

Mitaanjigamiing First Nation
Consolidated Financial Statements
For the year ended March 31, 2022

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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 Mitaanjugamling First Nation

Opinion

We have audited the consolidated financial statements of Mitaanjugamling First Nation and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at March 31, 2022, 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, 2022, 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:


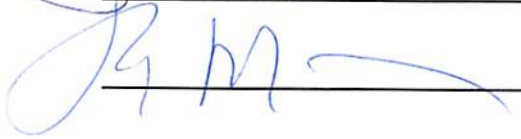
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of 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.

Chartered Professional Accountants, Licensed Public Accountants

Fort Frances, Ontario
September 27, 2022

Mitaanjigamiing First Nation Consolidated Statement of Financial Position

March 31	2022	Restated (Note 1) 2021
Financial assets		
Cash and cash equivalents (Note 2)	\$ 2,372,934	\$ 4,295,371
Accounts receivable	1,889,890	1,728,227
Loans and advances (Note 3)	48,595	43,570
Investments held in trust (Note 12)	8,785	17,292
Notes receivable	40,000	40,000
Portfolio investments (Note 4)	195,346	195,494
	<u>4,555,550</u>	<u>6,319,954</u>
Liabilities		
Accounts payable and accrued liabilities	859,253	813,146
Term loans (Note 9)	2,524,085	2,472,179
Demand debt (Note 8)	2,661,718	4,939,258
Deferred revenue (Note 7)	2,705,946	1,504,720
	<u>8,751,002</u>	<u>9,729,303</u>
Net financial assets (debt)	<u>(4,195,452)</u>	<u>(3,409,349)</u>
Non-financial assets		
Tangible capital assets (Note 6)	12,191,961	12,591,641
Prepaid expenses	40,368	-
Tangible capital assets under construction	7,154,206	2,776,416
	<u>19,386,535</u>	<u>15,368,057</u>
Accumulated surplus (Note 5)	<u>\$ 15,191,083</u>	<u>\$ 11,958,708</u>


 _____ Chief

 _____ Councillor

Mitaanjugamiing First Nation Consolidated Statement of Operations

For the year ended March 31	Budget	2022	Restated (Note 1) 2021
	(Note 11)		
Revenue			
Indigenous Services Canada (Note 17)	\$ 5,679,806	\$ 3,416,268	\$ 4,254,231
Revenue - trust fund	839,485	816,548	808,399
Rental - housing and other buildings	-	22,000	21,550
Ministry of Community and Social Services	167,544	192,311	259,564
Ministry of Education	136,186	148,204	149,754
Ministry of Health and Long-Term Care	98,860	59,694	94,461
Ministry of Indigenous Affairs	381,954	307,427	174,799
Miscellaneous	674,117	411,314	577,453
Shooniyaa Wa-Biitong	86,803	87,558	204,256
Small Communities Fund	-	-	757,112
Resource and other economic development	45,586	33,918	80,687
CMHC	2,399,400	2,399,400	-
Ministry of Tourism, Culture and Sport	48,000	48,000	57,735
Northern Ontario Heritage Fund	-	-	158,500
OFNLP	366,423	308,264	505,493
Fort Frances Tribal Area Health Services	139,400	176,541	148,945
Weechi-It-Te-Win	963,660	970,288	872,142
Grand Council Treaty #3	629,352	573,454	424,335
Health Canada	503,366	398,542	389,170
1468069 Ontario Limited o/a Gobe Corporation	-	738,644	606,581
Unrealized loss	-	-	(16,530)
	13,159,942	11,108,375	10,528,637
Expenditures			
Band support	1,765,350	1,723,088	1,949,466
Operations and maintenance	3,574,342	472,591	461,016
Education	1,767,138	1,037,560	1,081,505
Social services	331,839	289,627	342,172
Other operating programs	61,430	109,667	79,550
Weechi-It-Te-Win program	962,364	910,228	770,300
Aboriginal healing and wellness strategy	77,969	53,489	56,010
Capital programs	257,514	152,015	2,013,110
Other ISC programs	210,619	222,970	253,186
Integrated Community Based Health Services	515,440	402,807	355,165
OFNLP	300,466	54,130	181,950
New Relationship Fund	94,799	76,500	86,299
Economic development expenses	45,586	33,946	43,829
Land and flood claims	201,860	365,962	257,635
1468069 Ontario Limited o/a Gobe Corporation	-	1,042,390	319,800
Child and family program	149,754	133,229	141,112
Home and community care	98,860	51,048	80,953
Community comprehensive plan	883,202	457,841	425,903
Flood vulnerability study	25,609	23,959	-
Land use planning	185,111	88,763	-
CMHC Rapid Housing Initiative	2,443,734	-	-
Revenue Resource Sharing	-	174,190	-
	13,952,986	7,876,000	8,898,961
Annual surplus (deficit)	\$ (793,044)	\$ 3,232,375	\$ 1,629,676

