

Consolidated Financial Statements of

M'CHIGEENG FIRST NATION

Year ended March 31, 2014



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INDEPENDENT AUDITORS' REPORT

To the Members of M'Chigeeng First Nation

We have audited the accompanying consolidated financial statements of **M'Chigeeng First Nation** which comprise the consolidated statement of financial position as at March 31, 2014, the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of M'Chigeeng First Nation as at March 31, 2014 and its consolidated results of operations and its consolidated changes in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

August 5, 2014

Sudbury, Canada

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of **M'Chigeeng First Nation** (the "First Nation") are the responsibility of management and have been approved by M'Chigeeng First Nation and the undersigned Chief and Council of the First Nation.


The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Consolidated financial statements are not precise since they include certain amounts based on estimates and judgements. 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.

M'Chigeeng First Nation maintains a system of internal accounting and administrative controls. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the First Nation's assets are appropriately accounted for and adequately safeguarded.

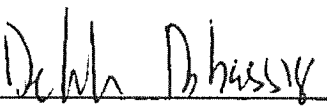
Chief and Council are responsible for ensuring that management fulfills its responsibilities for financial reporting and are ultimately responsible for reviewing and approving the consolidated financial statements.

Chief and Council review the First Nation's consolidated financial statements and recommend their approval. Chief and Council meet to discuss and to review the annual report, the consolidated financial statements and the external auditors' report. Chief and Council takes this information into consideration when approving the consolidated financial statements for issuance to the First Nation Members. Chief and Council also consider the engagement of the external auditors.

The consolidated financial statements have been audited by KPMG LLP in accordance with Canadian generally accepted auditing standards on behalf of the First Nation.



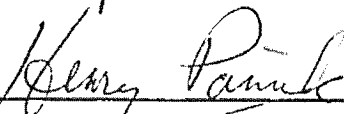
Chief




Councilor




Councilor



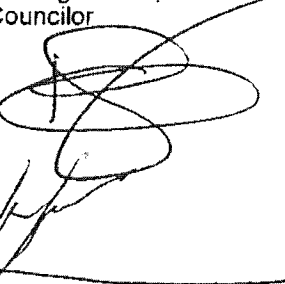
Councilor



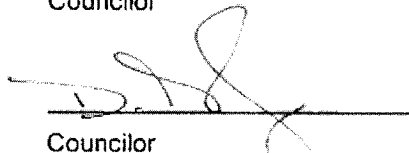
Councilor



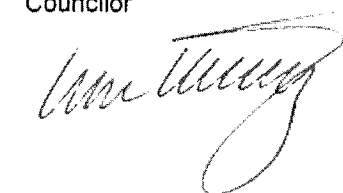
Councilor



Councilor



Councilor



Councilor

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Year ended March 31, 2014

Consolidated Financial Statements

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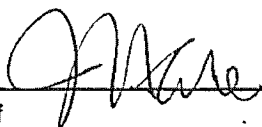
Exhibit A - Consolidated Statement of Financial Position


March 31, 2014, with comparative information for 2013

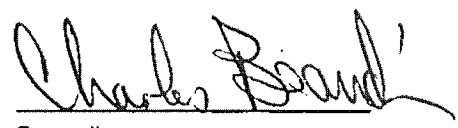
	2014	2013
Financial assets:		
Cash and short-term investments (note 2)	\$ 7,643,616	5,266,623
Accounts receivable	2,504,397	3,482,081
Investments (note 3)	2,114,855	2,125,630
Investment in MERE General Partner Inc. (note 4)	177,255	120,707
Advances to MERE General Partner Inc. (note 5)	4,066,280	4,299,872
Loan receivable from MERE General Partner Inc. (note 6)	969,855	1,127,698
Consolidated revenue fund (note 12)	177,917	158,696
	<u>17,654,175</u>	<u>16,581,307</u>
Financial liabilities:		
Accounts payable and accrued liabilities	656,765	336,478
Deferred revenue (note 7)	956,822	-
Long-term debt (note 8)	6,614,804	6,157,964
	<u>8,228,391</u>	<u>6,494,442</u>
Net financial assets	<u>9,425,784</u>	<u>10,086,865</u>
Non-financial assets:		
Tangible capital assets (note 9)	30,010,315	29,240,434
Prepaid expenses	452,616	290,976
	<u>30,462,931</u>	<u>29,531,410</u>
Contingent liabilities (note 10)		
Accumulated surplus (note 11)	<u>\$ 39,888,715</u>	<u>39,618,275</u>

See accompanying notes to consolidated financial statements.


