

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

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Consolidated Financial Statements
For the year ended March 31, 2017

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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.

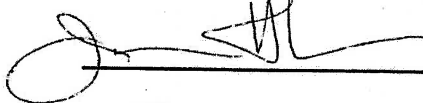
The consolidated financial statements have been prepared by management in accordance with Public Sector Accounting Principles. Consolidated financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has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

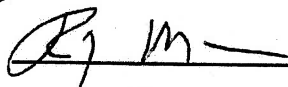
Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

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



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BDO Canada LLP
607 Portage Avenue
Fort Frances ON P9A 0A7 Canada

Independent Auditor's Report

To the Chief and Council of Mitaanjigamiing First Nation

We have audited the accompanying consolidated financial statements of Mitaanjigamiing First Nation as at March 31, 2017, 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 Mitaanjigamiing First Nation as at March 31, 2017, 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 has also prepared another set of consolidated Consolidated Financial Statements for the year ended March 31, 2017 in accordance with Canadian public sector accounting standards. However, these consolidated Consolidated Financial Statements do not include unaudited supplementary schedules. Our audit report on the other set of consolidated Consolidated Financial Statements was issued to the members of Mitaanjigamiing First Nation and was dated July 18, 2017.

BDO CANADA LLP

Chartered Professional Accountants, Licensed Public Accountants

Fort Frances, Ontario
July 18, 2017

Mitaanjigamiing First Nation Consolidated Statement of Financial Position

March 31

2017

2016

Financial assets

Cash and cash equivalents (Note 1)	\$ 289,296	\$ 321,679
Accounts receivable	1,061,182	836,631
Loans and advances (Note 2)	89,115	75,263
Investments held in trust (Note 11)	46,944	11,319
Notes receivable	50,000	50,000
Portfolio investments (Note 3)	341,830	1,106,808
	<u>1,878,367</u>	<u>2,401,700</u>

Liabilities

Bank indebtedness (Note 1)	-	36,141
Accounts payable and accrued liabilities	726,074	755,397
Term loans (Note 8)	1,157,570	2,242,614
Demand debt (Note 7)	3,496,044	3,173,544
Deferred revenue (Note 6)	681,678	393,210
	<u>6,061,366</u>	<u>6,600,906</u>

Net financial assets (debt)

	<u>(4,182,999)</u>	<u>(4,199,206)</u>
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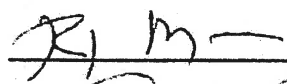

Non-financial assets

Tangible capital assets (Note 5)	9,150,815	9,298,692
Prepaid expenses	-	10,000
Tangible capital assets under construction	417,826	124,023
	<u>9,568,641</u>	<u>9,432,715</u>

Accumulated surplus (Note 4)

	<u>\$ 5,385,642</u>	<u>\$ 5,233,509</u>
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Contingent liabilities (Note 13)