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

Mitaanjigamiing First Nation

Consolidated Statement of Changes in Accumulated Surplus

For the year ended March 31	2022	Restated (Note 1) 2021
First Nation accumulated surplus, beginning of year	\$ 11,958,708	\$ 10,503,641
Prior period adjustment (Note 1)	-	(174,609)
Annual surplus	<u>3,232,375</u>	<u>1,629,676</u>
First Nation accumulated surplus, end of year	<u>\$ 15,191,083</u>	<u>\$ 11,958,708</u>

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

For the year ended March 31	Budget	2022	Restated (Note 1) 2021
	(Note 11)		
Annual surplus (deficit)	\$ (793,044)	\$ 3,232,375	\$ 1,629,676
Acquisition of tangible capital assets	(5,878,716)	(49,368)	(1,737,265)
Acquisition of tangible capital assets under construction	-	(4,377,790)	(1,090,924)
Amortization of tangible capital assets	476,853	449,048	476,853
Gain on sale of tangible capital assets	-	-	4,261
Proceeds on sale of tangible capital assets	-	-	28,350
	(6,194,907)	(745,735)	(689,049)
Consumption of prepaid expenses and inventory of supplies	-	(40,368)	-
Prior period adjustment (Note 1)	-	-	(174,609)
Net decrease in net financial assets (debt)	(6,194,907)	(786,103)	(863,658)
Net financial assets (debt), beginning of year	(3,409,349)	(3,409,349)	(2,545,691)
Net financial assets (debt), end of year	\$ (9,604,256)	\$ (4,195,452)	\$ (3,409,349)

Mitaanjigamiing First Nation Consolidated Statement of Cash Flows

For the year ended March 31	2022	2021
Cash flows from operating activities		
Annual surplus	\$ 3,232,375	\$ 1,629,676
Items not involving cash		
Amortization of tangible capital assets	449,048	476,853
Gain on sale of tangible capital assets	-	4,261
Changes in non-cash working capital		
Accounts receivable	(161,663)	(639,549)
Loans and advances	(5,025)	(4,228)
Advances to affiliated parties	-	10,000
Prepaid expenses	(40,368)	-
Accounts payable and accrued liabilities	46,107	(423,336)
Deferred revenue	1,201,226	(223,646)
	<u>4,721,700</u>	<u>830,031</u>
Cash flows from capital activities		
Acquisition of tangible capital assets	(49,368)	(1,737,265)
Acquisition of tangible capital assets under construction	(4,377,790)	(1,090,924)
Proceeds on sale of tangible capital assets	-	28,350
	<u>(4,427,158)</u>	<u>(2,799,839)</u>
Cash flows from financing activities		
Increase (decrease) in demand debt and term loans	<u>(2,225,634)</u>	<u>2,850,837</u>
Cash flows from investing activities		
Disposal of portfolio investments	148	620,330
Trust funds	8,507	5,083
	<u>8,655</u>	<u>625,413</u>
Increase (decrease) in cash during the year	(1,922,437)	1,506,442
Cash and cash equivalents, beginning of year	<u>4,295,371</u>	<u>2,788,929</u>
Cash and cash equivalents, end of year	<u>\$ 2,372,934</u>	<u>\$ 4,295,371</u>

Mitaanjigamiing First Nation Summary of Significant Accounting Policies

March 31, 2022

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, 2022

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 non-government 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.

