

Mitaanjigamiing First Nation
Consolidated Financial Statements
For the year ended March 31, 2019

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Consolidated Financial Statements
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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



Councillor

Independent Auditor's Report

To the Chief and Council of Mitaanjigamiing First Nation

Opinion

We have audited the consolidated financial statements of Mitaanjigamiing First Nation and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at March 31, 2019, and 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 notes to consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2019, and its consolidated results of operations, its consolidated change in net financial assets (debt), and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

A handwritten signature in black ink that reads 'BDO Canada LLP'.

Chartered Professional Accountants, Licensed Public Accountants

Fort Frances, Ontario
July 25, 2019

Mitaanjigamiing First Nation Consolidated Statement of Financial Position

March 31	2019	2018
Financial assets		
Cash and cash equivalents (Note 1)	\$ 1,394,942	\$ 1,511,014
Accounts receivable	2,999,041	1,194,381
Loans and advances (Note 2)	34,045	32,595
Investments held in trust (Note 11)	41,253	81,813
Notes receivable	50,000	50,000
Portfolio investments (Note 3)	<u>529,978</u>	<u>516,064</u>
	<u>5,049,259</u>	<u>3,385,867</u>
Liabilities		
Accounts payable and accrued liabilities	993,569	710,607
Term loans (Note 8)	1,408,518	9,270
Obligations under capital lease	-	40,600
Demand debt (Note 7)	2,233,968	2,091,468
Deferred revenue (Note 6)	<u>1,837,420</u>	<u>938,417</u>
	<u>6,473,475</u>	<u>3,790,362</u>
Net financial assets (debt)	(1,424,216)	(404,495)
Non-financial assets		
Tangible capital assets (Note 5)	9,994,978	9,987,143
Prepaid expenses	2,125	-
Tangible capital assets under construction	<u>1,367,201</u>	<u>102,647</u>
	<u>11,364,304</u>	<u>10,089,790</u>
Accumulated surplus (Note 4)	\$ 9,940,088	\$ 9,685,295
Contingent liabilities (Note 13)		


 _____ Chief

 _____ Councillor

Mitaanjigamiing First Nation Consolidated Statement of Operations

For the year ended March 31	Budget	2019	2018
(Note 10)			
Revenue			
Indigenous Services Canada (Note 18)	\$ 4,100,816	\$ 4,493,870	\$ 3,082,096
Revenue - trust fund	-	230	133
Rental - housing and other buildings	17,500	18,000	18,000
Ministry of Community and Social Services	-	147,240	162,448
Ministry of Education	160,011	83,653	126,780
Ministry of Health and Long-Term Care	86,460	72,054	55,300
Ministry of Indigenous Affairs	375,000	168,561	375,000
Miscellaneous	136,487	389,444	136,968
Shooniyyaa Wa-Biitong	222,313	208,727	60,085
Small Communities Fund	500,000	38,522	9,772
Resource and other economic development	51,718	820,024	414,102
FedNor	-		285,000
Ministry of Tourism, Culture and Sport	48,000	48,000	49,284
Northern Ontario Heritage Fund	122,469	60,670	48,404
OFNLP	493,423	596,567	469,447
Fort Frances Tribal Area Health Services	117,736	126,741	144,950
Weechi-It-Te-Win	459,472	465,138	545,298
Health Canada	255,061	241,289	210,574
1468069 Ontario Limited o/a Gobe Corporation	-	1,756,398	335,898
TLE Settlement income	3,776,389	831,435	4,205,421
 Estimated recovery of current year funds	 10,922,855	 10,566,563	 10,734,960
	-	-	(140,471)
 Expenditures	 10,922,855	 10,566,563	 10,594,489
 Band support	 1,184,655	 1,775,365	 1,412,906
Operations and maintenance	346,124	650,888	292,182
Education	1,258,793	932,238	1,121,778
Social services	87,168	208,301	194,413
Other operating programs	54,211	51,399	77,034
Weechi-It-Te-Win program	484,472	416,270	496,674
Aboriginal healing and wellness strategy	63,525	58,425	65,576
Capital programs	1,787,836	2,583,193	804,602
Other ISC programs	52,967	95,781	77,020
Integrated Community Based Health Services	273,913	219,342	191,186
OFNLP	462,255	561,134	419,842
New Relationship Fund	100,000	150,052	88,858
Tourism lodge	85,370	964	24,389
Economic development expenses	23,147	59,643	52,325
Land and flood claims	327,500	266,458	483,696
1468069 Ontario Limited o/a Gobe Corporation	-	1,678,726	353,511
Child and family program	160,011	67,652	20,404
TLE Settlement	3,801,389	184,003	68,670
Home and community care	55,300	66,524	49,770
Community comprehensive plan	70,465	83,799	-
Flood vulnerability study	51,354	41,856	-
Land use planning	210,000	159,757	-
 Annual surplus (deficit)	 \$ (17,600)	 \$ 254,793	 \$ 4,299,653

