

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

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

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## Mitaanjugamiing First Nation Management's Responsibility for Financial Reporting

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The accompanying consolidated financial statements of Mitaanjugamiing 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 Mitaanjugamiing First Nation.

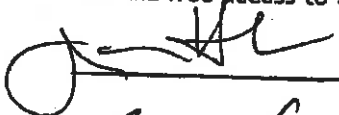
The consolidated financial statements have been prepared by management in accordance with Public Sector Accounting Principles. Consolidated financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has 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 statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Mitaanjugamiing 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



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375 Scott Street  
Fort Frances ON P9A 1H1 Canada

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## Independent Auditor's Report

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### To the Members of Mitaanjugamiing First Nation

We have audited the accompanying consolidated financial statements of Mitaanjugamiing First Nation as at March 31, 2016, which are comprised of the Consolidated Statement of Financial Position, the Consolidated Statement of Operations, the Consolidated Statement of Changes in Accumulated Surplus, the Consolidated Statement of Change in Net Financial Assets (Debt) and the 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material 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 Mitaanjugamiing First Nation as at March 31, 2016, 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, 2016, 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 July 18, 2016.

*BDO CANADA LLP*

Chartered Professional Accountants, Licensed Public Accountants

Fort Frances, Ontario  
July 18, 2016

# Mitaanjigamiing First Nation Consolidated Statement of Financial Position

March 31

2016

2015

## Financial assets

Cash and cash equivalents (Note 1)	\$ 321,679	\$ 291,806
Accounts receivable	836,631	2,635,326
Loans and advances (Note 2)	24,617	20,333
Investments held in trust (Note 12)	11,319	134,563
Notes receivable	50,000	-
Portfolio investments (Note 4)	731,474	1,098,290
Government business enterprises and partnerships (Note 3)	425,980	779,072
	<u>2,401,700</u>	<u>4,959,390</u>

## Liabilities

Bank indebtedness (Note 1)	36,141	900,000
Accounts payable and accrued liabilities	755,397	746,562
Term loans (Note 9)	2,242,614	2,825,424
Demand debt (Note 8)	3,173,544	2,842,977
Deferred revenue (Note 7)	393,210	166,801
	<u>6,600,906</u>	<u>7,481,764</u>

## Net financial assets (debt)

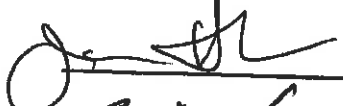


(4,199,206) (2,522,374)

## Non-financial assets

Tangible capital assets (Note 6)	9,298,692	8,378,503
Prepaid expenses	10,000	-
Tangible capital assets under construction	124,023	661,491
	<u>9,432,715</u>	<u>9,039,994</u>