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, 2022

**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, 2022

1. Prior Period Adjustment

During the current year, it was determined that accounts receivable from ISC in the amount of \$174,609 should not have been recognized in the prior period. As a result, the prior year's consolidated financial statements contained an overstatement of accounts receivable of \$174,609, an overstatement of revenues as at March 31, 2021, of \$174,609, and an overstatement of accumulated surplus as at March 31, 2021, of \$174,609. This error has been corrected prospectively with an adjustment to accumulated surplus in the current year. The result of the correction of this prior period error in the current year is a \$174,609 decrease in accounts receivable as at March 31, 2022, and a \$174,609 decrease in accumulated surplus as at March 31, 2022.

2. Cash and Cash Equivalents

	<u>2022</u>	<u>2021</u>
Internally restricted Reserves	\$ 442,799	\$ 442,799
Unrestricted Operating	<u>1,930,135</u>	<u>3,852,572</u>
Total cash and cash equivalents	<u>\$ 2,372,934</u>	<u>\$ 4,295,371</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.

3. Loans and Advances

	<u>2022</u>	<u>2021</u>
Loans and advances	\$ 61,800	\$ 56,775
Allowance for doubtful accounts	<u>(13,205)</u>	<u>(13,205)</u>
	<u>\$ 48,595</u>	<u>\$ 43,570</u>

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

Mitaanjigamiing First Nation Notes to Consolidated Financial Statements

March 31, 2022

4. Portfolio Investments

	2022	2021
	<hr/>	<hr/>
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
Nanicos Ltd.	7,389	7,389
Marketable securities	-	148
	<hr/>	<hr/>
	\$ 195,346	\$ 195,494

Portfolio investments are valued at cost. The fair market value of the marketable securities at March 31, 2022, was \$NIL (2021 - \$148).

Mitaanjigamiing First Nation Notes to Consolidated Financial Statements

March 31, 2022

5. Accumulated Surplus

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

	<u>2022</u>	<u>2021</u>
Investment in tangible capital assets		
Tangible capital assets	\$ 12,166,548	\$ 12,559,848
Tangible capital assets under construction	7,154,206	2,776,416
Debt related to capital	<u>(2,564,085)</u>	<u>(4,911,579)</u>
Total investment in tangible capital assets	<u>16,756,669</u>	<u>10,424,685</u>
Current fund surplus (deficit)	<u>(1,652,816)</u>	<u>1,225,999</u>
Other government Organization	<u>(364,353)</u>	<u>(152,066)</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	44	44
Rainy River District First Nation Trust	<u>8,740</u>	<u>17,247</u>
Total trust investments	<u>8,784</u>	<u>17,291</u>
	<u>\$ 15,191,083</u>	<u>\$ 11,958,708</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, 2022

6. Tangible Capital Assets

							2022
	Buildings	Equipment	Vehicles	Roads	Housing	Other	Total
Cost, beginning of year	\$ 9,148,578	\$ 1,097,710	\$ 748,301	\$ 256,978	\$ 6,392,212	\$ 114,314	\$17,758,093
Additions	-	-	-	-	49,368	-	49,368
Disposals	-	-	-	-	-	-	-
Cost, end of year	9,148,578	1,097,710	748,301	256,978	6,441,580	114,314	17,807,461
Accumulated amortization, beginning of year	2,594,912	551,662	439,488	94,532	1,418,613	67,245	5,166,452
Amortization	177,785	46,564	58,577	2,927	159,868	3,327	449,048
Disposals	-	-	-	-	-	-	-
Accumulated amortization, end of year	2,772,697	598,226	498,065	97,459	1,578,481	70,572	5,615,500
Net carrying amount, end of year	\$ 6,375,881	\$ 499,484	\$ 250,236	\$ 159,519	\$ 4,863,099	\$ 43,742	\$12,191,961

The net book value of tangible capital assets not being amortized because they are under construction is \$7,154,206 (2021 - \$2,776,416). 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.

