

Financial Statements of

M'CHIGEENG FIRST NATION

Year ended March 31, 2012



Other Matters

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information included in Schedules is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

KPMG LLP

Chartered Accountants, Licensed Public Accountants

July 31, 2012
Sudbury, Canada

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying 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 undernoted Chief and Council of the First Nation.

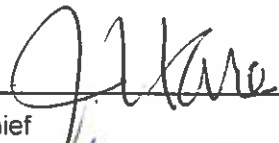
The financial statements have been prepared by management in accordance with Canadian public accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the 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 financial statements.

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


The 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

M'CHIGEENG FIRST NATION

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Year ended March 31, 2012

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M'CHIGEENG FIRST NATION


Exhibit A - Statement of Financial Position

March 31, 2012, with comparative figures for 2011

	2012	2011
Financial assets:		
Cash and short-term investments (note 2)	\$ 6,997,516	8,919,149
Accounts receivable (note 12)	2,346,153	2,275,982
Investments (note 3)	1,693,233	1,684,136
Investment in MERE General Partner Inc. (note 4)	10	10
Advances to MERE General Partner Inc. (note 5)	4,189,613	1,248,354
Loan receivable from MERE General Partner Inc. (note 6)	1,395,000	-
Consolidated revenue fund (note 13)	125,416	121,227
	<u>16,746,941</u>	<u>14,248,858</u>
Financial liabilities:		
Accounts payable and accrued liabilities	415,845	453,805
Deferred revenue (note 7)	513	58,112
Long-term debt (note 8)	6,437,208	6,623,296
	<u>6,853,566</u>	<u>7,135,213</u>
Net financial assets	9,893,375	7,113,645
Non-financial assets:		
Tangible capital assets (note 9)	28,938,640	29,440,759
Prepaid expenses	146,245	169,106
	<u>29,084,885</u>	<u>29,609,865</u>
Contingent liabilities (note 10)		
Accumulated surplus (note 11)	\$ 38,978,260	36,723,510


See accompanying notes to financial statements.

On behalf of the First Nation:


 Chief


 Councilor


 Councilor


 Chief


 Councilor


 Councilor


 Councilor

M'CHIGEENG FIRST NATION

Exhibit B - Statement of Operations

Year ended March 31, 2012, with comparative figures for 2011

	Budget (Unaudited)	2012	2011
Revenue:			
Aboriginal Affairs and Northern Development Canada	\$ 10,819,812	7,198,863	8,321,795
Ministry of Community and Social Services	1,663,967	1,716,393	1,808,275
Health Canada	1,980,855	2,059,317	2,035,002
Gaming	1,354,800	1,430,129	1,472,758
Ontario First Nations Limited Partnership	441,120	1,208,031	2,237,926
Rental income	800,562	899,606	907,777
Other	1,233,396	3,179,824	1,259,497
Union of Ontario Indians	818,239	808,506	896,437
Mnaamodzawin Health Services	-	23,567	46,264
Canada Mortgage and Housing Corporation	434,342	449,022	696,145
Other government funding	820,040	1,138,132	686,012
Sales	52,362	49,372	67,237
Band member contributions	-	-	199,262
Interest	79,600	166,614	133,360
Total revenue	20,499,095	20,327,376	20,767,747
Expenses:			
Education	5,690,123	5,715,706	5,518,919
Public Works and Facilities	906,607	1,518,471	1,487,465
Community Services	446,883	400,230	398,664
Economic and Community Development	1,416,066	2,304,933	2,290,757
Health Services	1,407,915	1,372,334	1,495,130
Health Agreement	1,236,467	1,256,409	1,305,123
Administration	724,280	664,150	743,611
Rentals	186,188	212,542	184,383
Social Services	1,680,979	1,719,663	1,782,406
Community Property	2,712,693	745,177	1,220,916
Section 95 Housing	852,175	627,406	679,314
She'ndwin Teg Gaming Commission	1,098,399	1,385,657	1,276,460
Casino Rama Community Activity	-	137,948	171,490
Education Reserve	-	12,000	-
Total expenses	18,358,775	18,072,626	18,554,638
Excess of revenue over expenses	2,140,320	2,254,750	2,213,109
Accumulated surplus, beginning of year	36,185,367	36,723,510	34,510,401
Accumulated surplus, end of year	\$ 38,325,687	38,978,260	36,723,510

See accompanying notes to financial statements.