 _____ Chief

 _____ Councilor

 _____ Councilor

Mitaanjigamiing First Nation

Consolidated Statement of Operations

For the year ended March 31	Budget	2017	2016
	(Note 10)		
Revenue			
INAC - grant	\$ 162,087	\$ 162,087	\$ 163,332
INAC - set contribution funding	597,460	567,460	639,539
INAC - fixed contribution funding	2,931,399	2,944,397	1,067,803
Revenue - trust fund	-	47	185
Rental - housing and other buildings	17,500	17,850	17,350
Ministry of Community and Social Services	15,900	144,955	150,703
Ministry of Aboriginal Affairs	275,000	275,000	280,000
Ministry of Transportation	-	250,000	1,216,928
Miscellaneous	123,887	108,535	117,490
Shooniyaa Wa-Biitong	42,746	42,746	54,990
Resource and other economic development	68,274	186,262	410,350
FedNor	-	200,000	-
Ministry of Health	48,000	48,000	45,000
Northern Ontario Heritage Fund	122,469	85,842	310,805
CMHC	-	-	16,000
Casino Rama revenue	462,255	462,255	409,024
Fort Frances Area Tribal Health Authority	117,736	117,736	121,899
Weechi-it-te-win	378,784	471,369	365,384
Health Canada	247,061	247,061	202,088
1468069 Ontario Limited o/a Gobe Corporation	-	1,036,857	1,286,228
Impairment loss from investments	-	(179,988)	(82,533)
	5,610,558	7,188,471	6,792,565
Deferred revenue, beginning of year	365,294	393,210	166,801
Deferred revenue, end of year (Note 6)	-	(681,678)	(393,210)
	5,975,852	6,900,003	6,566,156
Expenditures			
Band support	977,744	838,629	942,503
Operations and maintenance	286,093	256,773	373,146
Education	1,139,524	1,184,928	921,679
Social services	103,068	193,073	210,095
Other operating programs	52,341	52,341	55,089
Weechi-it-te-win program	378,784	471,620	365,384
Aboriginal healing and wellness strategy	58,425	58,425	59,840
Capital programs	2,113,370	1,506,000	1,861,992
Other INAC programs	44,967	45,930	46,816
Integrated Community Based Health Services	172,632	195,204	181,050
Casino Rama	462,255	462,255	409,024
New Relationship Fund	84,778	84,778	84,778
Tourism Lodge	79,050	8,254	-
Economic development expenses	23,147	39,434	57,588
Land and flood claims	699,973	478,814	625,145
1468069 Ontario Limited o/a Gobe Corporation	-	871,412	1,583,475
	6,676,151	6,747,870	7,777,604
Annual surplus (deficit)	\$ (700,299)	\$ 152,133	\$ (1,211,448)

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

Mitaanjigamiing First Nation
Consolidated Statement of Changes in Accumulated Surplus

For the year ended March 31	2017	2016
First Nation accumulated surplus, beginning of year	\$ 5,233,509	\$ 6,517,620
Adjustment for surplus repayment and trust equity	-	(72,663)
Annual surplus (deficit)	<u>152,133</u>	<u>(1,211,448)</u>
First Nation accumulated surplus, end of year	<u>\$ 5,385,642</u>	<u>\$ 5,233,509</u>

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

For the year ended March 31	Budget	2017	2016
	(Note 10)		
Annual surplus (deficit)	\$ (700,299)	\$ 152,133	\$ (1,211,448)
Acquisition of tangible capital assets	-	(509,835)	(687,986)
Amortization of tangible capital assets	305,265	345,733	305,265
Gain on sale of tangible capital assets	-	(31,189)	-
Proceeds on sale of tangible capital assets	-	49,365	-
	(395,034)	6,207	(1,594,169)
(Acquisition)/consumption of prepaid expenses and inventory of supplies	-	10,000	(10,000)
Adjustment for surplus repayment and trust equity	-	-	(72,663)
Net increase (decrease) in net financial assets (debt)	(395,034)	16,207	(1,676,832)
Net financial assets (debt), beginning of year	(4,199,206)	(4,199,206)	(2,522,374)
Net financial assets (debt), end of year	\$ (4,594,240)	\$ (4,182,999)	\$ (4,199,206)

Mitaanjigamiing First Nation Consolidated Statement of Cash Flows

For the year ended March 31	2017	2016
Cash flows from operating activities		
Annual surplus (deficit)	\$ 152,133	\$ (1,211,448)
Items not involving cash		
Amortization of tangible capital assets	345,733	305,265
Gain on sale of equipment	(31,189)	-
Changes in non-cash working capital		
Accounts receivable	(224,551)	1,798,695
Loans and advances	(13,849)	144,324
Advances to affiliated parties	-	(50,000)
Prepaid expenses	10,000	(10,000)
Accounts payable and accrued liabilities	(29,324)	8,833
Deferred revenue	288,468	226,409
	<u>497,421</u>	<u>1,212,078</u>
Cash flows from capital activities		
Purchase of capital assets	(509,835)	(687,986)
Proceeds on sale of capital assets	49,365	-
	<u>(460,470)</u>	<u>(687,986)</u>
Cash flows from financing activities		
Increase in demand and long-term debt	322,500	330,567
Repayment of demand debt	(1,085,044)	(582,809)
Adjustment for surplus repayment and trust equity	-	(72,663)
	<u>(762,544)</u>	<u>(324,905)</u>
Cash flows from investing activities		
Disposal of portfolio investments	764,976	571,300
Trust funds	(35,625)	123,245
	<u>729,351</u>	<u>694,545</u>
Increase in cash during the year	3,758	893,732
Cash (bank indebtedness), beginning of year	285,538	(608,194)
Cash, end of year	\$ 289,296	\$ 285,538
Represented by:		
Cash and cash equivalents	\$ 289,296	\$ 321,679
Bank indebtedness	-	(36,141)
	<u>\$ 289,296</u>	<u>\$ 285,538</u>

