

Mitaanjigamiing First Nation
Consolidated Financial Statements
For the year ended March 31, 2023

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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.

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Tel: 807-274-9848
Fax: 807-274-5142
www.bdo.ca

BDO Canada LLP
607 Portage Ave
Fort Frances, Ontario
P9A 0A7

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, 2023, 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, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2023, 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 Qualified Opinion

The Group has not proportionately consolidated the financial statements of the Agency One Trust that was created in 2020 year, this constitutes a departure from Canadian public sector accounting standards. Under Canadian public sector accounting standards the Trust should have been proportionately consolidated as the Group has shared controlled of the Trust. The effects on the consolidated financial statements of the failure to proportionately consolidate have not been determined.

Additionally, the Group is entitled to annual income distributions from the Trust. Management has decided to book this on a cash basis instead of an accrual basis, which constitutes a departure from Canadian public sector accounting standards. Revenue should be increased by \$107,094 for the year ended March 31, 2023 (2022 - \$123,540), receivables should be increased by \$464,425 as of March 31, 2023 (2022 - \$357,331) and accumulated surplus should be increased by \$464,425 as of March 31, 2023 (2022 - \$357,331).

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

March 8, 2024

Mitaanjigamiing First Nation Consolidated Statement of Financial Position

March 31	2023	2022
Financial assets		
Cash and cash equivalents (Note 1)	\$ 2,374,999	\$ 2,372,934
Short-term investment (Note 2)	2,918,482	-
Accounts receivable	6,504,355	1,889,890
Loans and advances (Note 3)	47,890	48,595
Investments held in trust (Note 12)	21,667	8,785
Notes receivable	-	40,000
Portfolio investments (Note 4)	335,454	195,346
	<u>12,202,847</u>	<u>4,555,550</u>
Liabilities		
Accounts payable and accrued liabilities	1,385,232	859,253
Term loans (Note 9)	101,295	2,524,085
Demand debt (Note 8)	40,000	2,661,718
Deferred revenue (Note 7)	3,157,243	2,705,946
	<u>4,683,770</u>	<u>8,751,002</u>
Net financial assets (debt)	<u>7,519,077</u>	<u>(4,195,452)</u>
Non-financial assets		
Tangible capital assets (Note 6)	21,168,190	12,191,961
Prepaid expenses	2,842	40,368
Tangible capital assets under construction	127,205	7,154,206
	<u>21,298,237</u>	<u>19,386,535</u>
Accumulated surplus	<u>28,817,314</u>	<u>15,191,083</u>
Accumulated surplus is comprised of:		
Accumulated operating surplus (Note 5)	28,913,023	15,191,083
Accumulated remeasurement losses	(95,709)	-
	<u>\$28,817,314</u>	<u>\$ 15,191,083</u>

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Mitaanjigamiing First Nation Consolidated Statement of Operations

For the year ended March 31	Budget	2023	2022
	(Note 11)		
Revenue			
Indigenous Services Canada (Note 18)	\$ 8,786,229	\$ 6,370,752	\$ 3,416,268
Revenue - trust fund	978,430	11,597,336	816,548
Rental - housing and other buildings	19,750	15,200	22,000
Ministry of Community and Social Services	167,544	113,478	192,311
Ministry of Education	203,208	160,305	148,204
Ministry of Health and Long-Term Care	173,626	27,935	59,694
Ministry of Indigenous Affairs	261,150	212,178	307,427
Ministry of Infrastructure	-	100,000	-
Miscellaneous	621,838	1,482,244	411,314
Shooniyaa Wa-Biitong	99,123	13,860	87,558
Resource and other economic development	38,783	53,812	33,918
CMHC	-	150,000	2,399,400
Ministry of Tourism, Culture and Sport	-	50,934	48,000
Ontario Health	-	296,457	-
OFNLP	285,012	439,569	308,264
Fort Frances Tribal Area Health Services	139,400	211,329	176,541
Weechi-It-Te-Win	616,946	732,694	970,288
Grand Council Treaty #3	1,159,917	1,083,887	573,454
Health Canada	-	-	398,542
1468069 Ontario Limited o/a Gobe Corporation	-	906,563	738,644
	13,550,956	24,018,533	11,108,375
Expenditures			
Band support	2,104,494	2,468,099	1,723,088
Operations and maintenance	377,156	1,572,188	472,591
Education	2,238,283	1,576,891	1,037,560
Social services	490,463	257,924	289,627
Other operating programs	61,430	118,385	109,667
Weechi-It-Te-Win program	839,865	644,294	910,228
Aboriginal healing and wellness strategy	77,969	65,753	53,489
Capital programs	232,600	383,418	152,015
Other ISC programs	520,393	316,706	222,970
Integrated Community Based Health Services	533,512	357,712	402,807
OFNLP	232,991	241,556	54,130
New Relationship Fund	85,000	76,500	76,500
Economic development expenses	-	-	33,946
Land and flood claims	-	725	365,962
1468069 Ontario Limited o/a Gobe Corporation	-	850,825	1,042,390
Child and family program	149,754	145,330	133,229
Safe delivery enhancements	-	6,348	-
Home and community care	98,860	19,289	51,048
Community comprehensive plan	1,053,430	911,720	457,841
Flood vulnerability study	-	7,929	23,959
Land use planning	164,500	78,334	88,763
Revenue Resource Sharing	-	196,667	174,190
	9,260,700	10,296,593	7,876,000
Annual surplus (deficit)	\$ 4,290,256	\$ 13,721,940	\$ 3,232,375