On behalf of the First Nation:


Chief

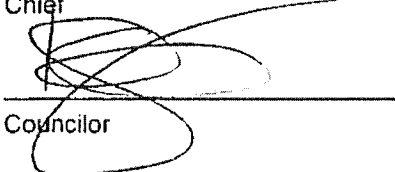

Councilor


Councilor


Chief


Councilor


Councilor


Councilor


Councilor


Councilor

M'CHIGEENG FIRST NATION

Exhibit B - Consolidated Statement of Operations

Year ended March 31, 2014, with comparative information for 2013

	2014 Budget (note 13)	2014 Actual	2013 Actual
Revenue:			
Government transfers - Provincial	\$ 2,410,479	2,600,921	2,606,224
- Federal	16,010,103	10,553,833	9,789,535
Investment income	45,000	155,198	97,624
Rental income	1,048,198	852,961	866,676
Government Business Enterprises net earnings (note 4)	-	56,548	120,697
Business operation	1,274,600	1,353,126	1,312,139
Other	3,397,672	3,708,311	3,458,437
Total revenue	24,186,052	19,280,898	18,251,332
Expenses:			
Education	6,645,253	6,485,690	6,015,530
Public Works and Facilities	2,145,112	1,778,888	1,625,305
Community Services	456,238	430,076	460,056
Economic Advancement	296,506	302,769	118,513
Health Services	944,283	1,128,979	916,501
Health Agreement	1,483,446	1,319,722	1,378,213
Health Other	1,841,763	911,941	544,534
Administration	1,495,685	1,397,221	1,276,144
Rentals	222,806	204,176	176,833
Social Services	2,162,774	2,267,051	2,355,215
Community Property	1,280,645	728,501	795,966
Subsidized Housing	652,987	689,973	574,390
Business operation	1,274,600	1,365,471	1,374,117
Total expenses	20,902,098	19,010,458	17,611,317
Excess of revenue over expenses	3,283,954	270,440	640,015
Accumulated surplus, beginning of year	39,618,275	39,618,275	38,978,260
Accumulated surplus, end of year	\$ 42,902,229	39,888,715	39,618,275

See accompanying notes to consolidated financial statements.

M'CHIGEENG FIRST NATION

Exhibit C - Consolidated Statement of Changes in Net Financial Assets

Year ended March 31, 2014, with comparative information for 2013

	2014 Budget	2014 Actual	2013 Actual
Excess of revenue over expenses	\$ 3,283,954	270,440	640,015
Acquisition of tangible capital assets	(5,695,917)	(1,949,224)	(1,466,902)
Amortization of tangible capital assets	1,165,108	1,179,344	1,165,108
	(1,246,855)	(499,440)	338,221
Acquisition of prepaid expenses	-	(452,616)	(290,976)
Use of prepaid expenses	-	290,975	146,245
Change in net financial assets	(1,246,855)	(661,081)	193,490
Net financial assets, beginning of year	10,086,865	10,086,865	9,893,375
Net financial assets, end of year	\$ 8,840,010	9,425,784	10,086,865

See accompanying notes to consolidated financial statements.