Mitaanjigamiing First Nation
Consolidated Statement of Changes in Accumulated Surplus

For the year ended March 31	2019	2018
First Nation accumulated surplus, beginning of year	\$ 9,685,295	\$ 5,385,642
Annual surplus	<u>254,793</u>	<u>4,299,653</u>
First Nation accumulated surplus, end of year	\$ 9,940,088	\$ 9,685,295

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

For the year ended March 31	Budget	2019	2018
(Note 10)			
Annual surplus (deficit)	\$ (17,600)	\$ 254,793	\$ 4,299,653
Acquisition of tangible capital assets	-	(1,759,206)	(915,770)
Amortization of tangible capital assets	318,947	387,689	363,603
Gain on sale of tangible capital assets	-	(118,909)	(9,297)
Proceeds on sale of tangible capital assets	-	218,037	40,315
	<hr/> 301,347	<hr/> (1,017,596)	<hr/> 3,778,504
Consumption of prepaid expenses and inventory of supplies	-	(2,125)	-
Net increase in net financial assets (debt)	301,347	(1,019,721)	3,778,504
Net financial assets (debt), beginning of year	<hr/> (404,495)	<hr/> (404,495)	<hr/> (4,182,999)
Net financial assets (debt), end of year	<hr/> \$ (103,148)	<hr/> \$ (1,424,216)	<hr/> \$ (404,495)

Mitaanjigamiing First Nation Consolidated Statement of Cash Flows

For the year ended March 31	2019	2018
Cash flows from operating activities		
Annual surplus	\$ 254,793	\$ 4,299,653
Items not involving cash		
Amortization of tangible capital assets	387,689	363,603
Gain on sale of equipment	(118,909)	(9,297)
Changes in non-cash working capital		
Accounts receivable	(1,804,661)	(133,199)
Loans and advances	(1,449)	56,520
Prepaid expenses	(2,125)	-
Accounts payable and accrued liabilities	282,961	(15,465)
Deferred revenue	899,004	256,738
	<u>(102,697)</u>	<u>4,818,553</u>
Cash flows from capital activities		
Purchase of capital assets	(1,759,206)	(915,770)
Proceeds on sale of capital assets	218,037	40,315
	<u>(1,541,169)</u>	<u>(875,455)</u>
Cash flows from financing activities		
Increase in demand and long-term debt	1,551,018	142,500
Repayment of demand debt and long-term debt	(49,870)	(2,695,377)
Increase in obligation under capital lease	-	40,600
	<u>1,501,148</u>	<u>(2,512,277)</u>
Cash flows from investing activities		
Disposal of portfolio investments	(13,914)	(174,234)
Trust funds	40,560	(34,869)
	<u>26,646</u>	<u>(209,103)</u>
Increase (decrease) in cash during the year	(116,072)	1,221,718
Cash and cash equivalents, beginning of year	1,511,014	289,296
Cash and cash equivalents, end of year	\$ 1,394,942	\$ 1,511,014

Mitaanjigamiing First Nation Summary of Significant Accounting Policies

March 31, 2019

Basis of Accounting	<p>These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local government entities, as defined in the Chartered Professional Accountants of Canada Public Sector Accounting and Auditing Handbook, and include all Organizations, operations and activities that are:</p> <ol style="list-style-type: none">1) accountable for the administration of their financial affairs and resources directly to the First Nation; and2) owned or controlled by the First Nation. <p>This includes all aspects of band operations including provision of social, educational, administration and operational services.</p> <p>Other long-term investments are reflected at cost as disclosed in Note 3.</p> <p>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.</p>
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 deferred 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, 2019

