

Mitaanjigamiing First Nation
Consolidated Financial Statements
For the year ended March 31, 2020

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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 consolidated financial statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

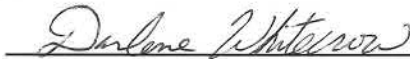
Mitaanjigamiing First Nation Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements.

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, 2020, 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, 2020, 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 Responsibilities 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Fort Frances, Ontario

August 31, 2020

Mitaanjigamiing First Nation Consolidated Statement of Financial Position

March 31	2020	2019
Financial assets		
Cash and cash equivalents (Note 1)	\$ 2,788,929	\$ 1,394,942
Accounts receivable	1,263,289	2,999,041
Loans and advances (Note 2)	39,341	34,045
Investments held in trust (Note 11)	22,374	41,253
Notes receivable	50,000	50,000
Portfolio investments (Note 3)	815,824	529,978
	<u>4,979,757</u>	<u>5,049,259</u>
Liabilities		
Accounts payable and accrued liabilities	1,236,482	993,569
Term loans (Note 8)	2,211,022	1,408,518
Demand debt (Note 7)	2,349,578	2,233,968
Deferred revenue (Note 6)	1,728,366	1,837,420
	<u>7,525,448</u>	<u>6,473,475</u>
Net financial assets (debt)	<u>(2,545,691)</u>	<u>(1,424,216)</u>
Non-financial assets		
Tangible capital assets (Note 5)	11,363,840	9,994,978
Prepaid expenses	-	2,125
Tangible capital assets under construction	1,685,492	1,367,201
	<u>13,049,332</u>	<u>11,364,304</u>
Accumulated surplus (Note 4)	<u>\$ 10,503,641</u>	<u>\$ 9,940,088</u>



Chief



Councillor

Mitaanjigamiing First Nation Consolidated Statement of Operations

For the year ended March 31	Budget	2020	2019
	(Note 10)		
Revenue			
Indigenous Services Canada (Note 17)	\$ 5,563,152	\$ 2,928,327	\$ 4,493,870
Revenue - trust fund	814,649	786,407	831,665
Rental - housing and other buildings	21,400	24,375	18,000
Ministry of Community and Social Services	-	202,052	147,240
Ministry of Education	136,186	153,855	83,653
Ministry of Health and Long-Term Care	86,460	100,866	72,054
Ministry of Indigenous Affairs	242,345	301,107	168,561
Miscellaneous	194,824	278,058	389,444
Shooniyaa Wa-Biitong	151,021	134,784	208,727
Small Communities Fund	34,923	94,594	38,522
Resource and other economic development	165,651	153,989	806,110
Ministry of Tourism, Culture and Sport	48,000	38,265	48,000
Northern Ontario Heritage Fund	122,469	-	60,670
OFNLP	518,158	518,158	596,567
Fort Frances Tribal Area Health Services	132,180	141,185	126,741
Weechi-It-Te-Win	966,286	918,411	465,138
Gichi Ozhibi'ige Ogaamic	-	422,195	-
Health Canada	306,161	316,338	241,289
1468069 Ontario Limited o/a Gobe Corporation	-	153,847	1,756,398
Unrealized gain (loss)	-	(88,328)	13,914
	9,503,865	7,578,485	10,566,563
Expenditures			
Band support	1,422,306	1,788,248	1,830,638
Operations and maintenance	314,595	487,306	650,888
Education	1,139,046	1,192,594	932,238
Social services	56,000	281,829	208,301
Other operating programs	59,563	57,693	51,399
Weechi-It-Te-Win program	688,715	661,151	416,270
Aboriginal healing and wellness strategy	65,647	70,269	58,425
Capital programs	1,337,836	312,195	2,583,193
Other ISC programs	209,038	114,610	95,781
Integrated Community Based Health Services	223,001	243,342	219,342
OFNLP	462,255	384,522	561,134
New Relationship Fund	76,500	69,979	94,779
Tourism lodge	79,050	17,852	964
Economic development expenses	53,413	110,694	59,643
Land and flood claims	326,450	367,684	266,458
1468069 Ontario Limited o/a Gobe Corporation	-	284,890	1,678,726
Child and family program	122,568	174,984	67,652
Home and community care	80,930	92,236	66,524
Community comprehensive plan	225,056	257,654	267,802
Flood vulnerability study	51,354	15,568	41,856
Land use planning	50,243	29,632	159,757
	7,043,566	7,014,932	10,311,770
Annual surplus	\$ 2,460,299	\$ 563,553	\$ 254,793

Mitaanjigamiing First Nation

Consolidated Statement of Changes in Accumulated Surplus

<u>For the year ended March 31</u>	<u>2020</u>	<u>2019</u>
First Nation accumulated surplus, beginning of year	\$ 9,940,088	\$ 9,685,295
Annual surplus	<u>563,553</u>	<u>254,793</u>
First Nation accumulated surplus, end of year	<u>\$ 10,503,641</u>	<u>\$ 9,940,088</u>