## Accumulated surplus (Note 5)

\$ 5,233,509 \$ 6,517,620

  
 Chief  
  
 Councilor  
  
 Councilor

# Mitaanjigamiing First Nation Consolidated Statement of Operations

For the year ended March 31	Budget	2016	2015
<b>Revenue</b>	(Note 11)		
INAC - grant	\$ 163,332	\$ 163,332	\$ 162,786
INAC - set contribution funding	476,521	639,539	1,019,112
INAC - fixed contribution funding	1,132,857	1,067,803	2,266,417
Revenue - trust fund	14,675	185	2,182
Rental - housing and other buildings	17,500	17,350	17,000
Ministry of Community and Social Services	-	150,703	186,832
Ministry of Aboriginal Affairs	280,000	280,000	333,945
Ministry of Transportation	-	1,216,928	1,034,032
Miscellaneous	100,102	117,490	316,363
Shooniyaa Wa-Biitong	51,899	54,990	57,588
Resource and other economic development	28,571	410,350	1,557,089
Ministry of Health	45,000	45,000	45,000
Northern Ontario Heritage Fund	-	310,805	133,593
CMHC	16,000	16,000	-
Casino Rama revenue	441,015	409,024	406,690
Fort Frances Area Tribal Health Authority	117,736	121,899	108,914
Weechi-it-te-win	365,384	365,384	365,474
Health Canada	202,088	202,088	207,224
1468069 Ontario Limited o/a Gobe Corporation	-	1,286,228	-
Loss from government business enterprise (Note 3)	-	(82,533)	(106,501)
	3,452,680	6,792,565	8,113,740
Deferred revenue, beginning of year	166,801	166,801	90,730
Deferred revenue, end of year (Note 7)	-	(393,210)	(166,801)
	3,619,481	6,566,156	8,037,669
<b>Expenditures</b>			
Band support	781,707	942,503	954,639
Operations and maintenance	275,903	373,146	372,481
Education	905,257	921,679	990,367
Social services	94,280	210,095	250,444
Other operating programs	52,341	55,089	50,342
Weechi-it-te-win program	365,384	365,384	368,615
Aboriginal healing and wellness strategy	58,425	59,840	51,602
Capital programs	327,978	1,861,992	2,768,200
Medical transportation	42,349	53,637	65,425
Other INAC programs	44,967	46,816	46,708
Integrated Community Based Health Services	126,766	127,413	140,365
Casino Rama	373,570	409,024	244,383
New Relationship Fund	84,778	84,778	81,818
Economic development expenses	-	57,588	53,809
Land and flood claims	583,587	625,145	650,916
1468069 Ontario Limited o/a Gobe Corporation	-	1,583,475	-
	4,117,292	7,777,604	7,090,114
<b>Annual surplus (deficit)</b>	\$ (497,811)	\$ (1,211,448)	\$ 947,555

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

**Mitaanjigamiing First Nation**  
**Consolidated Statement of Changes in Accumulated Surplus**

<b>For the year ended March 31</b>	<b>2016</b>	<b>2015</b>
First Nation accumulated surplus, beginning of year	\$ 6,517,620	\$ 5,574,222
Adjustment for surplus repayment and trust equity	(72,663)	(4,157)
Annual surplus (deficit)	<u>(1,211,448)</u>	<u>947,555</u>
First Nation accumulated surplus, end of year	<u>\$ 5,233,509</u>	<u>\$ 6,517,620</u>

# Mitaanjigamiing First Nation

## Consolidated Statement of Change in Net Financial Assets (Debt)

For the year ended March 31	Budget	2016	2015
	(Note 11)		
Annual surplus (deficit)	\$ (497,811)	\$ (1,211,448)	\$ 947,555
Acquisition of tangible capital assets	-	(687,986)	(1,291,500)
Amortization of tangible capital assets	305,265	305,265	283,190
	(192,546)	(1,594,169)	(60,755)
(Acquisition)/consumption of prepaid expenses and inventory of supplies	-	(10,000)	2,351
Adjustment for surplus repayment and trust equity		(72,663)	(4,157)
Net decrease in net assets (debt)	(192,546)	(1,676,832)	(62,561)
Net financial assets (debt), beginning of year	(2,522,374)	(2,522,374)	(2,459,813)
Net financial assets (debt), end of year	\$ (2,714,920)	\$ (4,199,206)	\$ (2,522,374)

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

## Mitaanjigamiing First Nation Consolidated Statement of Cash Flows

For the year ended March 31	2016	2015
<b>Cash flows from operating activities</b>		
Annual surplus (deficit)	\$ (1,211,448)	\$ 947,555
Item not involving cash		
Amortization of tangible capital assets	305,265	283,190
<b>Changes in non-cash working capital</b>		
Accounts receivable	1,798,695	(1,836,218)
Loans and advances	(4,283)	(1,818)
Advances to affiliated parties	(50,000)	(6,000)
Prepaid expenses	(10,000)	2,350
Accounts payable and accrued liabilities	8,833	(540,753)
Deferred revenue	226,409	76,071
Government business enterprises	353,091	106,501
	<u>1,416,562</u>	<u>(969,122)</u>
<b>Cash flows from capital activities</b>		
Purchase of capital assets	<u>(687,986)</u>	<u>(1,291,500)</u>
<b>Cash flows from financing activities</b>		
Increase in demand and long-term debt	330,567	3,558,942
Repayment of demand debt	(582,809)	(650,661)
Adjustment for surplus repayment and trust equity	<u>(72,663)</u>	<u>(4,157)</u>
	<u>(324,905)</u>	<u>2,904,124</u>
<b>Cash flows from investing activities</b>		
Disposal (acquisition) of portfolio investments	366,816	(1,014,336)
Disposal of investments	-	111,429
Trust funds	123,245	(125,704)
Related party loan	<u>-</u>	<u>(149,688)</u>
	<u>490,061</u>	<u>(1,178,299)</u>
<b>Increase (decrease) in cash during the year</b>	<b>893,732</b>	<b>(534,797)</b>
<b>Bank indebtedness, beginning of year</b>	<u>(608,194)</u>	<u>(73,397)</u>
<b>Cash (bank indebtedness), end of year</b>	<b>\$ 285,538</b>	<b>\$ (608,194)</b>
<b>Represented by:</b>		
Cash and cash equivalents	\$ 321,679	\$ 291,806
Bank indebtedness	<u>(36,141)</u>	<u>(900,000)</u>
	<u>\$ 285,538</u>	<u>\$ (608,194)</u>