M'CHIGEENG FIRST NATION

Exhibit C - Statement of Changes in Net Financial Assets

Year ended March 31, 2012, with comparative figures for 2011

	2012	2011
Excess of revenue over expenses	\$ 2,254,750	2,213,109
Acquisition of tangible capital assets	(624,311)	(1,838,879)
Amortization of tangible capital assets	1,126,430	1,100,694
	2,756,869	1,474,924
Acquisition of prepaid expenses	(146,245)	(169,106)
Use of prepaid expenses	169,106	130,956
Change in net financial assets	2,779,730	1,436,774
Net financial assets, beginning of year	7,113,645	5,676,871
Net financial assets, end of year	\$ 9,893,375	7,113,645

See accompanying notes to financial statements.

M'CHIGEENG FIRST NATION

Exhibit D - Statement of Cash Flows

Year ended March 31, 2012, with comparative figures for 2011

	2012	2011
Operating transactions:		
Excess of revenue over expenses	\$ 2,254,750	2,213,109
Adjustment for:		
Amortization of tangible capital assets	1,126,430	1,100,694
	<u>3,381,180</u>	<u>3,313,803</u>
Change in non-cash working capital:		
Decrease (increase) in accounts receivable	(70,170)	329,436
Decrease in accounts payable and accrued liabilities	(37,961)	(313,183)
Decrease in deferred revenue	(57,599)	(119,514)
Decrease (increase) in prepaid expenses	22,861	(38,150)
	<u>3,238,311</u>	<u>3,172,392</u>
Capital transactions:		
Cash used to acquire tangible capital assets	(624,311)	(1,838,879)
Financing transactions:		
Bank loan	59,251	206,404
Principal payments on long-term debt	(245,339)	(234,840)
	<u>(186,088)</u>	<u>(28,436)</u>
Investing transactions:		
Loan receivable from MERE General Partner Inc.	(1,395,000)	-
Investments	(9,097)	(968,690)
Increase in advances to MERE General Partner Inc.	(2,941,259)	(1,248,354)
Investment in MERE General Partner Inc.	-	(10)
Consolidated revenue fund	(4,189)	(4,508)
	<u>(4,349,545)</u>	<u>(2,221,562)</u>
Net decrease in cash and short-term investments	(1,921,633)	(916,485)
Cash and short-term investments, beginning of year	8,919,149	9,835,634
Cash and short-term investments, end of year	\$ 6,997,516	8,919,149

See accompanying notes to financial statements.

M'CHIGEENG FIRST NATION

Notes to Financial Statements

Year ended March 31, 2012

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 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 Canadian Institute of Chartered Accountants. The following is a summary of the significant accounting policies followed in the preparation of these financial statements:

(a) Reporting entity:

The reporting entity includes the activities of all committees of Council under the control of the First Nation including the following:

Education	Health Services	Public Works
Community Property	Social Services	She'ndwin Teg Gaming
Economic Development	Finance and Administration	

(b) Investment in MERE General Partner Inc.:

The investment in MERE General Partner Inc. 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.

(c) Investments:

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

(d) 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.

M'CHIGEENG FIRST NATION

Notes to Financial Statements

Year ended March 31, 2012

1. Significant accounting policies (continued):

(f) 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	Rate
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.

(g) Use of estimates:

The preparation of 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 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 Financial Statements

Year ended March 31, 2012

1. Significant accounting policies (continued):

(h) 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:

	2012	2011
Investment in U.C.C.M. Building Material Supply Limited Partnership	\$ 547,240	538,143
Investment in Robinson Huron Forestry Inc.	1	1
Investment in Sun Life Financial Inc.	145,992	145,992
Investment – Manitoulin Hotel	1,000,000	1,000,000
	<u>\$ 1,693,233</u>	<u>1,684,136</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, 2012 is \$157,074 (2011 - \$202,199).

The investment in the Manitoulin Hotel represents funds held in trust by the Great Spirit Circle Trail Inc. for the development of a hotel. The nature and percentage interest of the investment have yet to be determined.

