

**Mitaanjigamiing First Nation**  
**Consolidated Financial Statements**  
**For the year ended March 31, 2018**

**Mitaanjigamiing First Nation**  
**Consolidated Financial Statements**  
For the year ended March 31, 2018

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

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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



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## Independent Auditor's Report

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### To the Members of Mitaanjigamiing First Nation

We have audited the accompanying consolidated financial statements of Mitaanjigamiing First Nation as at March 31, 2018, 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, 2018, 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**

Mitaanjugamiing has also prepared another set of consolidated Consolidated Financial Statements for the year ended March 31, 2018 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 Mitaanjugamiing First Nation and was dated July 20, 2018.


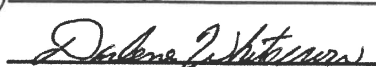
*BDO CANADA LLP*

Chartered Professional Accountants, Licensed Public Accountants

Fort Frances, Ontario  
July 20, 2018

## Mitaanjigamiing First Nation Consolidated Statement of Financial Position

March 31	2018	2017
<b>Financial assets</b>		
Cash and cash equivalents (Note 1)	\$ 1,511,014	\$ 289,296
Accounts receivable	1,194,381	1,061,182
Loans and advances (Note 2)	32,595	89,115
Investments held in trust (Note 11)	81,813	46,944
Notes receivable	50,000	50,000
Portfolio investments (Note 3)	516,064	341,830
	<u>3,385,867</u>	<u>1,878,367</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	710,607	726,074
Term loans (Note 8)	9,270	1,157,570
Obligations under capital lease	40,600	-
Demand debt (Note 7)	2,091,468	3,496,044
Deferred revenue (Note 6)	938,417	681,678
	<u>3,790,362</u>	<u>6,061,366</u>
<b>Net financial assets (debt)</b>	<u>(404,495)</u>	<u>(4,182,999)</u>
<b>Non-financial assets</b>		
Tangible capital assets (Note 5)	9,987,143	9,150,815
Tangible capital assets under construction	102,647	417,826
	<u>10,089,790</u>	<u>9,568,641</u>
<b>Accumulated surplus (Note 4)</b>	<u>\$ 9,685,295</u>	<u>\$ 5,385,642</u>
<b>Contingent liabilities (Note 13)</b>		

 Chief  
 Councilor

# Mitaanjigamiing First Nation Consolidated Statement of Operations

For the year ended March 31	Budget	2018	2017
	(Note 10)		
<b>Revenue</b>			
ISC - grant	\$ 233,844	\$ 233,844	\$ -
ISC - set contribution funding	663,511	503,500	56,000
ISC - fixed contribution funding	2,159,225	2,011,505	2,238,898
ISC - flexible contribution funding	1,090,578	333,247	1,090,578
Revenue - trust fund	-	133	47
Rental - housing and other buildings	17,500	18,000	17,850
Ministry of Community and Social Services	-	162,448	144,955
Ministry of Education	-	126,780	-
Ministry of Health and Long-Term Care	55,300	55,300	-
Ministry of Indigenous Relations and Reconciliation	375,000	375,000	275,000
Ministry of Transportation	-	-	250,000
Miscellaneous	119,238	136,968	108,535
Shooniyaa Wa-Biitong	53,148	60,085	42,746
Small Communities Fund	500,000	9,772	-
Resource and other economic development	51,718	414,102	186,262
FedNor	-	285,000	200,000
Ministry of Tourism, Culture and Sport	48,000	49,284	48,000
Northern Ontario Heritage Fund	122,469	48,404	85,842
OFNLP	493,423	469,447	462,255
Fort Frances Area Tribal Health Authority	142,736	144,950	117,736
Weechi-it-te-win	459,472	545,298	471,369
Health Canada	210,574	210,574	247,061
1468069 Ontario Limited o/a Gobe Corporation	-	335,898	1,036,857
TLE Settlement	3,776,389	4,205,421	-
Impairment loss from investments	-	-	(179,988)
	10,572,125	10,734,960	6,900,003
<b>Estimated recovery of current year funds</b>	-	(140,471)	-
	10,572,125	10,594,489	6,900,003
<b>Expenditures</b>			
Band support	1,131,517	1,412,906	838,629
Operations and maintenance	796,124	292,182	256,773
Education	1,404,043	1,121,778	1,184,928
Social services	87,168	194,413	193,073
Other operating programs	79,211	77,034	52,341
Weechi-it-te-win program	459,472	496,674	471,620
Aboriginal healing and wellness strategy	63,525	65,576	58,425
Capital programs	1,787,836	804,602	1,506,000
Other ISC programs	68,967	77,020	45,930
Integrated Community Based Health Services	223,945	191,186	195,204
OFNLP	462,255	419,842	462,255
New Relationship Fund	90,000	88,858	84,778
Tourism lodge	85,370	24,389	8,254
Economic development expenses	23,147	52,325	39,434
Land and flood claims	327,500	483,696	478,814
1468069 Ontario Limited o/a Gobe Corporation	-	353,511	871,412
Child and family program	160,011	20,404	-
TLE Settlement	2,463,789	68,670	-
Home and community care	55,300	49,770	-
	9,769,180	6,294,836	6,747,870
<b>Annual surplus</b>	\$ 802,945	\$ 4,299,653	\$ 152,133