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

Mitaanjigamiing First Nation Summary of Significant Accounting Policies

March 31, 2017

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.

Other long-term investments are reflected at cost as disclosed in Note 3.

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.

Mitaanjigamiing First Nation Summary of Significant Accounting Policies

March 31, 2017

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 being performed is deferred and recognized when the fee is earned or the service is 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

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, 2017

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, 2017

1. Cash and Cash Equivalents

	<u>2017</u>	<u>2016</u>
Internally restricted Reserves	\$ 42,799	\$ 42,799
Unrestricted Operating	<u>246,497</u>	<u>242,739</u>
Total cash and cash equivalents	<u>\$ 289,296</u>	<u>\$ 285,538</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. Loans and Advances

	<u>2017</u>	<u>2016</u>
Nanicost Ltd. - note receivable	\$ 60,648	\$ 50,646
Loans and advances	41,672	37,822
Allowance for doubtful accounts	<u>(13,205)</u>	<u>(13,205)</u>
	<u>\$ 89,115</u>	<u>\$ 75,263</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 Consolidated Financial Statements

March 31, 2017

3. Portfolio Investments

	2017	2016
Rainy Lake Tribal Development Corporation (RLTDC)	\$ 100,000	\$ 279,988
Boundary Waters Anishinaabeg Development, LP	80,922	80,922
Rainy Lake Tribal Resource Management	7,035	7,035
Nanicoast Ltd.	7,389	7,389
Marketable securities	146,484	731,474
	\$ 341,830	\$ 1,106,808

Portfolio investments are valued at cost. The fair market value of the marketable securities at March 31, 2017, was \$169,733 (2016 - \$726,908). 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, 2017

4. Accumulated Surplus

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

	2017	2016
Investment in tangible capital assets		
Tangible capital assets	\$ 9,150,815	\$ 9,298,692
Tangible capital assets under construction	417,826	124,023
Debt related to capital	(1,148,399)	(1,269,895)
Total investment in tangible capital assets	8,420,242	8,152,820
Current fund deficit	(2,847,939)	(2,531,580)
Other government organization	(276,404)	(441,849)
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	7,099	3,552
Rainy River District First Nation Trust	39,845	7,767
Total trust investments	46,944	11,319
	\$ 5,385,642	\$ 5,233,509

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, 2017

5. Tangible Capital Assets

	2017					
	Buildings	Equipment	Vehicles	Roads	Housing	Other
Cost, beginning of year	\$ 7,530,556	\$ 630,855	\$ 535,078	\$ 207,373	\$ 3,924,841	\$ 65,870
Additions	18,075	26,357	38,772	-	96,132	36,696
Disposals	-	(34,000)	-	-	-	-
Cost, end of year	7,548,631	623,212	573,850	207,373	4,020,973	102,566
Accumulated amortization, beginning of year	1,806,408	464,704	317,427	81,137	883,393	42,812
Amortization	150,973	44,196	62,710	2,307	80,419	5,128
Disposals	-	(15,824)	-	-	-	-
Accumulated amortization, end of year	1,957,381	493,076	380,137	83,444	963,812	47,940
Net carrying amount, end of year	\$ 5,591,250	\$ 130,136	\$ 193,713	\$ 123,929	\$ 3,057,161	\$ 54,626
						\$ 9,150,815

The net book value of tangible capital assets not being amortized because they are under construction is \$417,826 (2016 - \$124,023). 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.

