40,860	90,730	204,681
Deferred revenue, end of year (Note 9)	-	(166,801)	(90,730)
	3,080,321	8,037,669	4,917,903
Expenditures			
Band support	535,869	964,823	876,676
Operations and maintenance	270,070	372,481	334,378
Education	1,114,373	990,367	1,047,595
Social services	158,894	250,444	224,886
Other operating programs	43,679	50,342	58,969
Weechi-it-te-win program	286,064	368,615	413,384
Aboriginal healing and wellness strategy	48,634	51,602	50,049
Capital programs	182,390	2,768,200	197,948
Medical transportation	41,937	65,425	44,269
Other AANDC programs	63,400	46,708	67,565
Integrated Community Based Health Services	123,192	140,365	133,302
Casino Rama	58,960	244,383	250,847
New Relationship Fund	-	81,818	180,704
Gymnasium project	-	-	2,436
Land and flood claims	542,529	694,541	794,441
	3,469,991	7,090,114	4,677,449
Annual surplus (deficit)	\$ (389,670)	\$ 947,555	\$ 240,454

The accompanying summary of significant accounting policies, notes and schedules are an integral part of these financial statements.

Mitaanjigaming First Nation
Statement of Changes in Accumulated Surplus

<u>For the year ended March 31</u>	<u>2015</u>	<u>2014</u>
First Nation accumulated surplus, beginning of year	\$ 5,574,222	\$ 5,333,768
Adjustment for clawback	(4,157)	
Annual surplus	<u>947,555</u>	<u>240,454</u>
First Nation accumulated surplus, end of year	<u>\$ 6,517,620</u>	<u>\$ 5,574,222</u>

Mitaanjigamling First Nation
Statement of Change in Net Financial Assets (Debt)

For the year ended March 31	Budget	2015	2014
Annual surplus (deficit)	\$ (389,670)	\$ 947,555	\$ 240,454
Acquisition of tangible capital assets	-	(1,291,500)	(1,527,524)
Amortization of tangible capital assets	283,190	283,190	214,669
	(106,480)	(60,755)	(1,072,401)
(Acquisition)/consumption of prepaid expenses and inventory of supplies	-	2,351	19,485
Adjustment for clawback	-	(4,157)	-
Net decrease in net assets (debt)	(106,480)	(62,561)	(1,052,916)
Net financial assets (debt), beginning of year	(2,459,813)	(2,459,813)	(1,406,897)
Net financial assets (debt), end of year	\$ (2,566,293)	\$ (2,522,374)	\$ (2,459,813)

Mitaanigaming First Nation Statement of Cash Flows

For the year ended March 31

	2015	2014
Cash flows from operating activities		
Annual surplus	\$ 947,555	\$ 240,454
Item not involving cash		
Amortization of tangible capital assets	283,190	214,669
Changes in non-cash working capital		
Accounts receivable	(1,836,218)	(292,824)
Loans and advances	(1,818)	(1,456)
Advances to affiliated parties	(6,000)	451,030
Prepaid expenses	2,350	19,485
Accounts payable and accrued liabilities	(540,753)	364,448
Deferred revenue	76,071	(113,951)
Government business enterprise	106,501	41,430
	<u>(969,122)</u>	<u>923,285</u>
Cash flows from capital activities		
Purchase of capital assets	<u>(1,291,500)</u>	<u>(1,527,524)</u>
Cash flows from financing activities		
Increase in demand and long-term debt	3,558,942	439,126
Repayment of demand debt	(650,661)	
Adjustment for clawback	<u>(4,157)</u>	<u>-</u>
	<u>2,904,124</u>	<u>439,126</u>
Cash flows from investing activities		
Acquisition of portfolio investments	(1,014,336)	(261,796)
Disposal/(acquisition) of investments	111,429	132,571
Trust funds	(125,704)	384,470
Related party loan	<u>(149,688)</u>	<u>(16,696)</u>
	<u>(1,178,299)</u>	<u>238,549</u>
Increase (decrease) in cash during the year	<u>(534,797)</u>	<u>73,436</u>
Bank indebtedness, beginning of year	<u>(73,397)</u>	<u>(146,833)</u>
Bank indebtedness, end of year	\$ (608,194)	\$ (73,397)
Represented by:		
Cash and cash equivalents	\$ 291,806	\$ -
Bank indebtedness	<u>(900,000)</u>	<u>(73,397)</u>
	<u>\$ (608,194)</u>	<u>\$ (73,397)</u>