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

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

<u>For the year ended March 31</u>	<u>2018</u>	<u>2017</u>
First Nation accumulated surplus, beginning of year	\$ 5,385,642	\$ 5,233,509
Annual surplus	<u>4,299,653</u>	<u>152,133</u>
First Nation accumulated surplus, end of year	<u>\$ 9,685,295</u>	<u>\$ 5,385,642</u>



**Mitaanjigamiing First Nation**

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

<b>For the year ended March 31</b>	<b>Budget</b>	<b>2018</b>	<b>2017</b>
	<b>(Note 10)</b>		
Annual surplus	\$ 802,945	\$ 4,299,653	\$ 152,133
Acquisition of tangible capital assets	-	(915,770)	(509,835)
Amortization of tangible capital assets	318,947	363,603	345,733
Gain on sale of tangible capital assets	-	(9,297)	(31,189)
Proceeds on sale of tangible capital assets	-	40,315	49,365
	<b>1,121,892</b>	<b>3,778,504</b>	<b>6,207</b>
Consumption of prepaid expenses and inventory of supplies	-	-	10,000
Net increase in net financial assets (debt)	<b>1,121,892</b>	<b>3,778,504</b>	<b>16,207</b>
Net financial assets (debt), beginning of year	<b>(4,182,999)</b>	<b>(4,182,999)</b>	<b>(4,199,206)</b>
Net financial assets (debt), end of year	<b>\$ (3,061,107)</b>	<b>\$ (404,495)</b>	<b>\$ (4,182,999)</b>

## Mitaanjigamiing First Nation Consolidated Statement of Cash Flows

For the year ended March 31	2018	2017
<b>Cash flows from operating activities</b>		
Annual surplus	\$ 4,299,653	\$ 152,133
Items not involving cash		
Amortization of tangible capital assets	363,603	345,733
Gain on sale of equipment	(9,297)	(31,189)
Changes in non-cash working capital		
Accounts receivable	(133,199)	(224,551)
Loans and advances	56,520	(13,849)
Prepaid expenses	-	10,000
Accounts payable and accrued liabilities	(15,465)	(29,324)
Deferred revenue	256,738	288,468
	<u>4,818,553</u>	<u>497,421</u>
<b>Cash flows from capital activities</b>		
Purchase of capital assets	(915,770)	(509,835)
Proceeds on sale of capital assets	40,315	49,365
	<u>(875,455)</u>	<u>(460,470)</u>
<b>Cash flows from financing activities</b>		
Increase in demand and long-term debt	142,500	322,500
Repayment of demand debt	(2,695,377)	(1,085,044)
Increase in obligation under capital lease	40,600	-
	<u>(2,512,277)</u>	<u>(762,544)</u>
<b>Cash flows from investing activities</b>		
Disposal of portfolio investments	(174,234)	764,976
Trust funds	(34,869)	(35,625)
	<u>(209,103)</u>	<u>729,351</u>
<b>Increase in cash during the year</b>	<b>1,221,718</b>	<b>3,758</b>
<b>Cash, beginning of year</b>	<b>289,296</b>	<b>285,538</b>
<b>Cash, end of year</b>	<b>\$ 1,511,014</b>	<b>\$ 289,296</b>