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, 2019

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, 2019

1. Cash and Cash Equivalents

	2019	2018
Internally restricted		
Reserves	\$ 42,799	\$ 42,799
Unrestricted		
Operating	<u>1,352,143</u>	1,468,215
Total cash and cash equivalents	<u>\$ 1,394,942</u>	\$ 1,511,014

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

	2019	2018
Loans and advances	\$ 47,250	\$ 45,800
Allowance for doubtful accounts	<u>(13,205)</u>	(13,205)
	<u>\$ 34,045</u>	\$ 32,595

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

3. Portfolio Investments

	2019	2018
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>334,632</u>	320,718
	<u>\$ 529,978</u>	\$ 516,064

Portfolio investments are valued at cost. The fair market value of the marketable securities at March 31, 2019, was \$325,193 (2018 - \$316,478). 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, 2019

4. Accumulated Surplus

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

	2019	2018
Investment in tangible capital assets		
Tangible capital assets	\$ 9,940,567	\$ 9,987,143
Tangible capital assets under construction	1,367,201	102,647
Debt related to capital	<u>(1,408,518)</u>	<u>(40,600)</u>
Total investment in tangible capital assets	<u>9,899,250</u>	<u>10,049,190</u>
Current fund deficit	<u>(226,869)</u>	<u>(594,491)</u>
Other government Organization	<u>(216,345)</u>	<u>(294,017)</u>
Reserve funds		
School bus	22,799	22,799
Water treatment plant	20,000	20,000
Land acquisition	300,000	300,000
Boffin Lake	<u>100,000</u>	<u>100,000</u>
Total reserve funds	<u>442,799</u>	<u>442,799</u>
Trust investments		
Revenue trust	7,461	10,732
Rainy River District First Nation Trust	<u>33,792</u>	<u>71,082</u>
Total trust investments	<u>41,253</u>	<u>81,814</u>
	<u>\$ 9,940,088</u>	<u>\$ 9,685,295</u>

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

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

Mitaanjigaming First Nation
Notes to Consolidated Financial Statements

March 31, 2019

5. Tangible Capital Assets

	2019						
	Buildings	Equipment	Vehicles	Roads	Housing	Other	Total
Cost, beginning of year	\$ 7,579,738	\$ 705,575	\$ 667,479	\$ 207,373	\$ 5,004,551	\$ 104,066	\$14,268,782
Additions	17,050	302,468	4,500	49,605	110,781	10,248	494,652
Disposals	-	-	(45,913)	-	(90,322)	-	(136,235)
Cost, end of year	7,596,788	1,008,043	626,066	256,978	5,025,010	114,314	14,627,199
Accumulated amortization, beginning of year	2,108,975	531,334	437,783	85,751	1,063,903	53,893	4,281,639
Amortization	151,936	66,170	59,631	2,927	100,501	6,524	387,689
Disposals	-	-	(4,591)	-	(32,516)	-	(37,107)
Accumulated amortization, end of year	2,260,911	597,504	492,823	88,678	1,131,888	60,417	4,632,221
Net carrying amount, end of year	\$ 5,335,877	\$ 410,539	\$ 133,243	\$ 168,300	\$ 3,893,122	\$ 53,897	\$ 9,994,978

The net book value of tangible capital assets not being amortized because they are under construction is \$1,367,201 (2018 - \$102,647). 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, 2019

5. Tangible Capital Assets (continued)

	2018						
	Buildings	Equipment	Vehicles	Roads	Housing	Other	Total
Cost, beginning of year	\$ 7,548,631	\$ 623,212	\$ 573,850	\$ 207,373	\$ 4,020,973	\$ 102,566	\$13,076,605
Additions	31,107	82,363	132,401	-	983,578	1,500	1,230,949
Disposals	-	-	(38,772)	-	-	-	(38,772)
Cost, end of year	7,579,738	705,575	667,479	207,373	5,004,551	104,066	14,268,782
Accumulated amortization, beginning of year	1,957,381	493,076	380,137	83,444	963,812	47,940	3,925,790
Amortization	151,594	38,258	65,400	2,307	100,091	5,953	363,603
Disposals	-	-	(7,754)	-	-	-	(7,754)
Accumulated amortization, end of year	2,108,975	531,334	437,783	85,751	1,063,903	53,893	4,281,639
Net carrying amount, end of year	\$ 5,470,763	\$ 174,241	\$ 229,696	\$ 121,622	\$ 3,940,648	\$ 50,173	\$ 9,987,143