M'CHIGEENG FIRST NATION

Exhibit D - Consolidated Statement of Cash Flows

Year ended March 31, 2014, with comparative information for 2013

	2013	2012
Operating transactions:		
Excess of revenue over expenses	\$ 270,440	640,015
Adjustment for:		
Amortization of tangible capital assets	1,179,344	1,165,108
	1,449,784	1,805,123
Change in non-cash working capital:		
Decrease (increase) in accounts receivable	977,685	(1,135,927)
Increase (decrease) in accounts payable and accrued liabilities	320,286	(79,368)
Increase (decrease) in deferred revenue	956,822	(513)
Increase in prepaid expenses	(161,641)	(144,731)
	3,542,936	444,584
Capital transactions:		
Cash used to acquire tangible capital assets	(1,949,224)	(1,466,902)
Financing transactions:		
Issuance of long-term debt	757,503	-
Principal payments on long-term debt	(300,663)	(279,244)
	456,840	(279,244)
Investing transactions:		
Loan receivable from MERE General Partner Inc.	157,843	267,302
Investments	10,775	(432,397)
Increase in advances to MERE General Partner Inc.	233,592	(110,259)
Investment in MERE General Partner Inc.	(56,548)	(120,697)
Consolidated revenue fund	(19,221)	(33,280)
	326,441	(429,331)
Net increase (decrease) in cash and short-term investments	2,376,993	(1,730,893)
Cash and short-term investments, beginning of year	5,266,623	6,997,516
Cash and short-term investments, end of year	\$ 7,643,616	5,266,623

See accompanying notes to consolidated financial statements.

M'CHIGEENG FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2014

The M'Chigeeng First Nation (the "First Nation"), located on Manitoulin Island, administers programs and provides services to First Nation members.

1. Significant accounting policies:

These consolidated financial statements of the First Nation are the representation of management and have been prepared in accordance with Canadian generally accepted accounting principles for governments as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada. The following is a summary of the significant accounting policies followed in the preparation of these consolidated financial statements:

(a) Reporting entity:

- i) The reporting entity includes the activities of all committees of Council under the control of the First Nation.

- ii) Investment in MERE General Partner Inc.:

The investment in MERE General Partner Inc. (a wholly-owned corporation of the First Nation) is accounted for by the modified equity method. Under the modified equity method, the accounting principles are not adjusted to conform with those of the First Nation and inter-organization transactions and balances are not eliminated.

(b) Investments:

Investments are recorded at cost. Temporary declines in the market value of the long-term investments are not adjusted.

(c) Revenue recognition:

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under funding arrangements which relate to a subsequent fiscal period is reflected as deferred revenue.

(e) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

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Notes to Consolidated Financial Statements

Year ended March 31, 2014

1. Significant accounting policies (continued):

(e) Tangible capital assets:

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land are amortized on a straight-line basis over their estimated useful lives as follows:

Asset	Useful Life - Years
Land improvements	10 - 30 years
Buildings	10 - 40 years
Infrastructure	10 - 40 years
Machinery and equipment	5 - 15 years
Furniture, computers and fixtures	4 - 10 years
Assets under construction	—

Annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

(f) Use of estimates:

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Significant items subject to such estimates and assumptions include the carrying amount of tangible capital assets and valuation allowances for receivables. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

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Notes to Consolidated Financial Statements

Year ended March 31, 2014

1. Significant accounting policies (continued):

(g) Prior year funding adjustments:

The First Nation has entered into accountable contribution arrangements with several government funding agencies. All such programs are subject to audit by the various governments with audit adjustments repayable to the government.

Adjustments made under funding arrangements relating to prior years are charged to operations in the year during which the adjustments are made.

2. Cash and short-term investments:

The short-term investments consisting of cash and term deposits are recorded at cost and earn rates of return ranging from 1% to 2% per annum.

3. Investments:

	2014	2013
Investment in U.C.C.M. Building Material Supply Limited Partnership	\$ 533,862	544,637
Investment in Robinson Huron Forestry Inc.	1	1
Investment in Sun Life Financial Inc.	145,992	145,992
Investment - Great Lakes Hospitality Group Partnership	1,435,000	1,435,000
	<u>\$ 2,114,855</u>	<u>2,125,630</u>

The investment in U.C.C.M. Building Material Supply Limited Partnership represents a 14.28% ownership interest and is accounted for using the equity method.