Mitaanjigaming First Nation
Notes to Consolidated Financial Statements

March 31, 2022

6. Tangible Capital Assets (continued)

							2021
	Buildings	Equipment	Vehicles	Roads	Housing	Other	Total
Cost, beginning of year	\$ 7,596,788	\$ 1,097,261	\$ 609,862	\$ 256,978	\$ 6,392,212	\$ 114,314	\$16,067,415
Additions	1,551,790	449	185,026	-	-	-	1,737,265
Disposals	-	-	(46,587)	-	-	-	(46,587)
Cost, end of year	9,148,578	1,097,710	748,301	256,978	6,392,212	114,314	17,758,093
Accumulated amortization, beginning of year	2,412,848	502,009	373,504	91,605	1,259,732	63,877	4,703,575
Amortization	182,064	49,653	79,960	2,927	158,881	3,368	476,853
Disposals	-	-	(13,976)	-	-	-	(13,976)
Accumulated amortization, end of year	2,594,912	551,662	439,488	94,532	1,418,613	67,245	5,166,452
Net carrying amount, end of year	\$ 6,553,666	\$ 546,048	\$ 308,813	\$ 162,446	\$ 4,973,599	\$ 47,069	\$12,591,641

Mitaanjigamiing First Nation Notes to Consolidated Financial Statements

March 31, 2022

7. Deferred Revenue

	Balance March 31, 2021	Funding Received 2022	Revenue Recognized 2022	Balance March 31, 2022
Federal Government				
ISC - Fin Mgmt Gov Cap Dev	\$ -	\$ 75,000	\$ 23,110	\$ 51,890
ISC - Education	766,308	1,457,070	1,186,976	1,036,402
ISC - Prev/Least Disruptive	-	665,959	232,457	433,502
ISC - Service Delivery/Basic Needs	-	76,872	60,243	16,629
ISC - Water Treatment Plant	458,727	418,143	711,523	165,347
ISC - Capital	-	879,101	313,367	565,734
ISC - Land Use Planning	20,611	-	20,611	-
ISC - Flood Vulnerability	31,888	-	23,959	7,929
Health Canada	117,448	418,314	398,542	137,220
Provincial Government				
Ministry of Health and Long-Term Care	-	86,460	59,694	26,766
Ministry of Education	-	209,754	148,204	61,550
Other				
FNL/MRC Land Code	23,500	23,750	47,250	-
Grand Council Treaty #3	36,726	625,446	573,454	88,718
Fort Frances Tribal Area Health Services	-	218,935	176,541	42,394
Weechi-It-Te-Win	-	1,041,153	969,288	71,865
Shooniyaa Wa-Biitong	49,512	38,046	87,558	-
	\$ 1,504,720	\$ 6,234,003	\$ 5,032,777	\$ 2,705,946

ISC

Indigenous Services Canada advanced the First Nation funding in relation to land management, post-secondary education, economic development, community comprehensive plan, social services, 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, social services, and roads and bridges.

Health Canada

Health Canada advanced the First Nation funding in relation to COVID-19 costs and management. This funding must be spent on COVID-19 costs and management in the First Nation.

Grand Council Treaty #3

Grand Council Treaty #3 advanced the First Nation funding for AI customary care code development and the 2021/2022 AI implementation project. This funding must be spent on AI customary care code development and the 2021/2022 AI implementation project.

Mitaanjigamiing First Nation Notes to Consolidated Financial Statements

March 31, 2022

8. Demand Debt

	<u>2022</u>	<u>2021</u>
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
Carried forward	<u>\$ 2,233,968</u>	<u>\$ 2,233,968</u>

Mitaanjigamiing First Nation Notes to Consolidated Financial Statements

March 31, 2022

8. Demand Debt (continued)

	<u>2022</u>	<u>2021</u>
Brought forward	\$ 2,233,968	\$ 2,233,968
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	115,610
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.	150,280	150,280
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.	121,860	-
CMHC Rapid Housing Initiative loan, non-interest bearing, to be paid within 30 days of written notice from CMHC if deliverables are considered unfulfilled by CMHC.	-	2,399,400
CMHC Home Adaptations for Seniors non-interest bearing promissory note. Repayable to CMHC within 30 days of notification. Repayment to be forgiven in full, six months from the date of payment in full by CMHC of the loan amount, provided the First Nation is not in breach of the terms and conditions for the loan.	40,000	40,000
	<u>\$ 2,661,718</u>	<u>\$ 4,939,258</u>

Flood claim litigations were settled and payment was received from the Province of Ontario in July 2022 in the amount of \$39,397,244. \$2,621,718 of flood claim litigation loans will be paid in full during the March 31, 2023, year end with the settlement.