March 31, 2017

2016

17

Mitaanjigamiing First Nation Notes to Consolidated Financial Statements

March 31, 2017

6. Deferred Revenue

	Balance March 31, 2016	Funding Received 2017	Revenue Recognized 2017	Balance March 31, 2017
Federal Government				
INAC - Land Management	\$ 27,417	\$ -	\$ 11,170	\$ 16,247
INAC - Special Education	-	147,215	85,734	61,481
INAC - Post Secondary Education	269,599	373,663	403,753	239,509
INAC - Economic Development	68,278	-	14,574	53,704
INAC - Multi-Units	-	584,400	273,663	310,737
Other				
IESO	27,916	-	27,916	-
	<u>\$ 393,210</u>	<u>\$ 1,105,278</u>	<u>\$ 816,810</u>	<u>\$ 681,678</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 costs 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, 2017

7. Demand Debt

	2017	2016
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 2022 or when litigation is settled, whichever comes first.	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	225,884
Flood claim litigation loan, non-interest bearing, maturing March 2021 or when litigation is settled, whichever comes first. Maximum 5 year extension is available if litigation is not settled by 2021.	142,500	-
Land claim litigation loan, non-interest bearing, maturing March 2022 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
	<u>\$ 2,464,706</u>	<u>\$ 2,322,206</u>

Mitaanjigamiing First Nation Notes to Consolidated Financial Statements

March 31, 2017

7. Demand Debt (continued)

	2017	2016
Carried forward	\$ 2,464,706	\$ 2,322,206
Land claim litigation loan, non-interest bearing, maturing March 2021 or when litigation is settled, whichever comes first.	187,965	187,965
Land claim litigation loan, non-interest bearing, maturing March 2022 or when litigation is settled, whichever comes first.	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.	104,683	104,683
Land claim litigation loan, non-interest bearing, maturing March 2021 or when litigation is settled, whichever comes first. Maximum 5 year extension is available if litigation is not settled by 2021.	180,000	-
	\$ 3,496,044	\$ 3,173,544

Demand debt is not secured.

Scheduled principal repayments are as follows:

Year	Amount
2018	\$ 130,395
2019	197,793
2020	293,706
2021	753,511
2022	498,349
Thereafter	1,622,290
	\$ 3,496,044

Mitaanjigamiing First Nation Notes to Consolidated Financial Statements

March 31, 2017

8. Term Loans

	2017	2016
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.	\$ 1,148,399	\$ 1,269,895
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
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
1468069 Ontario Limited o/a Gobe Corporation equipment loan, 11% repayable in monthly instalments of \$444 principal and interest, secured by specific equipment.	9,171	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>\$ 1,157,570</u>	<u>\$ 2,242,614</u>

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

	Principal Repayments	Interest	Total
2018	\$ 132,290	\$ 55,301	\$ 187,591
2019	138,917	48,230	187,147
2020	141,158	41,110	182,268
2021	148,379	33,889	182,268
2022	155,971	26,297	182,268
Thereafter	440,855	29,996	470,851
	<u>\$ 1,157,570</u>	<u>\$ 234,823</u>	<u>\$ 1,392,393</u>

Mitaanjigamiing First Nation

Notes to Consolidated Financial Statements

March 31, 2017

9. Economic Dependence

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

10. 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>2017</u>
Financial Plan (budget) by-law deficit for the year	\$ (72,416)
Add:	
Capital expenditures	40,350
Less:	
Amortization	(345,733)
Loan proceeds budgeted as revenue	<u>(322,500)</u>
Budget deficit per consolidated statement of operations	<u>\$ (700,299)</u>

11. Investments Held in Trust

	Balance March 31, 2016	Additions 2017	Withdrawals 2017	Balance March 31, 2017
Rainy River District First Nation Trust	\$ 7,768	\$ 32,078	\$ -	\$ 39,846
Revenue	3,551	3,547	-	7,098
	<u>\$ 11,319</u>	<u>\$ 35,625</u>	<u>\$ -</u>	<u>\$ 46,944</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, 2017

12. 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.