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

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## Mitaanjugamiing First Nation Summary of Significant Accounting Policies

March 31, 2016

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### **Basis of Accounting**

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:

- 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 3 to these consolidated financial statements.

Other long-term investments are reflected at cost as disclosed in Note 4.

Government business enterprises are separate legal entities which do not rely on the First Nation for funding. The First Nation's government business enterprises and partnerships consist of Rainy Lake Tribal Resource Management Inc., Rainy Lake Tribal Development Corporation, Nanicost Ltd. and Boundary Waters Anishinaabeg Development LP. These investments are 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.

The First Nation owns 100% of the common shares of 1468069 Ontario Limited o/a Gobe Corporation. This Corporation has been classified as an other government organization and has been fully consolidated.

### **Government Transfers**

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.

### **Cash and Cash Equivalents**

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

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## Mitaanjigamiing First Nation Summary of Significant Accounting Policies

March 31, 2016

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### 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 and First Nation business partnerships. 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.

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## **Mitaanjigamiing First Nation Summary of Significant Accounting Policies**

**March 31, 2016**

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### **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**

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.

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

**Mitaanjigamiing First Nation**  
**Notes to Consolidated Financial Statements**

**March 31, 2016**

**1. Cash and Cash Equivalents (Bank Indebtedness)**

	<u>2016</u>	<u>2015</u>
Externally restricted Line of credit	\$ -	\$ (900,000)
Internally restricted Reserves	42,799	42,799
Unrestricted Operating	<u>242,739</u>	<u>249,007</u>
<b>Total cash and cash equivalents (bank indebtedness)</b>	<b><u>\$ 285,538</u></b>	<b><u>\$ (608,194)</u></b>

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. Loans and Advances**

	<u>2016</u>	<u>2015</u>
Loans and advances	\$ 37,822	\$ 33,538
Allowance for doubtful accounts	<u>(13,205)</u>	<u>(13,205)</u>
	<b><u>\$ 24,617</u></b>	<b><u>\$ 20,333</u></b>

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

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## **Mitaanjigamiing First Nation Notes to Consolidated Financial Statements**

**March 31, 2016**

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**3. Government Business Enterprises and Partnerships, at modified equity**

**Rainy Lake Tribal Resource Management Inc.**

Rainy Lake Tribal Resource Management Inc. is a Corporation that was created to undertake a contract with the Ministry of Natural Resources of Ontario to manage the Sapawe forest.

The condensed supplementary financial information is as follows:

**Rainy Lake Tribal Development Corporation**

Rainy Lake Tribal Development Corporation is a Corporation that was created for the purpose of pursuing economic development opportunities to generate wealth for the seven First Nation members belonging to Pwi-Di-Goo-Zing Ne-Yaa-Zhing.

**Nanicost Ltd.**

Nanicost Ltd. is a Corporation that was created to operate a commercial rental building located on Couchiching First Nation.

**Boundary Waters Anishinaabeg Development, LP**

Boundary Waters Anishinaabeg Development, LP is a Limited Partnership that was created for the purpose of pursuing economic development opportunities to generate wealth for the four First Nation partners.