The investment in Robinson Huron Forestry Inc. is reflected at adjusted cost and represents 140 voting common shares of a total issued of 1,120.

The investment in Sun Life Financial Inc. represents 6,636 shares and is reflected as the value assigned to the shares upon demutualization of the enterprise. The fair market value of the shares as at March 31, 2014 is \$254,026 (2013 - \$183,950).

The investment in the Great Lakes Hospitality Group Partnership represents a 28.67% ownership interest and is accounted for using the equity method.

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Notes to Consolidated Financial Statements

Year ended March 31, 2014

4. Investment in MERE General Partner Inc.:

The MERE General Partner Inc. is owned and controlled by the First Nation and is accounted for on a modified equity basis.

(a) The following table provides condensed supplementary financial information for the period ended March 31, 2014:

	2014	2013
Financial Position:		
Current assets	\$ 900,599	1,023,719
Non-current assets	12,135,370	12,851,201
	13,035,969	13,874,920
Current Liabilities	636,459	695,610
Advances from M'Chigeeng First Nation	4,066,280	4,299,872
Long-term debt	8,155,975	8,758,731
	12,858,714	13,754,213
Net assets	\$ 177,255	120,707
Results of operations:		
Revenues	\$ 1,434,945	934,147
Expenses	1,378,397	813,450
Net earnings	\$ 56,548	120,697

(b) The investment at March 31, 2014 consists of the following:

	2014	2013
Balance, beginning of year	\$ 120,707	10
First Nation's share of operating income for the year	56,548	120,697
Balance, end of year	\$ 177,255	120,707

5. Advances to MERE General Partner Inc.:

The advances to MERE General Partner Inc. are unsecured non-interest bearing and have no specified terms of repayment.

M'CHIGEENG FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2014

6. Loans receivable from MERE General Partner Inc.:

	2014	2013
Loan payable, bearing interest at 6.0% per annum and is repayable in 180 monthly blended payments of \$8,399 commencing on the date of commercial operation. No interest payable from the date of advance to the commercial operation date. The loan is secured by a promissory note.	\$ 930,795	975,243
Loan payable, bearing interest at 5.0% per annum and is repayable in 24 monthly blended payments of \$9,866 commencing on the date of commercial operation. No interest payable from the date of advance to the commercial operation date. The loan is secured by a promissory note.	39,060	152,455
	\$ 969,855	1,127,698

7. Deferred revenue:

	2014	2013
Health Canada	\$ 956,822	—

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Notes to Consolidated Financial Statements

Year ended March 31, 2014

8. Long-term debt:

	2014	2013
1.65% Mortgage payable in monthly payments of \$3,482, including interest maturing June 2017	\$ 313,012	349,325
2.51% Mortgage payable in monthly payments of \$3,251 including interest maturing March 2015	362,548	392,107
1.71% Mortgage payable in monthly payments of \$5,104 including interest maturing September 2017	725,886	774,312
1.64% Mortgage payable in monthly payments of \$3,193 including interest maturing February 2017	592,243	620,620
1.65% Mortgage payable in monthly payments of \$3,991 including interest maturing June 2017	751,566	786,779
1.62% Mortgage payable in monthly payments of \$4,998 including interest maturing March 2018	969,719	1,012,295
3.41% Mortgage payable in monthly payments of \$4,599 including interest maturing September 2018	775,834	805,898
2.23% Mortgage payable in monthly payments of \$3,338 including interest maturing August 2014	644,879	670,312
2.78% Mortgage payable in monthly payments of \$3,752 including interest maturing August 2015	721,614	746,316
Mortgage payable to CMHC, terms and conditions not yet determined	757,503	—
	\$ 6,614,804	6,157,964

The interest on the long-term debt is subsidized by CMHC in the amount of \$342,488 (2013 - \$369,378).