Mitaanjigamiing First Nation

Consolidated Statement of Change in Net Financial Assets (Debt)

For the year ended March 31	Budget	2020	2019
	(Note 10)		
Annual surplus	\$ 2,460,299	\$ 563,553	\$ 254,793
Acquisition of tangible capital assets	(2,716,081)	(2,124,589)	(1,759,206)
Amortization of tangible capital assets	370,653	435,671	387,689
Gain on sale of tangible capital assets	-	(40,735)	(118,909)
Proceeds on sale of tangible capital assets	-	42,500	218,037
	114,871	(1,123,600)	(1,017,596)
Consumption of prepaid expenses and inventory of supplies	-	2,125	(2,125)
Net increase in net financial assets (debt)	114,871	(1,121,475)	(1,019,721)
Net financial assets (debt), beginning of year	(1,424,216)	(1,424,216)	(404,495)
Net financial assets (debt), end of year	\$ (1,309,345)	\$ (2,545,691)	\$ (1,424,216)

Mitaanjigamiing First Nation Consolidated Statement of Cash Flows

For the year ended March 31	2020	2019
Cash flows from operating activities		
Annual surplus	\$ 563,553	\$ 254,793
Items not involving cash		
Amortization of tangible capital assets	435,671	387,689
Gain on sale of equipment	(40,735)	(118,909)
Changes in non-cash working capital		
Accounts receivable	1,735,752	(1,804,661)
Loans and advances	(5,295)	(1,449)
Prepaid expenses	2,125	(2,125)
Accounts payable and accrued liabilities	242,913	282,961
Deferred revenue	(109,054)	899,004
	<u>2,824,930</u>	<u>(102,697)</u>
Cash flows from capital activities		
Purchase of capital assets	(2,124,589)	(1,759,206)
Proceeds on sale of capital assets	42,500	218,037
	<u>(2,082,089)</u>	<u>(1,541,169)</u>
Cash flows from financing activities		
Increase in demand debt and long-term debt	918,113	1,551,018
Repayment of demand debt and long-term debt	-	(49,870)
	<u>918,113</u>	<u>1,501,148</u>
Cash flows from investing activities		
Disposal of portfolio investments	(285,846)	(13,914)
Trust funds	18,879	40,560
	<u>(266,967)</u>	<u>26,646</u>
Increase (decrease) in cash during the year	1,393,987	(116,072)
Cash and cash equivalents, beginning of year	1,394,942	1,511,014
Cash and cash equivalents, end of year	\$ 2,788,929	\$ 1,394,942

Mitaanjigamiing First Nation Summary of Significant Accounting Policies

March 31, 2020

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 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, 2020

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, 2020

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.

Mitaanjugamiing First Nation Notes to Consolidated Financial Statements

March 31, 2020

1. Cash and Cash Equivalents

	2020	2019
Internally restricted Reserves	\$ 442,799	\$ 442,799
Unrestricted Operating	2,346,130	952,143
Total cash and cash equivalents	<u>\$ 2,788,929</u>	<u>\$ 1,394,942</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

	2020	2019
Loans and advances	\$ 52,546	\$ 47,250
Allowance for doubtful accounts	<u>(13,205)</u>	<u>(13,205)</u>
	<u>\$ 39,341</u>	<u>\$ 34,045</u>

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

3. Portfolio Investments

	2020	2019
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>620,478</u>	<u>334,632</u>
	<u>\$ 815,824</u>	<u>\$ 529,978</u>

Portfolio investments are valued at cost. The fair market value of the marketable securities at March 31, 2020, was \$620,478 (2019 - \$325,193). 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, 2020

4. Accumulated Surplus

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

	2020	2019
Investment in tangible capital assets		
Tangible capital assets	\$ 11,323,294	\$ 9,940,567
Tangible capital assets under construction	1,685,492	1,367,201
Debt related to capital	(2,211,022)	(1,408,518)
Total investment in tangible capital assets	10,797,764	9,899,250
Current fund deficit	(411,908)	(226,869)
Other government Organization	(347,388)	(216,345)
Reserve funds		
School bus	22,799	22,799
Water treatment plant	20,000	20,000
Land acquisition	300,000	300,000
Boffin Lake	100,000	100,000
Total reserve funds	442,799	442,799
Trust investments		
Revenue trust	44	7,461
Rainy River District First Nation Trust	22,330	33,792
Total trust investments	22,374	41,253
	\$ 10,503,641	\$ 9,940,088