M'CHIGEENG FIRST NATION

Notes to Financial Statements

Year ended March 31, 2012

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. The following table provides condensed supplementary financial information for the period ended March 31, 2012:

	2012	2011
Financial Position:		
Current assets	\$ 690,505	1,424
Assets under construction	12,385,749	1,921,839
	<u>13,076,254</u>	<u>1,923,263</u>
Current Liabilities		
Advances from M'Chigeeng First Nation	7,762,331	-
Long-term debt	4,189,623	1,923,253
	<u>1,124,290</u>	<u>-</u>
	<u>13,076,244</u>	<u>1,923,253</u>
Net assets	\$ 10	10
Results of operations:		
Revenues	\$ -	-
Expenses	-	-
Net earnings	\$ -	-

5. Advances to MERE General Partners Inc.:

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

M'CHIGEENG FIRST NATION

Notes to Financial Statements

Year ended March 31, 2012

6. Loan receivable from MERE General Partner Inc.:

	2012	2011
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.	\$ 1,000,000	-
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.	225,000	-
Loan payable, no scheduled terms of repayment, non-interest bearing and is due in November 2012. The loan is secured by a promissory note.	170,000	-
	\$ 1,395,000	-

7. Deferred revenue:

	2012	2011
Community services:		
Healthy Lifestyles Program	\$ -	8,826
Family Violence Prevention Program	-	14,246
Child Services	-	21,629
Employment and Community Development:		
Local Service Delivery	-	13,411
Child Services	-	-
Health Services:		
Wellness Centre:	513	-
	\$ 513	58,112

M'CHIGEENG FIRST NATION

Notes to Financial Statements

Year ended March 31, 2012

8. Long-term debt:

	2012	2011
4.45% Mortgage payable in monthly payments of \$3,965, including interest maturing June 2012	\$ 384,235	414,112
2.51% Mortgage payable in monthly payments of \$3,711 including interest maturing March 2015	420,959	449,058
4.63% Mortgage payable in monthly payments of \$6,220 including interest maturing September 2012	817,773	853,930
1.64% Mortgage payable in monthly payments of \$4,085 including interest maturing February 2017	648,560	665,029
4.55% Mortgage payable in monthly payments of \$5,173 including interest maturing June 2012	819,906	837,351
4.31% Mortgage payable in monthly payments of \$6,353 including interest maturing March 2013	1,046,819	1,071,507
3.41% Mortgage payable in monthly payments of \$4,599 including interest maturing September 2013	833,350	819,074
2.23% Mortgage payable in monthly payments of \$3,338 including interest maturing August 2014	695,218	719,517
2.78% Mortgage payable in monthly payments of \$3,752 including interest maturing August 2015	770,388	793,718
	<u>\$ 6,437,208</u>	<u>6,623,296</u>

The interest on the long-term debt is subsidized by CMHC in the amount of \$372,356.

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

2013	\$ 252,934
2014	262,515
2015	272,480
2016	282,845
2017	293,627

M'CHIGEENG FIRST NATION

Notes to Financial Statements

Year ended March 31, 2012

9. Tangible capital assets:

Cost	Balance			Balance at March 31, 2012
	March 31, 2011	Additions	Disposals	
Land	\$ 1,221,718	\$ 41,000	\$ -	\$ 1,262,718
Land Improvements	513,128	79,761	-	592,889
Buildings	22,036,517	197,772	-	22,234,289
Infrastructure	16,618,319	226,196	-	16,844,515
Machinery and equipment	2,410,948	53,246	-	2,464,194
Furniture, computers and fixtures	421,372	26,336	-	447,708
Assets under construction	-	-	-	-
Total	\$ 43,222,002	\$ 624,311	\$ -	\$ 43,846,313

Accumulated amortization	Balance			Balance at March 31, 2012
	March 31, 2011	Disposals	Amortization expense	
Land	\$ -	\$ -	\$ -	\$ -
Land Improvements	95,524	-	18,938	114,462
Buildings	6,786,830	-	572,989	7,359,819
Infrastructure	5,412,575	-	363,136	5,775,711
Machinery and equipment	1,283,965	-	113,454	1,397,419
Furniture, computers and fixtures	202,349	-	57,913	260,262
Assets under construction	-	-	-	-
Total	\$ 13,781,243	\$ -	\$ 1,126,430	\$ 14,907,673

	Net book value March 31, 2011	Net book value March 31, 2012
Land	\$ 1,221,718	\$ 1,262,718
Land Improvements	417,604	478,427
Buildings	15,249,687	14,874,470
Infrastructure	11,205,744	11,068,804
Machinery and equipment	1,126,983	1,066,775
Furniture, computers and fixtures	219,023	187,446
Assets under construction	-	-
Total	\$ 29,440,759	\$ 28,938,640