Mitaanjigamiing First Nation
Consolidated Statement of Changes in Accumulated Surplus

For the year ended March 31	2023	2022
First Nation accumulated surplus, beginning of year	\$15,191,083	\$ 11,958,708
Annual surplus	<u>13,721,940</u>	<u>3,232,375</u>
First Nation accumulated surplus, end of year	<u>\$28,913,023</u>	<u>\$ 15,191,083</u>

Mitaanjigamiing First Nation
Consolidated Statement of Remeasurement Gains or Losses

For the year ended March 31	2023	2022
Accumulated remeasurement gains (losses), beginning of year	\$ -	\$ -
Unrealized losses attributable to:		
Short term investments	(95,709)	-
Accumulated remeasurement gains (losses), end of year	\$ (95,709)	\$ -

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

For the year ended March 31	Budget	2023	2022
	(Note 11)		
Annual surplus (deficit)	\$ 4,290,256	\$13,721,940	\$ 3,232,375
Acquisition of tangible capital assets	(3,023,488)	(2,564,501)	(49,368)
Acquisition of tangible capital assets under construction	-	(127,205)	(4,377,790)
Amortization of tangible capital assets	442,668	674,707	449,048
Gain on sale of tangible capital assets	-	(26,229)	-
Proceeds on sale of tangible capital assets	-	94,000	-
	1,709,436	11,772,712	(745,735)
Consumption of prepaid expenses and inventory of supplies	-	37,526	(40,368)
Net decrease in net financial assets (debt) net remeasurement gains (losses)	1,709,436	11,810,238	(786,103)
Net remeasurements gains (losses)	-	(95,709)	-
Changes in net assets (debt)	-	11,714,529	(786,103)
Net financial assets (debt), beginning of year	(4,195,452)	(4,195,452)	(3,409,349)
Net financial assets (debt), end of year	\$ (2,486,016)	\$ 7,519,077	\$ (4,195,452)

Mitaanjigamiing First Nation Consolidated Statement of Cash Flows

For the year ended March 31	2023	2022
Cash flows from operating activities		
Annual surplus	\$13,721,940	\$ 3,232,375
Remeasurement loss	(95,709)	-
Items not involving cash		
Amortization of tangible capital assets	674,707	449,048
Gain on sale of tangible capital assets	(26,229)	-
Changes in non-cash working capital		
Accounts receivable	(4,614,465)	(161,663)
Loans and advances	705	(5,025)
Advances to affiliated parties	40,000	-
Prepaid expenses	37,526	(40,368)
Accounts payable and accrued liabilities	525,979	46,107
Deferred revenue	451,297	1,201,226
	<u>10,715,751</u>	<u>4,721,700</u>
Cash flows from capital activities		
Acquisition of tangible capital assets	(2,564,501)	(49,368)
Acquisition of tangible capital assets under construction	(127,205)	(4,377,790)
Proceeds on sale of tangible capital assets	94,000	-
	<u>(2,597,706)</u>	<u>(4,427,158)</u>
Cash flows from financing activities		
Increase (decrease) in demand debt and term loans	<u>(5,044,508)</u>	<u>(2,225,634)</u>
Cash flows from investing activities		
Purchase of investments	(2,918,482)	-
Disposal of portfolio investments	(140,108)	148
Trust funds	(12,882)	8,507
	<u>(3,071,472)</u>	<u>8,655</u>
Increase (decrease) in cash during the year	2,065	(1,922,437)
Cash and cash equivalents, beginning of year	<u>2,372,934</u>	<u>4,295,371</u>
Cash and cash equivalents, end of year	<u>\$ 2,374,999</u>	<u>\$ 2,372,934</u>