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, 2020

5. Tangible Capital Assets

	2020					
	Buildings	Equipment	Vehicles	Roads	Housing	Other
Cost, beginning of year	\$ 7,596,788	\$ 1,008,043	\$ 626,066	\$ 256,978	\$ 5,025,010	\$ 114,314
Additions	-	240,000	199,096	-	1,367,202	-
Disposals	-	(150,782)	(215,300)	-	-	-
Cost, end of year	7,596,788	1,097,261	609,862	256,978	6,392,212	114,314
Accumulated amortization, beginning of year	2,260,911	597,504	492,823	88,678	1,131,888	60,417
Amortization	151,937	55,287	94,216	2,927	127,844	3,460
Disposals	-	(150,782)	(213,535)	-	-	-
Accumulated amortization, end of year	2,412,848	502,009	373,504	91,605	1,259,732	63,877
Net carrying amount, end of year	\$ 5,183,940	\$ 595,252	\$ 236,358	\$ 165,373	\$ 5,132,480	\$ 50,437
						\$ 11,363,840

The net book value of tangible capital assets not being amortized because they are under construction is \$1,685,492 (2019 - \$1,367,201). These items are recognized separately as tangible capital assets under construction on the consolidated statement of financial position. This relates to the housing, water treatment plant upgrades and beach access projects.

Mitaanjugaming First Nation
Notes to Consolidated Financial Statements

March 31, 2020

5. Tangible Capital Assets (continued)

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

Mitaanjigamiing First Nation Notes to Consolidated Financial Statements

March 31, 2020

6. Deferred Revenue

	Balance March 31, 2019	Funding Received 2020	Revenue Recognized 2020	Balance March 31, 2020
Federal Government				
ISC - Land Management	\$ 16,247	\$ -	\$ 16,247	\$ -
ISC - Education	528,588	1,297,219	1,287,336	538,471
ISC - Prev/Least Disruptive	65,759	166,500	144,798	87,461
ISC - Economic Development	22,031	-	22,031	-
ISC - Water Treatment Plant	924,722	500,000	515,369	909,353
ISC - CCP	63,701	-	63,701	-
ISC - Land Use Planning	50,243	-	29,632	20,611
ISC - Flood Vulnerability	2,800	50,954	21,866	31,888
Provincial Government				
Ministry of Education	85,763	68,091	153,854	-
Ministry of Health and Long-Term Care	14,406	86,460	100,866	-
Ministry of Indigenous Affairs	-	85,000	75,201	9,799
Ministry of Tourism, Culture and Sport	-	48,000	38,265	9,735
Other				
Hydro One	-	64,500	-	64,500
Weechi-It-Te-Win	63,160	711,799	718,411	56,548
	<u>\$ 1,837,420</u>	<u>\$ 3,078,523</u>	<u>\$ 3,187,577</u>	<u>\$ 1,728,366</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.

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.

Mitaanjugamiing First Nation Notes to Consolidated Financial Statements

March 31, 2020

7. Demand Debt

	2020	2019
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 2025 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 2021 or when litigation is settled, whichever comes first. Maximum 5 year extension is available if litigation is not settled by 2021.	142,500	142,500
Flood claim litigation loan, non-interest bearing, maturing March 2022 or when litigation is settled, whichever comes first. Maximum 5 year extension is available if litigation is not settled by 2022.	142,500	142,500
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.	142,500	142,500
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.	115,610	-
	<u>\$ 2,349,578</u>	<u>\$ 2,233,968</u>

Mitaanjugamiing First Nation Notes to Consolidated Financial Statements

March 31, 2020

7. Demand Debt (continued)

Demand debt is not secured.

Scheduled principal repayments are as follows:

Year	Amount
2021	\$ 708,046
2022	487,544
2023	447,582
2024	337,956
2025	368,450
	<u>\$ 2,349,578</u>

8. Term Loans

	2020	2019
RBC loan with interest at 3.67%, repayable in monthly installments of \$7,290 principal and interest, maturing June 2023.	\$ 267,586	\$ 339,036
RBC loan with interest at 3.67%, repayable in monthly installments of \$3,303 principal and interest, maturing June 2023.	121,247	153,623
RBC loan with interest at 3.67%, repayable in monthly installments of \$17,471 principal and interest, maturing February 2029.	1,592,189	915,859
RBC loan with interest at 4.41%, equipment loan, repayable in monthly installments of \$4,279 principal and interest, maturing April 2025, secured by specific equipment.	<u>230,000</u>	-
	<u>\$ 2,211,022</u>	<u>\$ 1,408,518</u>

Mitaanjigamiing First Nation Notes to Consolidated Financial Statements

March 31, 2020

8. Term Loans (continued)

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

	Principal Repayments	Interest	Total
2021	\$ 307,307	\$ 75,536	\$ 382,843
2022	322,369	65,753	388,122
2023	334,737	53,585	388,322
2024	250,271	51,291	301,562
2025	228,002	32,993	260,995
Thereafter	768,336	57,377	825,713
	<u>\$ 2,211,022</u>	<u>\$ 336,535</u>	<u>\$ 2,547,557</u>