M'CHIGEENG FIRST NATION

Notes to Financial Statements

Year ended March 31, 2011

9. Tangible capital assets (continued):

Cost	Balance			Balance at March 31, 2011
	March 31, 2010	Additions	Disposals	
Land	\$ 1,221,718	\$ -	\$ -	\$ 1,221,718
Land Improvements	254,509	258,619	-	513,128
Buildings	20,501,509	1,535,008	-	22,036,517
Infrastructure	16,440,955	177,364	-	16,618,319
Machinery and equipment	1,968,111	442,837	-	2,410,948
Furniture, computers and fixtures	400,268	21,104	-	421,372
Assets under construction	596,055	-	(596,055)	-
Total	\$ 41,383,125	\$ 2,434,932	\$ (596,055)	\$ 43,222,002

Accumulated amortization	Balance			Balance at March 31, 2011
	March 31, 2010	Disposals	Amortization expense	
Land	\$ -	\$ -	\$ -	\$ -
Land Improvements	83,567	-	11,957	95,524
Buildings	6,217,874	-	568,956	6,786,830
Infrastructure	5,053,364	-	359,211	5,412,575
Machinery and equipment	1,179,945	-	104,020	1,283,965
Furniture, computers and fixtures	145,801	-	56,548	202,349
Assets under construction	-	-	-	-
Total	\$ 12,680,551	\$ -	\$ 1,100,692	\$ 13,781,243

	Net book value March 31, 2010	Net book value March 31, 2011
Land	\$ 1,221,718	\$ 1,221,718
Land Improvements	170,942	417,604
Buildings	14,283,635	15,249,687
Infrastructure	11,387,591	11,205,744
Machinery and equipment	788,166	1,126,983
Furniture, computers and fixtures	254,467	219,023
Assets under construction	596,055	-
Total	\$ 28,702,574	\$ 29,440,759

M'CHIGEENG FIRST NATION

Notes to Financial Statements

Year ended March 31, 2012

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 10 loans to various First Nation members, the balance of which is \$492,599. 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 \$1,035,822.

M'CHIGEENG FIRST NATION

Notes to Financial Statements

Year ended March 31, 2012

11. Accumulated surplus:

Accumulated surplus consists of individual fund surplus and reserves and reserve funds as follows:

	2012	2011
Surplus:		
Invested in tangible capital assets	\$ 21,918,678	22,234,709
CMHC Section 95 Housing	(644,339)	(741,902)
She'ndwin Teg Gaming Commission	321,674	277,202
Investment - Hotel	1,000,000	1,000,000
Investment in MERE General Partner Inc.	5,584,623	1,248,364
Investment in U.C.C.M. Material Supply Limited Partnership	547,240	538,143
Consolidated revenue fund	125,416	121,227
Ontario First Nations Limited Partnership	1,076,330	3,233,927
Section 95 Replacement reserve	357,387	280,847
	<u>30,287,009</u>	<u>28,192,517</u>
Reserves:		
Working capital	383,733	576,813
Education	1,015,049	1,016,154
Social Services	295,491	239,526
Health Services	208,681	174,481
Health Transfer Agreement	840,717	740,223
Child Care Services	16,083	16,083
Rental	194,322	271,192
Employee Benefit	590,314	473,517
	<u>3,544,390</u>	<u>3,507,989</u>
Reserve Funds:		
Public Works Equipment	88,035	88,035
Wellness Centre	150,000	100,000
Education	12,372	12,372
Health Transfer - other (MCAR)	76,010	75,798
Economic Development Loans Program	113,995	110,269
Revolving Housing Renovation Loan Program	641,021	607,244
Land Lease	52,532	50,532
Land Settlement Trust	2,597,216	2,319,143
	<u>3,731,181</u>	<u>3,363,393</u>
Committed Reserves:		
Community Property	1,183,697	1,516,217
Economic Development	79,469	88,020
Community Services	141,985	43,198
Administration	10,529	12,176
	<u>1,415,680</u>	<u>1,659,611</u>
	<u>\$ 38,978,260</u>	<u>36,723,510</u>

M'CHIGEENG FIRST NATION

Notes to Financial Statements

Year ended March 31, 2012

12. Aboriginal Affairs and Northern Development Canada:

Included in accounts receivable are amounts due from AANDC of \$335,460 (2011 - \$1,130,453).

13. Consolidated revenue fund:

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

	Revenue	Capital	Total
Balance, beginning of year	\$ 48,712	72,515	121,227
Interest	4,189	–	4,189
Balance, end of year	\$ 52,901	72,515	125,416

14. Prior period immaterial adjustment:

During the year ended March 31, 2012, M'Chigeeng First Nation retroactively recognized a change in its investment in U.C.C.M. Building Material Supply Co. Ltd. which was transferred to U.C.C.M. Building Material Supply Limited Partnership effective November 2008. The impact of this change has been recorded retrospectively and the cumulative effect up to March 31, 2011 has been recorded as a \$538,142 increase in investments and accumulated surplus, and an \$18,688 increase in revenue and excess of revenue over expenses for the year then ended. The impact of the change as at April 1, 2010 was a \$519,454 increase in investments and accumulated surplus as of that date.