Principal repayments over the next five years are estimated as follows:

2015	\$ 309,238
2016	315,309
2017	321,507
2018	327,831
2019	334,285

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Notes to Consolidated Financial Statements

Year ended March 31, 2014

9. Tangible capital assets:

Cost	Balance March 31, 2013	Additions	Disposals	Balance at March 31, 2014
Land	\$ 1,262,718	\$ 50,250	\$ -	\$ 1,312,968
Land improvements	602,364	-	-	602,364
Buildings	22,346,268	386,662	-	22,732,930
Infrastructure	17,067,113	-	-	17,067,113
Machinery and equipment	2,681,335	68,907	-	2,750,242
Furniture, computers and fixtures	478,496	18,961	-	497,457
Assets under construction	874,920	1,432,340	(7,897)	2,299,363
Total	\$ 45,313,214	\$ 1,957,120	\$ (7,897)	\$ 47,262,437

Accumulated amortization	Balance March 31, 2013	Disposals	Amortization expense	Balance at March 31, 2014
Land	\$ -	\$ -	\$ -	\$ -
Land improvements	134,764	-	21,048	155,812
Buildings	7,938,740	-	580,342	8,519,082
Infrastructure	6,149,352	-	382,707	6,532,059
Machinery and equipment	1,536,389	-	144,500	1,680,889
Furniture, computers and fixtures	313,535	-	50,746	364,281
Assets under construction	-	-	-	-
Total	\$ 16,072,780	\$ -	\$ 1,179,343	\$ 17,252,123

	Net book value March 31, 2013	Net book value March 31, 2014
Land	\$ 1,262,718	\$ 1,312,968
Land improvements	467,600	446,552
Buildings	14,407,528	14,213,848
Infrastructure	10,917,761	10,535,054
Machinery and equipment	1,144,946	1,069,353
Furniture, computers and fixtures	164,961	133,176
Assets under construction	874,920	2,299,363
Total	\$ 29,240,434	\$ 30,010,314

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Notes to Consolidated Financial Statements

Year ended March 31, 2014

9. Tangible capital assets (continued):

Cost	Balance March 31, 2012	Additions	Disposals	Balance at March 31, 2013
Land	\$ 1,262,718	\$ -	\$ -	\$ 1,262,718
Land improvements	592,889	9,475	-	602,364
Buildings	22,234,289	111,979	-	22,346,268
Infrastructure	16,844,515	222,598	-	17,067,113
Machinery and equipment	2,464,194	217,141	-	2,681,335
Furniture, computers and fixtures	447,708	30,788	-	478,496
Assets under construction	-	874,920	-	874,920
Total	\$ 43,846,313	\$ 1,466,901	\$ -	\$ 45,313,214

Accumulated amortization	Balance March 31, 2012	Disposals	Amortization expense	Balance at March 31, 2013
Land	\$ -	\$ -	\$ -	\$ -
Land improvements	114,462	-	20,302	134,764
Buildings	7,359,819	-	578,921	7,938,740
Infrastructure	5,775,711	-	373,641	6,149,352
Machinery and equipment	1,397,419	-	138,970	1,536,389
Furniture, computers and fixtures	260,262	-	53,273	313,535
Assets under construction	-	-	-	-
Total	\$ 14,907,673	\$ -	\$ 1,165,107	\$ 16,072,780

	Net book value March 31, 2012	Net book value March 31, 2013
Land	\$ 1,262,718	\$ 1,262,718
Land improvements	478,427	467,600
Buildings	14,874,470	14,407,528
Infrastructure	11,068,804	10,917,761
Machinery and equipment	1,066,775	1,144,946
Furniture, computers and fixtures	187,446	164,961
Assets under construction	-	874,920
Total	\$ 28,938,640	\$ 29,240,434

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Notes to Consolidated Financial Statements

Year ended March 31, 2014

10. Contingent liabilities:

Loan guarantees and commitments:

- (i) The First Nation has endorsed CMHC loans made to various Band members under the Rural Rehabilitation Assistance Program and is contingently liable.
- (ii) Aboriginal Affairs and Northern Development Canada ("AANDC") has guaranteed certain CMHC Section 14 loans to various First Nation members, the balance of which is \$726,899 (2013 - \$425,788). If any of the loans are in default and require payment by AANDC, the amount will be charged back to the First Nation.
- (iii) The First Nation, by Band Council Resolution, has guaranteed on behalf of First Nation members housing and business loans in the amount of \$900,492 (2013 - \$965,663).