**Mitaanjigaming First Nation  
Notes to Consolidated Financial Statements**

**March 31, 2016**

**3. Government Business Enterprises and Partnerships, at modified equity (continued)**

	Rainy Lake Tribal Development Corporation	Rainy Lake Tribal Resource Management Inc.	Nanicoast Ltd. Development, LP	Boundary Waters Antishinaabeg	Total
Percentage ownership	16.67%	16.67%	25%	24.98%	
Carrying value, March 31, 2014	\$ 452,293	\$ 9,911	\$ 211,627	\$ 250	\$ 674,081
Share of net income (loss)	8,439	(11,985)	253	-	(3,293)
Carrying value, March 31, 2015	460,732	(2,074)	211,880	250	670,788
Share of net income (loss)	(180,746)	9,109	(5,235)	80,671	(96,201)
Other adjustments	-	-	(148,607)	-	(148,607)
Carrying value, March 31, 2016	\$ 279,986	\$ 7,035	\$ 58,038	\$ 80,921	\$ 425,980

# Mitaanjiigaming First Nation

## Notes to Consolidated Financial Statements

March 31, 2016

### 3. Government Business Enterprises and Partnerships, at modified equity (continued)

	Rainy Lake Tribal Development Corporation	Rainy Lake Tribal Resource Management Inc.	Nanicoat Ltd.	Boundary Waters Anishinaabeg Development, LP	2016 Total	2015 Total
Financial position						
Current assets	\$ 1,262,958	\$ 386,001	\$ 111,419	\$ 244,608	\$ 2,004,986	\$ 1,069,678
Loan receivable	510,937	-	441,556	751,881	751,881	-
Capital assets	-	-	-	2,696,396	3,648,889	152,794
Total assets	\$ 1,773,895	\$ 386,001	\$ 552,975	\$ 3,692,885	\$ 6,405,756	\$ 1,222,472
Current liabilities	\$ 308,260	\$ 343,791	\$ 320,827	\$ 772,723	\$ 1,745,601	\$ 1,140,964
Long-term liabilities	-	-	202,592	2,596,153	2,798,745	224,038
Total liabilities	308,260	343,791	523,419	3,368,876	4,544,346	1,365,002
Share capital	3,153,294	600	1	-	3,153,895	-
Net equity (deficit), end of year	(1,687,659)	41,610	29,555	324,009	(1,292,485)	(142,530)
Equity (deficit)	1,465,635	42,210	29,556	324,009	1,861,410	(142,530)
	\$ 1,773,895	\$ 386,001	\$ 552,975	\$ 3,692,885	\$ 6,405,756	\$ 1,222,472
Results of operations					2016	2015
Revenues	\$ (244,485)	\$ 1,260,331	\$ 630,216	\$ 710,969	\$ 2,357,031	\$ 648,365
Operating expenses	839,987	1,205,676	651,156	387,961	3,084,780	754,866
Net income (loss)	(1,084,472)	54,655	(20,940)	323,008	(727,749)	(106,501)
Net equity (deficit), beginning of year	(603,187)	(13,045)	50,495	1,001	(564,736)	(36,029)
Net equity (deficit), end of year	\$ (1,687,659)	\$ 41,610	\$ 29,555	\$ 324,009	\$ (1,292,485)	\$ (142,530)

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**Mitaanjigaming First Nation**  
**Notes to Consolidated Financial Statements**

March 31, 2016

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**4. Portfolio Investments**

	2016	2015
Marketable securities	<u>\$ 731,474</u>	<u>\$ 1,098,290</u>

Portfolio investments are valued at cost. The fair market value of securities and other investments at March 31, 2016, was \$726,908 (March 31, 2015, \$1,091,767). The fair market value of all other investments approximate their costs. The securities are traded on an exchange.