The accompanying summary of significant accounting policies, notes and schedules are an integral part of these financial statements.

Mitaanjigaming First Nation Summary of Significant Accounting Policies

March 31, 2015

Basis of Accounting

These 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:

- 1) accountable for the administration of their financial affairs and resources directly to the First Nation; and
- 2) owned or controlled by the First Nation.

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 5 to these financial statements.

Other long-term investments are reflected at cost as disclosed in Note 6.

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 o/a 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.

Government Transfers

Government transfers, which include legislative grants, are recognized as revenue in the 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.

Cash and Cash Equivalents

Management considers all highly liquid investments with maturities of three months or less at acquisition to be cash equivalents.

Mitaanjigaming First Nation Summary of Significant Accounting Policies

March 31, 2015

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.

Mitaanjiigamiing First Nation Summary of Significant Accounting Policies

March 31, 2015

Measurement Uncertainty

Estimates are used to accrue revenues and expenses in circumstances where the actual accrued revenues are unknown at the time the financial statements are prepared. Uncertainty in the determination of the amount at which an item is recognized in the 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

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the 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.

The estimates used in the preparation of these financial statements are the useful lives of property, plant and equipment and accrued liabilities.

**Mitaanjigamiing First Nation
Notes to Financial Statements**

March 31, 2015

1. Cash and Cash Equivalents (Bank Indebtedness)

	<u>2015</u>	<u>2014</u>
Externally restricted Line of credit	\$ (900,000)	\$ -
Internally restricted Reserves	42,799	42,799
Unrestricted Operating	<u>249,007</u>	<u>(116,196)</u>
Total bank indebtedness	<u>\$ (608,194)</u>	<u>\$ (73,397)</u>

Bank indebtedness is covered by a credit line with a maximum authorized amount of \$900,000. The credit line carries an interest rate of prime + 2.20% and is due on demand.

2. Short-term Investment

	<u>2015</u>	<u>2014</u>
One year GIC, 0.8% interest, maturity date October 21, 2014	<u>\$ -</u>	<u>\$ 111,429</u>

3. Loans and Advances

	<u>2015</u>	<u>2014</u>
Loans and advances	\$ 33,538	\$ 31,720
Allowance for doubtful accounts	<u>(13,205)</u>	<u>(13,205)</u>
	<u>\$ 20,333</u>	<u>\$ 18,515</u>

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

Mitaanjigamiing First Nation Notes to Financial Statements

March 31, 2015

4. Advances to Affiliated Parties

	Payment Terms	Interest Rate	2015	2014
Rainy Lake Tribal Development Corporation	Unspecified	Unspecified	\$ 35,715	\$ 35,715
Nanicoast Ltd.	Unspecified	Unspecified	199,255	193,255
			<u>\$ 234,970</u>	<u>\$ 228,970</u>

All amounts due from affiliated Companies are unsecured.