Demand debt is not secured.

Scheduled principal repayments are as follows:

Year	Amount
2023	\$ 447,582
2024	337,956
2025	518,730
2026	829,906
2027	487,544
Thereafter	40,000
	<u>\$ 2,661,718</u>

Mitaanjigamiing First Nation Notes to Consolidated Financial Statements

March 31, 2022

9. Term Loans

	2022	2021
RBC loan with interest at 3.65%, repayable in monthly installments of \$7,290 principal and interest, maturing June 2023.	\$ 106,115	\$ 188,448
RBC loan with interest at 3.65%, repayable in monthly installments of \$3,303 principal and interest, maturing June 2023.	48,082	85,388
RBC loan with interest at 3.65%, repayable in monthly installments of \$17,471 principal and interest, maturing February 2029.	1,273,719	1,436,785
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.	147,073	191,558
RBC loan with interest at 3.45%, repaid in full on February 2022.	-	570,000
RBC loan with interest at 3.82%, repayable in monthly installments of \$5,332 principal plus interest, maturing March 2037.	949,096	-
	\$ 2,524,085	\$ 2,472,179

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

	Principal Repayments	Interest	Total
2023	\$ 385,251	\$ 102,497	\$ 487,748
2024	307,464	89,307	396,771
2025	282,699	76,486	359,185
2026	244,189	64,364	308,553
2027	249,119	53,191	302,310
Thereafter	1,055,363	156,563	1,211,926
	\$ 2,524,085	\$ 542,408	\$ 3,066,493

Mitaanjigamiing First Nation Notes to Consolidated Financial Statements

March 31, 2022

10. Economic Dependence

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

11. Budget Information

The budget was prepared on a modified accrual basis while Public Sector Accounting Standards now require a full accrual basis. The budget figures anticipated recovering deficits. In addition, the budget did not include amortization expense. As a result, the budget figures presented in the consolidated statements of operations and change in net financial assets (debt) represent the Financial Plan adopted by Council, with adjustments as follows:

	<u>2022</u>
Financial Plan (budget) deficit for the year	\$ (6,066,047)
Add:	
Capital expenditures	5,878,716
Less:	
Amortization	(476,853)
Loan proceeds budgeted as revenue	<u>(128,860)</u>
Budget deficit per consolidated statement of operations	<u>\$ (793,044)</u>

12. Investments Held in Trust

	Balance March 31, 2021	Additions 2022	Withdrawals 2022	Balance March 31, 2022
Rainy River District First Nation Trust Revenue	\$ 17,247 45	\$ 33,917 -	\$ 42,424 -	\$ 8,740 45
	<u>\$ 17,292</u>	<u>\$ 33,917</u>	<u>\$ 42,424</u>	<u>\$ 8,785</u>

The trust funds arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in Trust in the Consolidated Revenue Fund of the Government of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

The funds held in the Rainy River District First Nation Trust are controlled by the First Nation and arose from the signing of a resource sharing agreement.

Mitaanjigamiing First Nation Notes to Consolidated Financial Statements

March 31, 2022

13. 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.

14. Contingencies

The Organization was named in a lawsuit, which is unresolved as of the date of the audit report. The outcome of the claim is unknown and therefore, no provision for this claim has been made in the consolidated financial statements. The Organization has hired Counsel to defend its position on this matter.

15. Expenditure by Object

	2022	2021
Salaries, wages and employee benefits	\$ 2,153,590	\$ 2,317,581
Materials and supplies	3,374,165	4,549,529
Contracted services	992,027	838,368
Rents and financial expenses	518,237	572,615
Travel	395,313	153,217
Amortization	442,668	467,651
	<u>\$ 7,876,000</u>	<u>\$ 8,898,961</u>

Mitaanjigamiing First Nation Notes to Consolidated Financial Statements

March 31, 2022

16. 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 2022 were \$90,519 (2021 - \$89,147).