## Mitaanjigamiing First Nation Notes to Consolidated Financial Statements

March 31, 2016

### 5. Accumulated Surplus

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

	2016	2015
Investment in tangible capital assets		
Tangible capital assets	\$ 9,298,692	\$ 8,378,503
Tangible capital assets under construction	124,023	661,491
Debt related to capital	(1,269,895)	(1,385,690)
Total investment in tangible capital assets	8,152,820	7,654,304
Current fund deficit	(3,399,409)	(2,093,118)
Government business enterprise	425,980	779,072
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	3,552	14,541
Rainy River District First Nation Trust	7,767	120,022
Total trust investments	11,319	134,563
	<b>\$ 5,233,509</b>	<b>\$ 6,517,620</b>

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.

**Mitaanjigaming First Nation**  
**Notes to Consolidated Financial Statements**

March 31, 2016

**6. Tangible Capital Assets**

	2016					
	Buildings	Equipment	Vehicles	Roads	Housing	Other
Cost, beginning of year	\$ 6,781,961	\$ 630,855	\$ 535,078	\$ 207,373	\$ 3,569,699	\$ 65,870
Additions	748,595	-	-	-	355,142	-
Disposals	-	-	-	-	-	-
Cost, end of year	7,530,556	630,855	535,078	207,373	3,924,841	65,870
Accumulated amortization, beginning of year	1,655,797	449,103	262,471	78,830	804,896	39,519
Amortization	150,611	15,601	54,956	2,307	78,497	3,293
Disposals	-	-	-	-	-	-
Accumulated amortization, end of year	1,806,408	464,704	317,427	81,137	883,393	42,812
Net carrying amount, end of year	\$ 5,724,148	\$ 166,151	\$ 217,651	\$ 126,236	\$ 3,041,448	\$ 23,058
						\$ 9,298,692

The net book value of tangible capital assets not being amortized because they are under construction is \$124,023 (2015 - \$661,491). These items are recognized separately as tangible capital assets under construction in the consolidated statement of financial position. This relates to the housing and ball park projects.

**Mitaanjugaming First Nation**  
**Notes to Consolidated Financial Statements**

March 31, 2016

**6. Tangible Capital Assets (continued)**

						2015	
	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	2,052,674	32,510	122,648	-	-	-	2,207,832
Disposals	-	-	(38,222)	-	-	-	(38,222)
Cost, end of year	6,781,961	486,603	454,078	207,373	3,569,699	65,870	11,565,584
Accumulated amortization, beginning of year	1,520,158	379,332	196,372	76,523	733,502	36,226	2,942,113
Amortization	135,639	15,601	54,956	2,307	71,394	3,293	283,190
Disposals	-	-	(38,222)	-	-	-	(38,222)
Accumulated amortization, end of year	1,655,797	394,933	213,106	78,830	804,896	39,519	3,187,081
Net carrying amount, end of year	\$ 5,126,164	\$ 91,670	\$ 240,972	\$ 128,543	\$ 2,764,803	\$ 26,351	\$ 8,378,503

## Mitaanjigamiing First Nation Notes to Consolidated Financial Statements

March 31, 2016

### 7. Deferred Revenue

	Balance March 31, 2015	Funding Received 2016	Revenue Recognized 2016	Balance March 31, 2016
<b>Federal Government</b>				
INAC - Land Management	\$ 36,992	\$ -	\$ 9,575	\$ 27,417
INAC - Post Secondary Education	129,809	361,826	222,036	269,599
INAC - Economic Development	-	68,278	-	68,278
<b>Other</b>				
IESO	-	27,916	-	27,916
	<u>\$ 166,801</u>	<u>\$ 458,020</u>	<u>\$ 231,611</u>	<u>\$ 393,210</u>

#### INAC - Land Management

Indigenous and Northern Affairs Canada advanced 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.

#### INAC - Post Secondary Education

Indigenous and Northern Affairs Canada advanced 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.

#### INAC - Economic Development

Indigenous and Northern Affairs Canada advanced the First Nation funding in relation to a proposal for a Tourism Lodge Business Plan. This funding must be spent on Tourism Lodge Business Plan expenses within the boundaries of the First Nation.

#### IESO

IESO advanced the First Nation funding in relation to a new development of a Community Energy Plan. The funding must be spent on Community Energy Plan costs within the boundaries of the First Nation.