Mitaanjigamiing First Nation Notes to Financial Statements

March 31, 2015

5. Investment in Government Business Enterprise

1468069 Ontario Limited o/a Gobe Corporation

1468069 Ontario Limited o/a 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 is owned 100% by the First Nation.

The condensed supplementary financial information is as follows:

Carrying value, March 31, 2013	\$	1
Share of net loss for the year ended March 31, 2014		(36,030)
First Nation contribution		<u>11,293</u>
Carrying value, March 31, 2014		(24,734)
Share of net loss for the year ended March 31, 2015		(106,501)
First Nation contribution		<u>149,688</u>
Carrying value, March 31, 2015	\$	<u>18,453</u>

**Mitaanjigamling First Nation
Notes to Financial Statements**

March 31, 2015

5. Investment in Government Business Enterprise (continued)

	<u>2015</u>
Financial position	
Current assets	\$ 1,069,678
Capital assets	152,794
Total assets	<u>1,222,472</u>
Current liabilities	1,140,964
Long-term liabilities	224,038
Total liabilities	<u>1,365,002</u>
Share capital	1
Net deficit, end of year	<u>(142,531)</u>
Deficit	<u>\$ (142,530)</u>
Results of operations	
Revenues	\$ 648,365
Operating expenses	754,866
Net loss	<u>(106,501)</u>
Net equity, beginning of year	<u>(36,029)</u>
Net deficit, end of year	<u>\$ (142,530)</u>

**Mitaanjiigamiing First Nation
Notes to Financial Statements**

March 31, 2015

6. Portfolio Investments

	Percentage ownership	2015	2014
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	489,835
Rainy Lake Resource Management	16 2/3%	100	100
Securities and other investments		1,098,290	83,954
		<u>\$ 1,623,939</u>	<u>\$ 609,603</u>

Portfolio investments are valued at cost. The fair market value of securities and other investments at March 31, 2015, was \$1,091,767 (March 31, 2014, \$60,779). The fair market value of all other investments approximate their costs.

Mitaanjigamling First Nation Notes to Financial Statements

March 31, 2015

7. Accumulated Surplus

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

	2015	2014
Investment in tangible capital assets		
Tangible capital assets	\$ 8,378,503	\$ 6,453,861
Tangible capital assets under construction	661,491	1,577,824
Total investment in tangible capital assets	9,039,994	8,031,685
Current funds	(2,718,190)	(2,484,387)
Government business enterprise	18,453	(24,734)
Reserve funds		
School bus	22,799	22,799
Water treatment plant	20,000	20,000
Total reserve funds	42,799	42,799
Trust investments		
Revenue trust	14,542	8,859
Rainy River District First Nation Trust	120,022	
Total trust investments	134,564	8,859
	\$ 6,517,620	\$ 5,574,222

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.

**Mitaanigaming First Nation
Notes to Financial Statements**

March 31, 2015

8. Tangible Capital Assets

	2015					
	Buildings	Equipment	Vehicles	Roads	Housing	Other
Cost, beginning of year	\$ 4,729,287	\$ 454,093	\$ 369,652	\$ 207,373	\$ 3,569,699	\$ 65,870
Additions	2,052,674	32,510	122,648	-	-	-
Disposals	-	-	(38,222)	-	-	-
Cost, end of year	6,781,961	486,603	454,078	207,373	3,569,699	65,870
Accumulated amortization, beginning of year	1,520,158	379,332	196,372	76,523	733,502	36,226
Amortization	135,639	15,601	54,956	2,307	71,394	3,293
Disposals	-	-	(38,222)	-	-	-
Accumulated amortization, end of year	1,655,797	394,933	213,106	78,830	804,896	39,519
Net carrying amount, end of year	\$ 5,126,164	\$ 91,670	\$ 240,972	\$ 128,543	\$ 2,764,803	\$ 26,351
						\$ 8,378,503

The net book value of tangible capital assets not being amortized because they are under construction is \$661,491 (2014 - \$1,577,824). These items are recognized separately as tangible capital assets under construction in the statement of financial position. This relates to the gymnasium project.

**Mitaanijigaming First Nation
Notes to Financial Statements**

March 31, 2015

8. Tangible Capital Assets (continued)

	2014					
	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

Mitaanjigamiing First Nation Notes to Financial Statements

March 31, 2015

9. Deferred Revenue

	Balance March 31, 2014	Funding Received 2015	Revenue Recognized 2015	Balance March 31, 2015
Federal Government Land Management	\$ 49,850	\$ 36,992	\$ 49,850	\$ 36,992
Provincial Government Post Secondary Education	40,880	375,877	286,948	129,809
	<u>\$ 90,730</u>	<u>\$ 412,869</u>	<u>\$ 336,798</u>	<u>\$ 166,801</u>

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.