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## Mitaanjigamiing First Nation Summary of Significant Accounting Policies

March 31, 2018

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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 Chartered Professional Accountants of Canada 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.

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## Mitaanjigamiing First Nation Summary of Significant Accounting Policies

March 31, 2018

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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 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.

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

**March 31, 2018**

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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.

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## Mitaanjigamiing First Nation Notes to Consolidated Financial Statements

**March 31, 2018**

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### 1. Cash and Cash Equivalents

	<u>2018</u>	<u>2017</u>
Internally restricted Reserves	\$ 42,799	\$ 42,799
Unrestricted Operating	<u>1,468,215</u>	<u>246,497</u>
<b>Total cash and cash equivalents</b>	<b><u>\$ 1,511,014</u></b>	<b><u>\$ 289,296</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.

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### 2. Loans and Advances

	<u>2018</u>	<u>2017</u>
Nanicost Ltd. - note receivable	\$ -	\$ 60,648
Loans and advances	45,800	41,672
Allowance for doubtful accounts	<u>(13,205)</u>	<u>(13,205)</u>
	<b><u>\$ 32,595</u></b>	<b><u>\$ 89,115</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, 2018**

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**3. Portfolio Investments**

	<u>2018</u>	<u>2017</u>
Rainy Lake Tribal Development Corporation (RLTDC)	\$ 100,000	\$ 100,000
Boundary Waters Anishinaabeg Development, LP	80,922	80,922
Rainy Lake Tribal Resource Management	7,035	7,035
Nanicost Ltd.	7,389	7,389
Marketable securities	<u>320,718</u>	<u>146,484</u>
	<u><b>\$ 516,064</b></u>	<u><b>\$ 341,830</b></u>

Portfolio investments are valued at cost. The fair market value of the marketable securities at March 31, 2018, was \$316,478 (2017 - \$169,733). 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, 2018**

### 4. Accumulated Surplus

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

	2018	2017
Investment in tangible capital assets		
Tangible capital assets	\$ 9,987,143	\$ 9,150,815
Tangible capital assets under construction	102,647	417,826
Debt related to capital	(40,600)	(1,148,399)
Total investment in tangible capital assets	10,049,190	8,420,242
Current fund deficit	(594,491)	(2,847,939)
Other government Organization	(294,017)	(276,404)
Reserve funds		
School bus	22,799	22,799
Water treatment plant	20,000	20,000
Land Acquisition	300,000	-
Boffin Lake	100,000	-
Total reserve funds	442,799	42,799
Trust investments		
Revenue trust	10,732	7,099
Rainy River District First Nation Trust	71,082	39,845
Total trust investments	81,814	46,944
	<b>\$ 9,685,295</b>	<b>\$ 5,385,642</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, 2018**

**5. Tangible Capital Assets**

	2018					
	Buildings	Equipment	Vehicles	Roads	Housing	Other
Cost, beginning of year	\$ 7,548,631	\$ 623,212	\$ 573,850	\$ 207,373	\$ 4,020,973	\$ 102,566
Additions	31,107	82,363	132,401	-	983,578	1,500
Disposals	-	-	(38,772)	-	-	-
Cost, end of year	7,579,738	705,575	667,479	207,373	5,004,551	104,066
Accumulated amortization, beginning of year	1,957,381	493,076	380,137	83,444	963,812	47,940
Amortization	151,594	38,258	65,400	2,307	100,091	5,953
Disposals	-	-	(7,754)	-	-	-
Accumulated amortization, end of year	2,108,975	531,334	437,783	85,751	1,063,903	53,893
Net carrying amount, end of year	\$ 5,470,763	\$ 174,241	\$ 229,696	\$ 121,622	\$ 3,940,648	\$ 50,173
						<b>\$ 9,987,143</b>