Mitaanjugamiing First Nation Summary of Significant Accounting Policies

March 31, 2023

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; and 2) 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	<p>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.</p>
Cash and Cash Equivalents	<p>Management considers all highly liquid investments with maturities of three months or less at acquisition to be cash equivalents.</p>

Mitaanjigamiing First Nation

Summary of Significant Accounting Policies

March 31, 2023

Tangible Capital Assets	<p>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:</p> <table><tr><td>Buildings</td><td>50 years</td></tr><tr><td>Equipment</td><td>10 years</td></tr><tr><td>Vehicles</td><td>10 years</td></tr><tr><td>Roads</td><td>15 to 80 years</td></tr><tr><td>Housing</td><td>50 years</td></tr><tr><td>Other</td><td>20 years</td></tr></table>	Buildings	50 years	Equipment	10 years	Vehicles	10 years	Roads	15 to 80 years	Housing	50 years	Other	20 years
Buildings	50 years												
Equipment	10 years												
Vehicles	10 years												
Roads	15 to 80 years												
Housing	50 years												
Other	20 years												
Short Term Investments	<p>Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations.</p>												
Revenue Recognition	<p>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.</p> <p>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.</p> <p>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.</p>												
Portfolio Investments	<p>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.</p>												

Mitaanjigamiing First Nation
Summary of Significant Accounting Policies

March 31, 2023

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	<p>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.</p> <p>The estimates used in the preparation of these consolidated financial statements are the useful lives of property, plant and equipment and accrued liabilities.</p>

Mitaanjigamiing First Nation Notes to Consolidated Financial Statements

March 31, 2023

1. Cash and Cash Equivalents

	2023	2022
Internally restricted Reserves	\$ 442,799	\$ 442,799
Unrestricted Operating	1,932,200	1,930,135
Total cash and cash equivalents	<u>\$ 2,374,999</u>	<u>\$ 2,372,934</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. Short-term Investment

	2023	2022
RBC Dominion Securities	<u>\$ 2,918,482</u>	<u>\$ -</u>

Marketable securities are valued at fair market value. Marketable securities cost value as of March 31, 2023 is \$3,013,040 (2022 - \$NIL).

3. Loans and Advances

	2023	2022
Nanicost Ltd. - note receivable	\$ 495	\$ -
Loans and advances	\$ 60,600	\$ 61,800
Allowance for doubtful accounts	<u>(13,205)</u>	<u>(13,205)</u>
	<u>\$ 47,890</u>	<u>\$ 48,595</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, 2023

4. Portfolio Investments

	2023	2022
Rainy Lake Tribal Development Corporation (RLTDC)	\$ -	\$ 100,000
Boundary Waters Anishinaabeg Development, LP	158,331	80,922
Rainy Lake Tribal Resource Management	7,035	7,035
Nanicost Ltd.	7,389	7,389
Agency One LP	162,699	-
	<u>\$ 335,454</u>	<u>\$ 195,346</u>

Portfolio investments are valued at cost.

Mitaanjigamiing First Nation Notes to Consolidated Financial Statements

March 31, 2023

5. Accumulated Surplus

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

	2023	2022
Investment in tangible capital assets		
Tangible capital assets	\$21,147,819	\$ 12,166,548
Tangible capital assets under construction	127,205	7,154,206
Debt related to capital	(141,295)	(2,564,085)
Total investment in tangible capital assets	21,133,729	16,756,669
Current fund surplus (deficit)	7,623,444	(1,652,816)
Other government Organization	(308,615)	(364,353)
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	44
Rainy River District First Nation Trust	21,622	8,740
Total trust investments	21,666	8,784
	<u>\$28,913,023</u>	<u>\$ 15,191,083</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, 2023