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:

	2020
Financial Plan (budget) surplus for the year	\$ 87,641
Add:	
Capital expenditures	2,716,081
Loan principal payments	91,134
Less:	
Amortization	(318,947)
Loan proceeds budgeted as revenue	(115,610)
Budget surplus per consolidated statement of operations	<u>\$ 2,460,299</u>

Mitaanjigamiing First Nation Notes to Consolidated Financial Statements

March 31, 2020

11. Investments Held in Trust

	Balance March 31, 2019	Additions 2020	Withdrawals 2020	Balance March 31, 2020
Rainy River District First Nation Trust Revenue	\$ 33,791 7,462	\$ 34,339 127	\$ 45,800 7,545	\$ 22,330 44
	<u>\$ 41,253</u>	<u>\$ 34,466</u>	<u>\$ 53,345</u>	<u>\$ 22,374</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.

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.

Mitaanjigamiing First Nation Notes to Consolidated Financial Statements

March 31, 2020

13. Comparative Figures

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

14. Expenditure by Object

	2020	2019
Salaries, wages and employee benefits	\$ 2,201,579	\$ 1,737,097
Materials and supplies	2,510,163	5,960,902
Contracted services	1,135,788	790,876
Rents and financial expenses	367,618	1,092,630
Travel	364,113	342,576
Amortization	435,671	387,689
	<u>\$ 7,014,932</u>	<u>\$ 10,311,770</u>

15. 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 2020 were \$89,518 (2019 - \$73,405).

16. Funding Reconciliation

	2020	2019
ISC revenue per funding confirmation	\$ 2,842,020	\$ 5,286,035
Deferred revenue	86,307	(792,165)
ISC revenue per the consolidated financial statements	<u>\$ 2,928,327</u>	<u>\$ 4,493,870</u>

Mitaanjigamiing First Nation Notes to Consolidated Financial Statements

March 31, 2020

17. Subsequent Events

Subsequent to year end, the impact of COVID-19 in Canada and on the global economy increased significantly. As the impact of COVID-19 continues, there could be further impact on the Organization and its funders. Management is actively monitoring the affects of the global pandemic on its financial condition, liquidity, operations, suppliers, industry and workforce. Management does not anticipate any declines in revenue as their primary source of funding is Indigenous Services Canada. Funding from these federal and provincial levels of government are expected to continue as normally scheduled. However, given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Organization is not able to fully estimate the effects of COVID-19 on its future results of operations, financial condition or liquidity at this time.

18. 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.

Mitaanjigamiing First Nation Notes to Consolidated Financial Statements

March 31, 2020

18. Segmented Information (continued)

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.

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.

**Mitaanjigaming First Nation
2020 Segment Disclosure**

For the year ended March 31, 2020	Band Support	Operations and Maintenance	Education	Medical and Health	Capital	Other	Total
Revenue							
Indigenous Services Canada	\$ 280,150	\$ 746,039	\$ 1,287,336	\$ -	\$ 232,874	\$ 381,928	\$ 2,928,327
Canada	-	-	-	316,338	-	-	316,338
Ontario	38,265	94,594	-	-	-	757,880	890,739
OFNLP	-	-	-	-	-	518,158	518,158
Trust income	127	-	-	-	-	786,280	786,407
Other Aboriginal Organizations	556,979	-	-	77,969	-	981,627	1,616,575
Interest, rentals and other	223,058	24,375	-	-	55,000	219,508	521,941
	1,098,579	865,008	1,287,336	394,307	287,874	3,645,381	7,578,485
Expenditures							
Salaries, wages and benefits	800,601	140,434	233,359	159,836	47,979	819,370	2,201,579
Materials, supplies and capital	459,036	208,294	228,108	101,222	318,966	1,194,537	2,510,163
Contracted services	38,139	15,758	618,486	2,810	-	460,595	1,135,788
Rents and financial expenses	141,164	-	-	-	-	226,454	367,618
Travel	83,722	1,358	88,730	37,130	-	153,173	364,113
Amortization	265,585	121,462	23,911	12,613	-	12,100	435,671
	1,788,247	487,306	1,192,594	313,611	366,945	2,866,229	7,014,932
Excess (deficiency) of revenue over expenditures	\$ (689,668)	\$ 377,702	\$ 94,742	\$ 80,696	\$ (79,071)	\$ 779,152	\$ 563,553

**Mitaanjigaming 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	2,373,304	5,960,902
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	3,934,419	10,311,770
Excess (deficiency) of revenue over expenditures	\$ (840,604)	\$ (93,601)	\$ 68,262	\$ 27,047	\$ 291,407	\$ 802,282	\$ 254,793