**Mitaanjigaming First Nation
Notes to Financial Statements**

March 31, 2015

10. Demand Debt

	<u>2015</u>	<u>2014</u>
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 2020 or when litigation is settled, whichever comes first.	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	305,082
Flood claim litigation loan, non-interest bearing, maturing March 2019 or when litigation is settled, whichever comes first. Maximum 5 year extension is available if litigation is not settled by 2019.	207,346	
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 2020 or when litigation is settled, whichever comes first.	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
	<u>\$ 2,284,287</u>	<u>\$ 2,076,941</u>

**Mitaanjigamling First Nation
Notes to Financial Statements**

March 31, 2015

10. Demand Debt (continued)

	<u>2015</u>	<u>2014</u>
Carried forward	\$ 2,284,287	\$ 2,076,941
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	260,302
Land claim litigation loan, non-interest bearing, maturing March 2019 or when litigation is settled, whichever comes first. Maximum 5 year extension is available if litigation is not settled by 2019.	<u>145,083</u>	
	<u>\$ 2,842,977</u>	<u>\$ 2,490,548</u>

Demand debt is not secured.

Scheduled principal repayments are as follows:

Year	Amount
2016	\$
2017	51,410
2018	130,395
2019	197,793
2020	293,706
Thereafter	<u>2,169,673</u>
	<u>\$ 2,842,977</u>

Mitaanjugamiing First Nation Notes to Financial Statements

March 31, 2015

11. Term Loans

	2015	2014
Capital projects loan with interest at 5%, due October 2025, secured by assignment of Ontario First Nations Limited Partnership funds due to the borrower, payable in monthly instalments of \$15,189 principal plus interest	\$ 1,385,690	\$
Access road improvements project loan with interest at 5%, repayable in full upon receipt of funds from AANDC, MTO, and NOHFC principal plus interest, due December 2015, secured by funds agreed upon by AANDC, MTO, and NOHFC.	1,274,512	\$
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.	165,222	269,573
	<u>\$ 2,825,424</u>	<u>\$ 269,573</u>

Principal repayments required over the next 5 years are as follows:

	Principal Repayments	Interest	Total
2016	\$ 1,494,472	\$ 73,116	\$ 1,567,588
2017	182,395	61,861	244,256
2018	127,741	54,527	182,268
2019	134,277	47,991	182,268
2020	141,147	41,121	182,268
Thereafter	745,392	90,241	835,633
	<u>\$ 2,825,424</u>	<u>\$ 368,857</u>	<u>\$ 3,194,281</u>

12. Economic Dependence

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

Mitaanjigaming First Nation Notes to Financial Statements

March 31, 2015

13. 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 statements of operations and change in net financial assets (debt) represent the Financial Plan adopted by Council, with adjustments as follows:

	2015
Financial Plan (budget) by-law surplus for the year	\$ 245,949
Add:	
Capital expenditures	-
Less:	
Amortization	(283,190)
Loan proceeds budgeted as revenue	(352,429)
Budget deficit per statement of operations	<u>\$ (389,670)</u>

14. Investments Held in Trust

	Balance March 31, 2014	Additions 2015	Withdrawals 2015	Balance March 31, 2015
Rainy River District First Nation Trust	\$ -	\$ 120,022	\$ -	\$ 120,022
Revenue	8,859	5,652	-	14,541
	<u>\$ 8,859</u>	<u>\$ 125,704</u>	<u>\$ -</u>	<u>\$ 134,563</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.

The funds held in the Rainy River District First Nation Trust are controlled by the First Nation and arose from the signing of a resource sharing agreement.

Mitaanjigamling First Nation Notes to Financial Statements

March 31, 2015

15. 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 financial statements.