The net book value of tangible capital assets not being amortized because they are under construction is \$102,647 (2017 - \$417,826). These items are recognized separately as tangible capital assets under construction in the consolidated statement of financial position. This relates to the housing, water treatment plant upgrades and beach access projects.

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

March 31, 2018

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

	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

## Mitaanjigamiing First Nation Notes to Consolidated Financial Statements

March 31, 2018

### 6. Deferred Revenue

	Balance March 31, 2017	Funding Received 2018	Revenue Recognized 2018	Balance March 31, 2018
<b>Federal Government</b>				
ISC - Land Management	\$ 16,247	\$ -	\$ -	\$ 16,247
ISC - Special Education	61,481	154,763	75,259	140,985
ISC - Post Secondary Education	239,509	430,751	467,704	202,556
ISC - Economic Development	53,704	-	24,389	29,315
ISC - Multi-Units	310,737	250,000	560,737	-
ISC - CCP	-	75,000	-	75,000
ISC - Roads and bridges	-	751,070	333,247	417,823
<b>Provincial Government</b>				
Ministry of Education	-	160,011	126,780	33,231
<b>Other</b>				
IESO	-	29,538	6,278	23,260
	<u>\$ 681,678</u>	<u>\$ 1,851,133</u>	<u>\$ 1,594,394</u>	<u>\$ 938,417</u>

#### ISC

Indigenous Services Canada advanced the First Nation funding in relation to land management, post secondary education, economic development, community comprehensive plan, and roads and bridges. These funds must be spent on land management projects within the boundaries of the First Nation, post secondary costs of First Nation members, tourism lodge business plan, community comprehensive plan, and roads and bridges.

#### 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.

#### Ministry of Education

The Ministry of Education advanced the First Nation funding in relation to the Child and Family Program. These funds must be spent on Child and Family programming costs.

## Mitaanjigamiing First Nation Notes to Consolidated Financial Statements

**March 31, 2018**

### 7. Demand Debt

	2018	2017
Flood claim litigation loan, non-interest bearing, maturing March 2020 or when litigation is settled, whichever comes first.	\$ 15,000	\$ 15,000
Flood claim litigation loan, non-interest bearing, maturing March 2021 or when litigation is settled, whichever comes first.	142,566	142,566
Flood claim litigation loan, non-interest bearing, maturing March 2022 or when litigation is settled, whichever comes first.	565,546	565,546
Flood claim litigation loan, non-interest bearing, maturing March 2023 or when litigation is settled, whichever comes first.	345,044	345,044
Flood claim litigation loan, non-interest bearing, maturing March 2024 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 2025 or when litigation is settled, whichever comes first. Maximum 5 year extension is available if litigation is not settled by 2025.	207,346	207,346
Flood claim litigation loan, non-interest bearing, maturing March 2026 or when litigation is settled, whichever comes first. Maximum 5 year extension is available if litigation is not settled by 2026.	225,884	225,884
Flood claim litigation loan, non-interest bearing, maturing March 2027 or when litigation is settled, whichever comes first. Maximum 5 year extension is available if litigation is not settled by 2027.	142,500	142,500
Flood claim litigation loan, non-interest bearing, maturing March 2028 or when litigation is settled, whichever comes first. Maximum 5 year extension is available if litigation is not settled by 2028.	142,500	-
Land claim litigation loan, non-interest bearing. Paid in full during 2018.	-	51,410
Land claim litigation loan, non-interest bearing. Paid in full during 2018.	-	130,395
Land claim litigation loan, non-interest bearing. Paid in full during 2018.	-	182,793
	<b>\$ 2,091,468</b>	<b>\$ 2,313,566</b>