6. Tangible Capital Assets

	2023						
	Buildings	Equipment	Vehicles	Roads	Housing	Other	Total
Cost, beginning of year	\$ 8,627,110	\$ 1,097,710	\$ 748,301	\$ 256,978	\$ 6,963,048	\$ 114,314	\$17,807,461
Additions	3,833,390	10,000	551,577	-	5,323,740	-	9,718,707
Disposals	-	-	(159,455)	-	-	-	(159,455)
Cost, end of year	12,460,500	1,107,710	1,140,423	256,978	12,286,788	114,314	27,366,713
Accumulated amortization, beginning of year	2,772,697	598,226	498,065	97,459	1,578,481	70,572	5,615,500
Amortization	248,073	72,670	100,872	2,927	246,872	3,293	674,707
Disposals	-	-	(91,684)	-	-	-	(91,684)
Accumulated amortization, end of year	3,020,770	670,896	507,253	100,386	1,825,353	73,865	6,198,523
Net carrying amount, end of year	\$ 9,439,730	\$ 436,814	\$ 633,170	\$ 156,592	\$ 10,461,435	\$ 40,449	\$21,168,190

The net book value of tangible capital assets not being amortized because they are under construction is \$127,205 (2022 - \$7,154,206). 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, 2023

6. Tangible Capital Assets (continued)

	2022						
	Buildings	Equipment	Vehicles	Roads	Housing	Other	Total
Cost, beginning of year	\$ 8,627,110	\$ 1,097,710	\$ 748,301	\$ 256,978	\$ 6,913,680	\$ 114,314	\$17,758,093
Additions	-	-	-	-	49,368	-	49,368
Disposals	-	-	-	-	-	-	-
Cost, end of year	8,627,110	1,097,710	748,301	256,978	6,963,048	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	\$ 5,854,413	\$ 499,484	\$ 250,236	\$ 159,519	\$ 5,384,567	\$ 43,742	\$12,191,961

Mitaanjigamiing First Nation Notes to Consolidated Financial Statements

March 31, 2023

7. Deferred Revenue

	Balance March 31, 2022	Funding Received 2023	Revenue Recognized 2023	Balance March 31, 2023
Federal Government				
ISC - Fin Mgmt Gov Cap Dev	\$ 51,890	\$ 75,000	\$ 126,890	\$ -
ISC - Education	1,036,402	1,677,283	1,826,096	887,589
ISC - Prev/Least Disruptive	433,502	416,070	357,174	492,398
ISC - Service Delivery/Basic Needs	16,629	80,904	97,533	-
ISC - Water Treatment Plant	165,347	1,473,120	1,132,168	506,299
ISC - Capital	565,734	1,831,264	1,628,926	768,072
ISC - Flood Vulnerability	7,929	-	7,929	-
Health Canada	137,220	475,077	459,092	153,205
Provincial Government				
Ministry of Health and Long-Term Care	26,766	84,588	27,935	83,419
Ministry of Education	61,550	141,658	160,305	42,903
Other				
Grand Council Treaty #3	88,718	12,688	101,406	-
Fort Frances Tribal Area Health Services	42,394	133,420	175,814	-
Weechi-It-Te-Win	71,865	544,042	392,549	223,358
	<u>\$ 2,705,946</u>	<u>\$ 6,945,114</u>	<u>\$ 6,493,817</u>	<u>\$ 3,157,243</u>

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, 2023

8. Demand Debt

	2023	2022
Flood claim litigation loan, non-interest bearing, maturing March 2024 or when litigation is settled, whichever comes first.	\$ -	\$ 15,000
Flood claim litigation loan, non-interest bearing, maturing March 2025 or when litigation is settled, whichever comes first.	-	142,566
Flood claim litigation loan, non-interest bearing, maturing March 2021 or when litigation is settled, whichever comes first.	-	565,546
Flood claim litigation loan, non-interest bearing, maturing March 2022 or when litigation is settled, whichever comes first.	-	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
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
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
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
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
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
Carried forward	\$ -	\$ 2,233,968

Mitaanjigamiing First Nation Notes to Consolidated Financial Statements

March 31, 2023

8. Demand Debt (continued)

	2023	2022
Brought forward	\$ -	\$ 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
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
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.	-	-
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>\$ 40,000</u>	<u>\$ 2,661,718</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
2024	<u>\$ 40,000</u>