11. Accumulated surplus:

	2014	2013
Surplus:		
Invested in tangible capital assets	\$ 22,812,756	22,499,716
Business enterprises	7,368,179	7,860,305
Other	503,265	941,375
	30,684,200	31,301,396
Reserves	3,463,038	3,376,153
Reserve Funds	4,566,584	3,822,439
Committed Reserves	1,174,893	1,118,287
	\$ 39,888,715	39,618,275

M'CHIGEENG FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2014

12. Consolidated revenue fund:

The following schedule details the receipt and expenditure of Aboriginal moneys:

	Revenue	Capital	Total
Balance, beginning of year	\$ 86,181	72,515	158,696
Interest	19,221	–	19,221
Balance, end of year	\$ 105,402	72,515	177,917

13. Budget figures:

The budget data presented in these consolidated financial statements is based upon the operating and capital budgets approved by Council. The reconciliation of the approved budget to the budget figures reported on these consolidated financial statements is listed below.

Approved revenue budget:	
Total revenues per budget	\$ 28,137,550
Less:	
Reserve transfers	(3,017,639)
Internal revenue	(580,942)
Principal payments on loans receivable	(352,917)
	(3,951,498)
Revenue budget per financial statements	\$ 24,186,052
Approved expense budget:	
Total expenses per budget	\$ 28,048,273
Less:	
Internal revenue	(580,942)
Reserve transfers	(1,606,361)
Capital acquisition	(5,695,917)
Principal payments on long-term debt	(428,063)
	(8,311,283)
Add:	
Amortization of tangible capital assets	1,165,108
Expense budget per financial statements	\$ 20,902,098

M'CHIGEENG FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2014

14. Comparative information:

Certain 2013 comparative information have been reclassified where necessary to conform to the current year presentation.

15. Segmented information:

M'Chigeeng First Nation is a diversified governmental institution that provides a wide range of services to its Members, including education, public works, community services, economic and community development, health services, administration, housing, capital, social services and She'ndwin Teg Gaming. 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 segmented information, along with the services they provide, are as follows:

Education

The education department provides services to elementary students through the operation of an on-reserve elementary school. Service contracts with provincially funded area school boards are entered into for secondary students. In addition, the department reimburses tuition costs and provides living and other allowances to students who are attending post-secondary institutions. The department also operates and provides the community with day-care services.

Public Works

The public works department provides public services that contribute to sustainability through the provision of maintenance and operating services such as roads, water and sanitation, fire protection, electrical and community buildings.

Community Services

The community service department provides a wide range of support services for children and families.

Economic Advancement

This department is responsible for identifying and developing economic opportunities for the benefit of the First Nation and its Members such as the MERE project. The department also secures and delivers employment training funding for the First Nation.

M'CHIGEENG FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2014

15. Segmented information (continued):

Health Services

The health services department provides a diverse bundle of services directed towards the well being of the members including the delivery of programming such as long-term care, diabetes, mental health, healthy babies, home and community care and many other smaller programs designed to enhance the health of members. The health department also manages the operations of the Health Centre and Wellness Centre.

Administration

The administration department oversees the delivery of all governmental services. The department is responsible for ensuring that there are adequate policies and procedures in place to safeguard assets and to properly report financial activities. In addition, this department includes the governance activities of chief and manages the operations of the Post Office

Subsidized Housing

The housing department manages the operations of the various rental housing stock owned by the First Nation including both CMHC and other housing. This includes tenant identification, rent collection and maintenance management.

Social Services

The social services department delivers a variety of programming including Ontario works and offers employment support services. In addition, the department manages the homemakers and national child benefit programs.