## Mitaanjigamiing First Nation Notes to Consolidated Financial Statements

**March 31, 2018**

### 7. Demand Debt (continued)

	<u>2018</u>	<u>2017</u>
Carried forward	\$ 2,091,468	\$ 2,313,566
Land claim litigation loan, non-interest bearing. Paid in full during 2018.	-	151,140
Land claim litigation loan, non-interest bearing. Paid in full during 2018.	-	187,965
Land claim litigation loan, non-interest bearing. Paid in full during 2018.	-	153,305
Land claim litigation loan, non-interest bearing. Paid in full during 2018.	-	260,302
Land claim litigation loan, non-interest bearing. Paid in full during 2018.	-	145,083
Land claim litigation loan, non-interest bearing. Paid in full during 2018.	-	104,683
Land claim litigation loan, non-interest bearing. Paid in full during 2018.	-	180,000
	<u>\$ 2,091,468</u>	<u>\$ 3,496,044</u>

Demand debt is not secured.

Scheduled principal repayments are as follows:

Year	Amount
2019	\$ 130,395
2020	197,793
2021	293,706
2022	753,511
2023	498,349
Thereafter	<u>217,714</u>
	<u>\$ 2,091,468</u>

## Mitaanjigamiing First Nation Notes to Consolidated Financial Statements

March 31, 2018

### 8. Term Loans

	2018	2017
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. Loan was paid in full during 2018.	\$ -	\$ 1,148,399
1468069 Ontario Limited o/a Gobe Corporation equipment loan, 11% repayable in monthly instalments of \$444 principal and interest, secured by specific equipment.	9,270	9,171
	<u>\$ 9,270</u>	<u>\$ 1,157,570</u>

Principal repayments required over the next 2 years are as follows:

	Principal Repayments	Interest	Total
2019	\$ 4,527	\$ 796	\$ 5,323
2020	4,743	272	5,015
	<u>\$ 9,270</u>	<u>\$ 1,068</u>	<u>\$ 10,338</u>

### 9. Economic Dependence

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

## Mitaanjigamiing First Nation Notes to Consolidated Financial Statements

March 31, 2018

### 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:

	2018
Financial Plan (budget) deficit for the year	\$ (139,342)
Add:	
Capital expenditures	-
Loan principal payments	1,403,734
Less:	
Amortization	(318,947)
Loan proceeds budgeted as revenue	(142,500)
Budget surplus per consolidated statement of operations	<u>\$ 802,945</u>

### 11. Investments Held in Trust

	Balance March 31, 2017		Additions 2018		Withdrawals 2018		Balance March 31, 2018
Rainy River District							
First Nation Trust	\$ 39,846	\$	31,235	\$	-	\$	71,081
Revenue	7,098		3,634		-		10,732
	<u>\$ 46,944</u>	<u>\$</u>	<u>34,869</u>	<u>\$</u>	<u>-</u>	<u>\$</u>	<u>81,813</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.

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## Mitaanjigamiing First Nation Notes to Consolidated Financial Statements

March 31, 2018

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### 12. OFNLP Funds

OFNLP 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.

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### 13. Contingent Liabilities

Mitaanjigamiing First Nation has been named defendant in a lawsuit arising in the ordinary course of business. Mitaanjigamiing First Nation has contested the claim and, in management's opinion, the lawsuit is groundless. It is premature to make any evaluation of the possible outcome or possible settlement amount of this claim. Consequently, no provision for this claim has been made in the financial statements.