Mitaanjigamiing First Nation Notes to Consolidated Financial Statements

March 31, 2019

6. Deferred Revenue

	Balance March 31, 2018	Funding Received 2019	Revenue Recognized 2019	Balance March 31, 2019
Federal Government				
ISC - Land Management	\$ 16,247	\$ -	\$ -	\$ 16,247
ISC - Education	343,541	579,752	394,705	528,588
ISC - Prev/Least Disruptive	-	105,520	39,761	65,759
ISC - Economic Development	29,315	-	7,284	22,031
ISC - Water Treatment Plant	-	1,200,000	275,278	924,722
ISC - CCP	75,000	75,000	86,299	63,701
ISC - Roads and Bridges	417,823	1,568,864	1,986,687	-
ISC - Land Use Planning	-	210,000	159,757	50,243
ISC - Flood Vulnerability	-	51,354	48,554	2,800
Provincial Government				
Ministry of Education	33,231	136,186	83,654	85,763
Ministry of Health and Long-Term Care	-	86,460	72,054	14,406
Other				
IESO	23,260	-	23,260	-
Weechi-It-Te-Win	-	528,298	465,138	63,160
	\$ 938,417	\$ 4,541,434	\$ 3,642,431	\$ 1,837,420

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.

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.

Ministry of Health and Long-Term Care

The Ministry of Health and Long-Term Care advanced the First Nation funding in relation to the Home and Community Care Program. These funds must be spent on Home and Community Care programming costs.

Weechi-It-Te-Win

Weechi-It-Te-Win advanced the First Nation funding in relation to the Weechi-It-Te-Win Program. The funding must be spent on Weechi-It-Te-Win programming costs.

Mitaanjigamiing First Nation Notes to Consolidated Financial Statements

March 31, 2019

7. Demand Debt

	2019	2018
Flood claim litigation loan, non-interest bearing, maturing March 2024 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 2023 or when litigation is settled, whichever comes first. Maximum 5 year extension is available if litigation is not settled by 2023.	305,082	305,082
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 2024.	207,346	207,346
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.	225,884	225,884
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.	142,500	142,500
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	-
	<u>\$ 2,233,968</u>	<u>\$ 2,091,468</u>

Mitaanjigamiing First Nation Notes to Consolidated Financial Statements

March 31, 2019

7. Demand Debt (continued)

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>360,214</u>
	<u>\$ 2,233,968</u>

8. Term Loans

	2019	2018
RBC loan with interest at 5.17%, repayable in monthly installments of \$7,188 principal plus interest, maturing July 2023.	\$ 339,036	\$ -
RBC loan with interest at 5.17%, repayable in monthly installments of \$3,257 principal plus interest, maturing July 2023.	153,623	-
RBC loan with interest at 5.17%, repayable in full including interest, maturing July 2020.	915,859	-
1468069 Ontario Limited o/a Gobe Corporation equipment loan, 11% repayable in monthly installments of \$444 principal and interest, secured by specific equipment.	- 9,270	9,270
	<u>\$ 1,408,518</u>	<u>\$ 9,270</u>

Mitaanjigamiing First Nation Notes to Consolidated Financial Statements

March 31, 2019

8. Term Loans (continued)

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

	Principal Repayments	Interest	Total
2020	\$ 1,018,135	\$ 23,070	\$ 1,041,205
2021	107,691	17,655	125,346
2022	113,392	11,953	125,345
2023	119,395	5,950	125,345
2024	49,905	595	50,500
	<hr/>	<hr/>	<hr/>
	\$ 1,408,518	\$ 59,223	\$ 1,467,741

9. Economic Dependence

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

	2019
Financial Plan (budget) surplus for the year	\$ 352,713
Add:	
Loan principal payments	91,134
Less:	
Amortization	(318,947)
Loan proceeds budgeted as revenue	<u>(142,500)</u>
 Budget deficit per consolidated statement of operations	 <u>\$ (17,600)</u>

Mitaanjigamiing First Nation Notes to Consolidated Financial Statements

March 31, 2019

11. Investments Held in Trust

	Balance March 31, 2018	Additions 2019	Withdrawals 2019	Balance March 31, 2019
Rainy River District First Nation Trust Revenue	\$ 71,081 10,732	\$ 33,987 230	\$ 71,277 3,500	\$ 33,791 7,462
	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 81,813	\$ 34,217	\$ 74,777	\$ 41,253

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.