**Mitaanjigamiing First Nation**  
**Notes to Consolidated Financial Statements**

March 31, 2016

**8. Demand Debt**

	<u>2016</u>	<u>2015</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 2021 or when litigation is settled, whichever comes first.	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	207,346
Flood claim litigation loan, non-interest bearing, maturing March 2020 or when litigation is settled, whichever comes first. Maximum 5 year extension is available if litigation is not settled by 2020.	225,884	-
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 2021 or when litigation is settled, whichever comes first.	187,965	187,965
	<u>\$ 2,510,171</u>	<u>\$ 2,284,287</u>

**Mitaanjigamiing First Nation**  
**Notes to Consolidated Financial Statements**

March 31, 2016

**8. Demand Debt (continued)**

	<u>2016</u>	<u>2015</u>
Carried forward	\$ 2,510,171	\$ 2,284,287
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.	145,083	145,083
Land claim litigation loan, non-interest bearing, maturing March 2020 or when litigation is settled, whichever comes first. Maximum 5 year extension is available if litigation is not settled by 2020.	<u>104,683</u>	
	<u>\$ 3,173,544</u>	<u>\$ 2,842,977</u>

Demand debt is not secured.

Scheduled principal repayments are as follows:

Year	Amount
2017	\$ 51,410
2018	130,395
2019	197,793
2020	293,706
2021	753,511
Thereafter	<u>1,746,729</u>
	<u>\$ 3,173,544</u>

# Mitaanjigamiiing First Nation Notes to Consolidated Financial Statements

March 31, 2016

## 9. Term Loans

	2016	2015
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.	\$ 1,269,895	\$ 1,385,690
Access road improvements project loan with interest at 5%, repayable in full upon receipt of funds from INAC, MTO and NOHFC principal plus interest, due September 30, 2016, secured by funds agreed upon by INAC, MTO and NOHFC.	849,000	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.	60,871	165,222
1468069 Ontario Limited o/a Gobe Corporation equipment loan, 11% repayable in monthly instalments of \$444 principal and interest, secured by specific equipment.	13,236	-
1468069 Ontario Limited o/a Gobe Corporation equipment loan, 11% repayable in monthly instalments of \$587 principal and interest, secured by specific equipment.	49,612	-
	<u>\$ 2,242,614</u>	<u>\$ 2,825,424</u>

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

	Principal Repayments	Interest	Total
2017	\$ 1,037,142	\$ 68,481	\$ 1,105,623
2018	134,153	60,482	194,635
2019	140,995	53,196	194,191
2020	143,477	45,836	189,313
2021	150,967	38,345	189,312
Thereafter	635,880	77,845	713,725
	<u>\$ 2,242,614</u>	<u>\$ 344,185</u>	<u>\$ 2,586,799</u>

## Mitaanjigamiing First Nation Notes to Consolidated Financial Statements

March 31, 2016

### 10. Economic Dependence

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

### 11. 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>2016</u>
Financial Plan (budget) by-law surplus for the year	\$ 145,984
Add:	
Capital expenditures	-
Less:	
Amortization	(305,265)
Loan proceeds budgeted as revenue	<u>(338,530)</u>
Budget deficit per consolidated statement of operations	<u>\$ (497,811)</u>

### 12. Investments Held in Trust

	Balance March 31, 2015	Additions 2016	Withdrawals 2016	Balance March 31, 2016
Rainy River District First Nation Trust	\$ 120,022	\$ -	\$ 112,254	\$ 7,768
Revenue	14,541	-	10,990	3,551
	<u>\$ 134,563</u>	<u>\$ -</u>	<u>\$ 123,244</u>	<u>\$ 11,319</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.

## Mitaanjigamiing First Nation Notes to Consolidated Financial Statements

March 31, 2016

### 13. 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.

### 14. Comparative Figures

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

### 15. Expenditure by Object

	2016	2015
Salaries, wages and employee benefits	\$ 1,369,945	\$ 1,372,376
Materials and supplies	4,420,132	3,701,098
Contracted services	1,000,361	1,047,896
Rents and financial expenses	269,366	244,196
Travel	412,535	441,358
Amortization	305,265	283,190
	<u>\$ 7,777,604</u>	<u>\$ 7,090,114</u>

### 16. 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.

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## **Mitaanjigamiing First Nation Notes to Consolidated Financial Statements**

**March 31, 2016**

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### **16. 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.