Community Property

This department is responsible for all capital asset activities occurring in the First Nation during the year, including housing construction and renovations as well as major projects such as water and building construction.

Business Operations

Business Operations commission is responsible for the implementation and delivery of all gaming related activities on the First Nation.

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 that 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 the consolidated financial statements as disclosed in the summary of significant accounting policies.

M'CHIGEENG FIRST NATION

Note 15 - Segmented Information (continued)

Year ended March 31, 2014

	Education	Public Works	Community Services	Economic Advancement	Health Services	Administration	Subsidized Housing	Social Services	Community Property	Business Operations	Total
Revenue	\$ 5,728,807	1,054,147	224,513	225,199	3,175,836	2,640,245	958,126	2,289,438	1,574,913	1,409,674	19,280,898
Expenses:											
Salaries, benefits and honorarium	3,122,700	484,095	268,821	58,838	1,565,695	1,015,220	7,553	485,619	119,210	65,199	7,192,950
Materials, supplies and rentals	1,066,595	228,006	83,781	8,949	800,984	648,121	171,151	163,486	4,995	1,275,008	4,451,076
Contractual and professional	128,124	136,470	4,118	210,017	219,151	123,636	18,563	48,995	2,451,395	-	3,340,469
Travel and training	115,830	58,188	11,378	2,439	310,076	33,424	-	344,118	9,441	1,292	886,186
Other	1,926,403	297,200	58,034	22,526	374,632	(491,375)	441,659	1,215,452	41,155	23,972	3,909,658
Interest on long-term debt	-	-	-	-	-	-	-	-	-	-	-
Amortization	138,440	574,929	3,944	-	109,313	88,113	255,223	9,381	-	-	1,179,343
Investment in tangible capital assets	(12,402)	-	-	-	(19,209)	(19,918)	-	-	(1,897,695)	-	(1,949,224)
	6,485,690	1,778,888	430,076	302,769	3,360,642	1,397,221	894,149	2,267,051	728,501	1,365,471	19,010,458
Excess (deficiency) of revenue over expenses	\$ (756,883)	(724,741)	(205,563)	(77,570)	(184,806)	1,243,024	63,977	22,387	846,412	44,203	270,440

M'CHIGEENG FIRST NATION

Note 15 - Segmented Information (continued)

Year ended March 31, 2013

	Education	Public Works	Community Services	Economic Advancement	Health Services	Administration	Subsidized Housing	Social Services	Community Property	Business Operations	Total
Revenue	\$ 5,657,061	1,107,396	223,078	172,587	2,883,606	2,466,457	987,334	2,288,783	1,032,194	1,432,836	18,251,332
Expenses:											
Salaries, benefits and honorarium	3,019,896	530,937	337,192	31,406	1,629,627	905,641	-	428,544	122,411	53,926	7,059,580
Materials, supplies and rentals	1,023,303	288,200	47,356	11,398	391,283	396,995	158,958	224,930	134,745	1,295,357	3,972,525
Contractual and professional	154,723	131,362	7,120	10,400	231,564	155,250	14,549	88,216	1,500,760	-	2,294,044
Travel and training	118,317	43,263	21,364	54,271	253,102	44,478	700	379,249	6,859	1,012	922,615
Other	1,727,273	275,370	43,081	11,038	262,881	(311,662)	321,693	1,229,647	45,509	23,822	3,628,652
Interest on long-term debt	-	-	-	-	35,695	-	-	-	-	-	35,695
Amortization	140,377	558,052	3,944	-	102,845	85,442	255,223	9,866	9,359	-	1,165,108
Investment in tangible capital assets	(168,359)	(201,878)	-	-	(67,750)	-	-	(5,237)	(1,023,678)	-	(1,466,902)
	6,015,530	1,625,306	460,057	118,513	2,839,247	1,276,144	751,223	2,355,215	795,965	1,374,117	17,611,317
Excess (deficiency) of revenue over expenses	\$ (358,469)	(517,910)	(236,979)	54,074	44,359	1,190,313	236,111	(66,432)	236,229	58,719	640,015