13. Contingent Liabilities

A claim in the amount of \$158,999 has been filed against the First Nation. In the opinion of management and legal counsel, the outcome of the claim is not determinable. Should any loss result from the resolution of this claim, such loss will be charged to operations in the year of resolution.

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

	2017	2016
Salaries, wages and employee benefits	\$ 1,286,477	\$ 1,369,946
Materials and supplies	3,346,333	4,420,131
Contracted services	1,110,264	1,000,361
Rents and financial expenses	237,543	269,366
Travel	421,520	412,535
Amortization	345,733	305,265
	<u>\$ 6,747,870</u>	<u>\$ 7,777,604</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.

Mitaanjigamiing First Nation Notes to Consolidated Financial Statements

March 31, 2017

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.

Mitaanjigamiing First Nation

Notes to Consolidated Financial Statements

March 31, 2017

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.

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 2017 were \$33,134 (2016 - \$33,375).

**Mitaanjiigamiing First Nation
2017 Segment Disclosure**

For the year ended March 31, 2016	Band Support	Operations and Maintenance	Education	Medical and Health	Capital	Other	Total
Revenue							
INAC	\$ 318,130	\$ 163,793	\$ 1,177,290	\$ -	\$ 1,921,731	\$ 93,000	\$ 3,673,944
Canada	-	-	-	247,061	200,000	-	447,061
Ontario	155,302	-	-	-	335,842	419,955	911,099
Casino Rama	-	-	-	-	-	462,255	462,255
Trust income	47	-	-	-	-	-	47
Other Aboriginal Organizations	-	-	-	63,525	-	525,580	589,105
Interest, rentals and other	43,979	17,850	-	-	-	1,043,131	1,104,960
	517,458	181,643	1,177,290	310,586	2,457,573	2,543,921	7,188,471
Deferred revenue, beginning of year	55,333	-	269,599	-	-	68,278	393,210
Deferred revenue, end of year	(16,247)	-	(300,990)	-	(310,737)	(53,704)	(681,678)
	556,544	181,643	1,145,899	310,586	2,146,836	2,558,495	6,900,003
Expenditures							
Salaries, wages and benefits	358,013	85,197	172,733	128,179	5,908	536,447	1,286,477
Materials, supplies and capital	182,036	175,228	227,436	74,837	1,500,092	1,186,704	3,346,333
Contracted services	33,364	16,355	696,773	8,234	-	355,538	1,110,264
Rents and financial expenses	69,566	-	-	-	-	167,977	237,543
Travel	97,206	2,061	63,286	29,008	-	229,959	421,520
Amortization	205,746	75,130	24,700	13,371	-	26,786	345,733
	945,931	353,971	1,184,928	253,629	1,506,000	2,503,411	6,747,870
Excess (deficiency) of revenue over expenditures	\$ (389,387)	\$ (172,328)	\$ (39,029)	\$ 56,957	\$ 640,836	\$ 55,084	\$ 152,133

**Mitaanjiigamiing First Nation
2016 Segment Disclosure**

For the year ended March 31, 2015	Band Support	Operations and Maintenance	Education	Medical and Health	Capital	Other	Total
Revenue							
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	414,803	2,006,719
Casino Rama	-	-	-	-	-	409,024	409,024
Trust income	185	-	-	-	-	327,980	328,165
Other Aboriginal Organizations	-	-	-	64,940	-	422,343	487,283
Interest, rentals and other	153,297	17,350	-	-	-	1,301,965	1,472,612
	419,297	190,009	1,183,634	267,028	1,689,939	3,042,658	6,792,565
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
Expenditures							
Salaries, wages and benefits	361,592	94,732	188,223	122,617	31,209	571,573	1,369,946
Materials, supplies and capital	154,582	194,503	119,776	77,290	1,826,589	2,047,391	4,420,131
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	45,273	26,318	-	233,081	412,535
Amortization	199,497	75,451	24,700	5,617	-	-	305,265
	942,503	373,146	921,679	240,891	1,861,992	3,437,393	7,777,604
Excess (deficiency) of revenue over expenditures	\$ (541,547)	\$ (183,137)	\$ 122,165	\$ 26,137	\$ (172,053)	\$ (463,013)	\$ (1,211,448)