17. Funding Reconciliation

	<u>2022</u>	<u>2021</u>
ISC revenue per funding confirmation	\$ 4,416,167	\$ 3,943,981
Deferred revenue	<u>(999,899)</u>	<u>310,250</u>
ISC revenue per the consolidated financial statements	<u>\$ 3,416,268</u>	<u>\$ 4,254,231</u>

Mitaanjigamiing First Nation Notes to Consolidated Financial Statements

March 31, 2022

18. Subsequent Events

Subsequent to year end, the impact of COVID-19 in Canada and on the global economy continued. 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. The Organization received additional funding for COVID-19 from Indigenous Services Canada for \$720,275 during the March 31, 2022 year-end. 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.

19. 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, 2022

19. 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.

**Mitaanjigamiing First Nation
2022 Segment Disclosure**

For the year ended March 31, 2022	Band Support	Operations and Maintenance	Education	Medical and Health	Capital	Other	Total
Revenue							
Indigenous Services Canada	\$ 481,392	\$ 1,057,902	\$ 1,186,977	\$ -	\$ 313,367	\$ 376,630	\$ 3,416,268
Canada	-	-	-	398,542	-	2,399,400	2,797,942
Ontario	115,900	-	-	-	74,527	565,209	755,636
OFNLP	-	-	-	-	-	308,264	308,264
Trust income	-	-	-	-	-	816,548	816,548
Other Aboriginal Organizations	159,738	-	-	61,004	-	1,587,098	1,807,840
Interest, rentals and other	288,078	22,000	-	-	35,552	860,247	1,205,877
	1,045,108	1,079,902	1,186,977	459,546	423,446	6,913,396	11,108,375
Expenditures							
Salaries, wages and benefits	767,235	99,746	187,588	189,324	66,535	843,162	2,153,590
Materials, supplies and capital	416,101	246,313	353,448	113,985	85,480	2,158,838	3,374,165
Contracted services	21,385	3,023	424,714	90,422	-	452,483	992,027
Rents and financial expenses	190,157	-	-	-	-	328,080	518,237
Travel	47,717	2,847	51,899	47,378	-	245,472	395,313
Amortization	280,493	120,662	23,911	17,602	-	-	442,668
	1,723,088	472,591	1,041,560	458,711	152,015	4,028,035	7,876,000
Excess (deficiency) of revenue over expenditures	\$ (677,980)	\$ 607,311	\$ 145,417	\$ 835	\$ 271,431	\$ 2,885,361	\$ 3,232,375

**Mitaanjigamiing First Nation
2021 Segment Disclosure**

For the year ended March 31, 2021	Band Support	Operations and Maintenance	Education	Medical and Health	Capital	Other	Total
Revenue							
Indigenous Services Canada	\$ 674,520	\$ 1,824,085	\$ 1,150,247	\$ -	\$ 233,020	\$ 372,359	\$ 4,254,231
Canada	-	-	-	389,170	-	-	389,170
Ontario	117,968	837,748	-	-	-	776,845	1,732,561
OFNLP	8,693	-	-	-	-	496,800	505,493
Trust income	-	-	-	-	-	808,399	808,399
Other Aboriginal Organizations	288,313	-	-	63,525	290,766	957,562	1,600,166
Interest, rentals and other	547,669	21,550	-	-	(4,261)	673,659	1,238,617
	1,637,163	2,683,383	1,150,247	452,695	519,525	4,085,624	10,528,637
Expenditures							
Salaries, wages and benefits	892,563	122,837	166,424	181,502	64,733	889,522	2,317,581
Materials, supplies and capital	443,485	206,633	413,948	122,166	1,948,377	1,414,920	4,549,529
Contracted services	27,068	15,905	431,546	68,807	-	295,042	838,368
Rents and financial expenses	251,047	-	-	-	-	321,568	572,615
Travel	29,827	3,554	45,676	21,098	-	53,062	153,217
Amortization	305,476	120,662	23,911	17,602	-	-	467,651
	1,949,466	469,591	1,081,505	411,175	2,013,110	2,974,114	8,898,961
Excess (deficiency) of revenue over expenditures	\$ (312,303)	\$ 2,213,792	\$ 68,742	\$ 41,520	\$(1,493,585)	\$ 1,111,510	\$ 1,629,676