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### 14. Comparative Figures

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

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### 15. Expenditure by Object

	2018	2017
Salaries, wages and employee benefits	\$ 1,659,230	\$ 1,286,477
Materials and supplies	2,345,892	3,346,333
Contracted services	1,089,753	1,110,264
Rents and financial expenses	437,333	237,543
Travel	399,025	421,520
Amortization	363,603	345,733
	<u>\$ 6,294,836</u>	<u>\$ 6,747,870</u>

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## Mitaanjigamiing First Nation Notes to Consolidated Financial Statements

March 31, 2018

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### 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, 2018**

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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 Segment Disclosure, 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, 2018**

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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 2018 were \$65,995 (2017 - \$33,134).

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### 18. Funding Reconciliation

ISC revenue per funding confirmation	\$ 3,282,344
Deferred revenue	<u>(200,248)</u>
ISC revenue per the consolidated financial statements	<u>\$ 3,082,096</u>

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### 19. Subsequent Events

On June 26, 2018, the First Nation was approved for three separate terms loan facilities to purchase capital assets including industrial equipment and building new homes for community members. The financial effect on the First Nation will be an increase to liabilities of \$2,192,200. As of the date of the audit report, \$558,000 has been issued to the First Nation.

**Mitaanjigamiing First Nation  
2018 Segment Disclosure**

For the year ended March 31, 2018	Band Support	Operations and Maintenance	Education	Medical and Health	Capital	Other	Total
<b>Revenue</b>							
Indigenous Services Canada	\$ 390,195	\$ 203,494	\$ 1,299,144	\$ -	\$ 1,040,875	\$ 148,388	\$ 3,082,096
Canada	-	-	-	210,574	285,000	-	495,574
Ontario	149,284	9,772	-	-	48,404	619,528	826,988
OFNLP	-	-	-	-	-	469,447	469,447
Trust income	133	-	-	-	-	-	133
Other Aboriginal Organizations	-	-	-	65,742	-	624,506	690,248
Interest, rentals and other	187,756	18,000	-	-	9,297	4,955,421	5,170,474
Estimated recovery of current year funds	727,368	231,266	1,299,144	276,316	1,383,576	6,817,290	10,734,960
	-	-	(140,471)	-	-	-	(140,471)
	727,368	231,266	1,158,673	276,316	1,383,576	6,817,290	10,594,489
<b>Expenditures</b>							
Salaries, wages and benefits	620,104	109,023	151,869	143,198	39,001	596,035	1,659,230
Materials, supplies and capital	194,347	227,094	262,614	78,456	765,601	817,780	2,345,892
Contracted services	31,880	13,441	598,904	7,134	-	438,394	1,089,753
Rents and financial expenses	277,741	-	-	-	-	159,592	437,333
Travel	50,725	2,477	88,000	23,315	-	234,508	399,025
Amortization	238,109	79,722	20,391	4,659	-	20,722	363,603
	1,412,906	431,757	1,121,778	256,762	804,602	2,267,031	6,294,836
Excess (deficiency) of revenue over expenditures	\$ (685,538)	\$ (200,491)	\$ 36,895	\$ 19,554	\$ 578,974	\$ 4,550,259	\$ 4,299,653

**Mitaanjiigamiing First Nation  
2017 Segment Disclosure**

**For the year ended March 31, 2018**

	Band Support	Operations and Maintenance	Education	Medical and Health	Capital	Other	Total
<b>Revenue</b>							
Indigenous Services Canada	\$ 357,216	\$ 163,793	\$ 1,145,899	\$ -	\$ 1,610,994	\$ 107,574	\$ 3,385,476
Canada	-	-	-	247,061	200,000	-	447,061
Ontario	155,302	-	-	-	335,842	419,955	911,099
OFNLP	-	-	-	-	-	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
	556,544	181,643	1,145,899	310,586	2,146,836	2,558,495	6,900,003
<b>Expenditures</b>							
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
<b>Excess (deficiency) of revenue over expenditures</b>	<b>\$ (389,387)</b>	<b>\$ (172,328)</b>	<b>\$ (39,029)</b>	<b>\$ 56,957</b>	<b>\$ 640,836</b>	<b>\$ 55,084</b>	<b>\$ 152,133</b>