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## Mitaanjigamiing First Nation Notes to Consolidated Financial Statements

March 31, 2016

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### 16. 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.

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### 17. 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 2016 were \$33,375 (2015 - \$27,064).

**Mitaanjigaming First Nation  
2016 Segment Disclosure**

For the year ended March 31, 2016	Band Support	Operations and Maintenance	Education	Medical and Health	Capital	Other	Total
<b>Revenue</b>							
INAC	\$ 201,632	\$ 172,659	\$ 1,183,634	\$ -	\$ 146,206	\$ 166,543	\$ 1,870,674
Canada	-	-	-	202,088	16,000	-	218,088
Ontario	64,183	-	-	-	1,527,733	-	2,006,719
Casino Rama	-	-	-	-	-	414,803	409,024
Trust income	185	-	-	-	-	409,024	328,165
Other Aboriginal organizations	-	-	-	-	-	327,980	487,283
Interest, rentals and other	153,297	17,350	-	64,940	-	422,343	1,472,612
	419,297	190,009	1,183,634	267,028	1,689,939	3,042,658	6,752,565
Deferred revenue, beginning of year	36,992	-	129,809	-	-	-	166,801
Deferred revenue, end of year	(55,333)	-	(269,599)	-	-	(68,278)	(393,210)
	400,956	190,009	1,043,844	267,028	1,689,939	2,974,380	6,566,156
<b>Expenditures</b>							
Salaries, wages and benefits	361,592	94,732	188,223	122,616	31,209	571,573	1,369,945
Materials, supplies and capital	154,582	194,503	119,777	77,290	1,826,589	2,047,391	4,420,132
Contracted services	17,124	7,087	543,707	9,049	-	423,394	1,000,361
Rents and financial expenses	103,218	-	-	-	4,194	161,954	269,366
Travel	106,490	1,373	45,272	26,318	-	233,082	412,535
Amortization	199,497	75,451	24,700	5,617	-	-	305,265
	942,503	373,146	921,679	240,890	1,861,992	3,437,394	7,777,604
Excess (deficiency) of revenue over expenditures	\$ (541,547)	\$ (183,137)	\$ 122,165	\$ 26,138	\$ (172,053)	\$ (463,014)	\$ (1,211,448)

# Mitaanjigaming First Nation 2015 Segment Disclosure

For the year ended March 31, 2015

Revenue									
INAC									
Canada	\$ 323,753	\$ 177,959	\$ 1,112,611	\$ -	\$ 1,703,842	\$ 130,150	\$ 3,448,315		
Ontario	-	-	-	207,224	-	-	207,224		
Casino Rama	45,000	-	-	114,990	1,097,770	459,742	1,717,502		
Trust Income	-	-	-	-	-	406,690	406,690		
Other Aboriginal organizations	2,182	-	-	-	-	1,557,089	1,559,271		
Interest, rentals and other	-	-	-	-	-	417,686	474,388		
	261,450	17,000	-	56,702	-	15,900	300,350		
	632,385	194,959	1,112,611	378,916	2,807,612	2,987,257	8,113,740		
Deferred revenue, beginning of year	49,850	-	40,880	-	-	-	90,730		
Deferred revenue, end of year	(36,992)	-	(129,809)	-	-	-	(166,801)		
	545,243	194,959	1,023,682	378,916	2,807,612	2,987,257	8,037,669		
Expenditures									
Salaries, wages and benefits	390,629	78,431	201,479	135,057	33,295	533,485	1,372,376		
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	62,960	-	-	-	-	181,236	244,196		
Travel	73,354	2,538	59,938	29,991	-	275,537	441,358		
Amortization	177,112	75,761	24,700	5,617	-	-	283,190		
	954,639	372,481	990,367	257,392	2,768,200	1,747,035	7,090,114		
Excess (deficiency) of revenue over expenditures	\$ (309,396)	\$ (177,522)	\$ 33,315	\$ 121,524	\$ 39,412	\$ 1,240,222	\$ 947,555		