12. OFNLP Funds

OFNLP funds represent amounts received from 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 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

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 consolidated financial statements.

Mitaanjigamiing First Nation Notes to Consolidated Financial Statements

March 31, 2019

14. Comparative Figures

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

15. Expenditure by Object

	<u>2019</u>	<u>2018</u>
Salaries, wages and employee benefits	\$ 1,737,097	\$ 1,659,230
Materials and supplies	5,954,381	2,345,892
Contracted services	790,876	1,089,753
Rents and financial expenses	1,092,630	437,333
Travel	342,576	399,025
Amortization	<u>387,689</u>	<u>363,603</u>
	<u>\$ 10,305,249</u>	<u>\$ 6,294,836</u>

Mitaanjigamiing First Nation Notes to Consolidated Financial Statements

March 31, 2019

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.

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 the Chief and Council.

Capital

This department is responsible for all capital asset activities occurring on 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, 2019

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 2019 were \$73,405 (2018 - \$65,995).

18. Funding Reconciliation

	2019	2018
ISC revenue per funding confirmation	\$ 5,286,035	\$ 3,282,344
Deferred revenue	<u>(792,165)</u>	<u>(200,248)</u>
ISC revenue per the consolidated financial statements	<u><u>\$ 4,493,870</u></u>	<u><u>\$ 3,082,096</u></u>

**Mitaanjiigamiing First Nation
2019 Segment Disclosure**

	For the year ended March 31, 2019							
	Band	Support	Operations and Maintenance	Education	Medical and Health	Capital	Other	Total
Revenue								
Indigenous Services Canada	\$ 381,207	\$ 500,765	\$ 1,000,500	\$ -	\$ 2,166,973	\$ 444,425	\$ 4,493,870	
Canada	-	-	-	241,289	-	-	-	241,289
Ontario	84,061	38,522	-	-	60,670	435,447	618,700	
OFNLP	-	-	-	-	-	596,567	596,567	
Trust income	230	-	-	-	-	-	-	230
Other Aboriginal Organizations	208,727	-	-	63,525	-	528,354	800,606	
Interest, rentals and other	260,535	18,000	-	-	804,858	2,731,908	3,815,301	
	934,760	557,287	1,000,500	304,814	3,032,501	4,736,701	10,566,563	
Expenditures								
Salaries, wages and benefits	588,006	161,213	174,225	135,904	45,886	631,863	1,737,097	
Materials, supplies and capital	261,044	369,917	196,708	98,277	2,661,652	2,366,783	5,954,381	
Contracted services	44,485	16,439	470,159	6,560	-	253,233	790,876	
Rents and financial expenses	566,409	-	-	-	33,556	492,665	1,092,630	
Travel	71,418	1,718	70,755	32,367	-	166,318	342,576	
Amortization	244,002	101,601	20,391	4,659	-	17,036	387,689	
	1,775,364	650,888	932,238	277,767	2,741,094	3,927,898	10,305,249	
Excess (deficiency) of revenue over expenditures								
	\$ (840,604)	\$ (93,601)	\$ 68,262	\$ 27,047	\$ 291,407	\$ 808,803	\$ 261,314	

**Mitaanjigamiiing First Nation
2018 Segment Disclosure**

	<u>For the year ended March 31, 2018</u>		<u>Band</u>	<u>Operations and Maintenance</u>	<u>Support</u>	<u>Medical and Health</u>	<u>Education</u>	<u>Capital</u>	<u>Other</u>	<u>Total</u>
Revenue										
Indigenous Services Canada	\$ 390,195	\$ 203,494	\$ 1,299,144	\$ -	\$ 210,574	\$ 1,040,875	\$ 148,388	\$ 3,082,096		
Canada	-	-	-	-	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		
	727,368	231,266	1,299,144	276,316	1,383,576	6,817,290	10,734,960			
Estimated recovery of current year funds	-	-	(140,471)	-	-	-	-	(140,471)		
	727,368	231,266	1,158,673	276,316	1,383,576	6,817,290	10,594,489			
Expenditures										
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			