16. Comparative Figures

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

17. Expenditure by Object

	2015	2014
Salaries, wages and employee benefits	\$ 1,366,722	\$ 1,311,903
Materials and supplies	3,701,098	1,054,473
Contracted services	1,047,896	1,381,303
Rents and financial expenses	249,850	461,172
Travel	441,358	310,879
Amortization	283,190	214,669
Transfer from other program	-	(56,950)
	<u>\$ 7,090,114</u>	<u>\$ 4,677,449</u>

18. Segmented Information

Mitaanjigamling 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.

Mitaanjigamling First Nation Notes to Financial Statements

March 31, 2015

18. 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.

Mitaanjiigamiing First Nation Notes to Financial Statements

March 31, 2015

18. 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 financial statements as disclosed in the summary of significant accounting policies.

19. 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 2015 were \$27,064 (2014 - \$28,808).

Mikanaajigaming First Nation 2015 Segment Disclosure

For the year ended March 31, 2015

Revenue	Band Support	Operations and Maintenance	Education	Medical and Health	Capital	Other	Total
AANDC	\$ 323,753	\$ 177,959	\$ 1,112,611	\$ 207,224	\$ 1,703,842	\$ 130,150	\$ 3,448,315
Canada	45,000	-	-	114,990	1,097,770	459,742	2,072,224
Ontario	2,182	-	-	-	-	406,690	1,717,502
Casino Rama	106,501	-	-	-	-	1,450,588	1,450,588
Trust income	261,450	17,000	-	56,702	-	417,686	580,889
Other Aboriginal organizations	-	-	-	-	6,000	15,900	300,350
Interest, rentals and other	-	-	-	-	-	-	-
Deferred revenue, beginning of year	738,886	194,959	1,112,611	378,916	2,807,612	2,880,756	8,113,740
Deferred revenue, end of year	49,850	-	40,880	-	-	-	90,730
	(36,992)	-	(129,809)	-	-	-	(166,801)
Expenditures	751,744	194,959	1,023,682	378,916	2,807,612	2,880,756	8,037,669
Salaries, wages and benefits	395,159	78,431	201,479	135,057	33,295	523,301	1,366,722
Materials, supplies and capital	232,339	187,719	150,705	78,698	2,734,905	316,732	3,701,098
Contracted services	18,245	28,032	553,545	8,029	-	440,045	1,047,896
Rents and financial expenses	68,614	-	-	-	-	181,236	249,850
Travel	73,354	2,538	59,938	29,991	-	275,537	441,358
Amortization	177,112	75,761	24,700	5,617	-	-	283,190
Excess (deficiency) of revenue over expenses	964,823	372,481	990,367	257,392	2,768,200	1,736,851	7,090,114
	\$ (213,079)	\$ (177,522)	\$ 33,315	\$ 121,524	\$ 39,412	\$ 1,143,905	\$ 947,555

**Mitaanjaning First Nation
2014 Segment Disclosure**

For the year ended March 31, 2014

	Revenue	Band Support	Operations and Maintenance	Education	Medical and Health	Capital	Other	Total
AANDC	\$ 185,166	\$ 176,755	\$ 1,092,404	\$ -	\$ 185,960	\$ 119,391	\$ 1,759,676	
Canada								
Ontario	45,000	-	-	-	196,364	-	196,364	
Casino Rama	-	-	-	-	967,579	-	580,927	1,593,506
Trust Income	9,933	-	-	-	-	-	396,678	9,933
Other Aboriginal organizations	-	-	-	-	55,149	-	474,337	529,486
Interest, rentals and other	149,006	16,350	-	-	-	22,900	130,053	318,309
	389,105	193,105	1,092,404	1,219,092	208,860	1,701,386	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)	
	389,255	193,105	1,051,524	1,373,773	208,860	1,701,386	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	\$ (487,421)	\$ (141,273)	\$ 3,929	\$ 1,143,717	\$ 10,912	\$ (289,410)	\$ 240,454	