Mitaanjigamiing First Nation Notes to Consolidated Financial Statements

March 31, 2023

9. Term Loans

	2023	2022
RBC loan with interest at 3.65%, repayable in monthly installments of \$7,290 principal and interest, maturing June 2023.	\$ -	\$ 106,115
RBC loan with interest at 3.65%, repayable in monthly installments of \$3,303 principal and interest, maturing June 2023.	-	48,082
RBC loan with interest at 3.65%, repayable in monthly installments of \$17,471 principal and interest, maturing February 2029.	-	1,273,719
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.	101,295	147,073
RBC loan with interest at 3.82%, repayable in monthly installments of \$5,332 principal plus interest, maturing March 2037.	-	949,096
	<u>\$ 101,295</u>	<u>\$ 2,524,085</u>

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

	Principal Repayments	Interest	Total
2024	\$ 47,838	\$ 3,508	\$ 51,346
2025	49,991	1,355	51,346
2026	3,466	13	3,479
	<u>\$ 101,295</u>	<u>\$ 4,876</u>	<u>\$ 106,171</u>

10. Economic Dependence

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

Mitaanjigamiing First Nation Notes to Consolidated Financial Statements

March 31, 2023

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:

	2023
Financial Plan (budget) deficit for the year	\$ 1,709,436
Add:	
Capital expenditures	3,023,488
Less:	
Amortization	(442,668)
Budget deficit per consolidated statement of operations	<u>\$ 4,290,256</u>

12. Investments Held in Trust

	Balance March 31, 2022		Additions 2023		Withdrawals 2023		Balance March 31, 2023
Rainy River District First Nation Trust	\$ 8,740	\$	12,882	\$	-	\$	21,622
Revenue	45		-		-		45
	<u>\$ 8,785</u>	\$	<u>12,882</u>	\$	<u>-</u>	\$	<u>21,667</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, 2023

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

	2023	2022
Salaries, wages and employee benefits	\$ 1,959,470	\$ 2,153,590
Materials and supplies	7,121,374	3,374,165
Contracted services	221,005	992,027
Rents and financial expenses	197,226	518,237
Travel	127,853	395,313
Amortization	669,665	442,668
	<u>\$10,296,593</u>	<u>\$ 7,876,000</u>

Mitaanjigamiing First Nation
Notes to Consolidated Financial Statements

March 31, 2023

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 2023 were \$98,518 (2022 - \$90,519).

17. Funding Reconciliation

	2023	2022
ISC revenue per funding confirmation	\$ 6,763,662	\$ 4,416,167
Deferred revenue	(392,910)	(999,899)
ISC revenue per the consolidated financial statements	<u>\$ 6,370,752</u>	<u>\$ 3,416,268</u>

Mitaanjigamiing First Nation Notes to Consolidated Financial Statements

March 31, 2023

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, 2023

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.

Mitaanjigamiing First Nation
2023 Segment Disclosure

For the year ended March 31, 2023	Band Support	Operations and Maintenance	Education	Medical and Health	Capital	Other	Total
Revenue							
Indigenous Services Canada	\$ 462,265	\$ 1,482,536	\$ 1,826,097	\$ 459,092	\$ 1,628,926	\$ 511,837	\$ 6,370,753
Canada	-	-	-	-	150,000	-	150,000
Ontario	50,934	100,000	88,938	-	-	622,119	861,991
OFNLP	-	-	-	-	-	439,569	439,569
Trust income	-	-	-	-	-	11,623,266	11,623,266
Other Aboriginal Organizations	146,169	-	-	73,268	-	1,853,237	2,072,674
Interest, rentals and other	1,397,761	15,200	-	-	153,407	933,912	2,500,280
	2,057,129	1,597,736	1,915,035	532,360	1,932,333	15,983,940	24,018,533
Expenditures							
Salaries, wages and benefits	759,075	98,312	209,105	162,571	60,207	670,200	1,959,470
Materials, supplies and capital	822,442	1,277,853	1,325,543	235,866	323,211	3,136,459	7,121,374
Contracted services	196,006	-	-	2,200	-	22,799	221,005
Rents and financial expenses	196,827	-	-	-	-	399	197,226
Travel	68,613	2,601	8,738	5,228	-	42,673	127,853
Amortization	425,136	193,422	33,505	17,602	-	-	669,665
	2,468,099	1,572,188	1,576,891	423,467	383,418	3,872,530	10,296,593
Excess (deficiency) of revenue over expenditures	\$ (410,970)	\$ 25,548	\$ 338,144	\$ 108,893	\$ 1,548,915	\$12,111,410	\$13,721,940

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