15. Comparative figures:

Certain 2011 comparative figures have been reclassified where necessary to conform to the current year presentation.

16. 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.

M'CHIGEENG FIRST NATION

Notes to Financial Statements

Year ended March 31, 2012

16. Segmented information (continued):

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 and Community Development

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. In addition the department manages the operations of the Complex, Post Office and Arena.

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 council.

M'CHIGEENG FIRST NATION

Notes to Financial Statements

Year ended March 31, 2012

16. Segmented information (continued):

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.

She'ndwin Teg Gaming

She'ndwin Teg Gaming 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 financial statements as disclosed in the summary of significant accounting policies.

MICHIGEENG FIRST NATION

Note 16 - Segmented Information (continued)

Year ended March 31, 2012

	Education	Public Works	Community Services	Economic and Community Development	Health Services	Administration	Housing	Social Services	Community Property	Shelduan Teg Gaming	Other Funds	Total
Revenue	\$ 5,596,413	916,823	189,861	3,735,498	2,714,556	656,795	993,661	1,771,353	1,010,553	1,430,129	1,311,734	20,327,376
Expenses:												
Salaries, wages and benefits	2,537,731	344,676	247,162	345,047	1,218,658	619,660	22,693	334,783	169,902	56,303	-	5,896,615
Materials, supplies, rentals and general	443,095	222,923	104,471	574,652	332,355	114,711	170,825	62,528	38,894	241,910	-	2,306,364
Contractual services	216,047	-	19,025	418,428	155,618	133,356	-	5,047	1,503,587	-	-	2,451,108
Travel	42,436	4,255	32,101	25,974	193,958	47,357	-	21,494	3,678	-	-	371,253
Other	2,348,535	490,184	(6,473)	872,214	629,462	158,542	391,207	1,286,024	(365,775)	1,087,444	149,948	7,041,312
Amortization	138,819	456,433	-	3,944	98,692	86,668	255,223	9,787	8,245	-	-	1,126,429
Investment in tangible capital assets	(10,957)	-	-	-	-	-	-	-	(613,354)	-	-	(624,311)
Administration recovery	-	-	-	-	-	(496,144)	-	-	-	-	-	(496,144)
Excess (deficiency) of revenue over expenses	\$ (119,293)	(601,648)	(210,369)	1,430,565	85,813	(7,355)	153,713	51,690	265,376	44,472	1,161,786	2,254,750

MICHIGEENG FIRST NATION

Note 16 - Segmented Information (continued)

Year ended March 31, 2011

	Education	Public Works	Community Services	Economic and Community Development	Health Services	Administration	Housing	Social Services	Community Property	Sheridan Tag Gaming	Other Funds	Total
Revenue	\$ 5,589,839	841,594	155,109	2,005,458	2,777,568	715,182	959,590	1,855,102	2,073,685	1,472,758	2,322,862	20,767,747
Expenses:												
Salaries wages and benefits	2,537,731	344,676	247,162	345,047	1,218,658	619,660	22,693	334,783	169,902	39,806	-	5,880,118
Materials, supplies, rentals and general	443,095	222,923	104,471	574,652	332,355	114,711	170,825	62,528	38,894	187,217	-	2,251,671
Contractual services	216,047	-	19,025	418,428	185,618	133,356	-	5,047	1,503,567	-	-	2,451,108
Travel	42,436	4,255	32,101	25,974	193,958	47,357	-	21,494	3,678	-	-	371,253
Other	2,193,351	434,118	(8,039)	897,606	875,756	224,894	417,755	1,348,697	1,200,160	1,049,437	171,490	8,805,225
Amortization	139,250	459,036	3,944	50,154	98,692	70,185	252,424	9,857	17,152	-	-	1,100,694
Investment in tangible capital assets	(52,991)	(224,307)	-	(21,104)	(52,327)	-	-	-	(1,488,150)	-	-	(1,838,879)
Administration recovery	-	-	-	-	-	(466,552)	-	-	-	-	-	(466,552)
Excess (deficiency) of revenue over expenses	\$ 69,920	(399,107)	(243,555)	(286,299)	(45,142)	(28,429)	95,893	72,696	628,462	196,298	2,151,372	2,213,109