

Consolidated Financial Statements of

**M'CHIGEENG FIRST NATION**

Year ended March 31, 2016



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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, 2016, 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, 2016 and its consolidated results of operations, 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.

*Other Matters*

Our audit was made for the purpose of forming an opinion on the consolidated 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 consolidated financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

*KPMG LLP*

Chartered Professional Accountants, Licensed Public Accountants

October 4, 2016  
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 undernoted 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.

The 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.

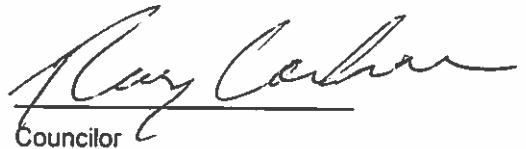
Chief and Council are responsible for ensuring that management fulfills its responsibilities for financial reporting and are ultimately responsible for reviewing and approving the consolidated financial statements.

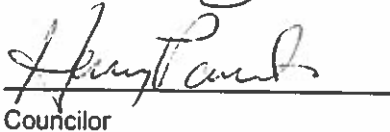
Chief and Council review the First Nation's consolidated financial statements and recommend their approval. Chief and Council meet to discuss and to review the annual report, the consolidated financial statements and the external auditors' report. Chief and Council takes this information into consideration 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

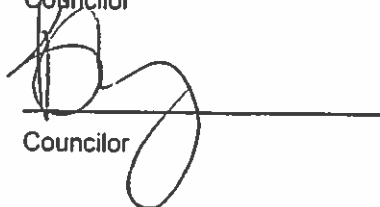
  
Councilor

  
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# M'CHIGEENG FIRST NATION

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Year ended March 31, 2016

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### Consolidated Financial Statements

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# M'CHIGEENG FIRST NATION








Exhibit A - Consolidated Statement of Financial Position

March 31, 2016, with comparative information for 2015

	2016	2015
<b>Financial assets:</b>		
Cash (note 2)	\$ 4,492,704	5,959,365
Accounts receivable	1,545,924	1,998,552
Investments (note 3)	2,310,433	2,321,087
Investment in HIAH entities (note 7)	2,246,095	1,487,719
Investment in MERE General Partner Inc. (note 4)	449,611	309,106
Advances to MERE General Partner Inc. (note 5)	3,955,443	3,993,435
Loan receivable from MERE General Partner Inc. (note 6)	833,738	883,680
Consolidated revenue fund (note 12)	217,480	198,119
	<u>16,051,428</u>	<u>17,151,063</u>
<b>Financial liabilities:</b>		
Accounts payable and accrued liabilities	682,618	666,671
Deferred revenue (note 8)	134,054	441,211
Long-term debt (note 9)	6,281,627	6,665,002
	<u>7,098,299</u>	<u>7,772,884</u>
Net financial assets	8,953,129	9,378,179
<b>Non-financial assets:</b>		
Tangible capital assets (note 10)	29,180,040	29,961,524
Prepaid expenses	317,482	300,952
	<u>29,497,522</u>	<u>30,262,476</u>
Contingent liabilities (note 11)		
Accumulated surplus (note 13)	\$ 38,450,651	39,640,655

See accompanying notes to consolidated financial statements.

On behalf of the First Nation:

 _____ Chief	 _____ Councilor	 _____ Councilor
 _____ Chief	 _____ Councilor	 _____ Councilor
 _____ Councilor		

# M'CHIGEENG FIRST NATION

## Exhibit B - Consolidated Statement of Operations

Year ended March 31, 2016, with comparative information for 2015

	2016 Budget (note 14)	2016 Actual	2015 Actual
<b>Revenue:</b>			
Government transfers - Provincial	\$ 2,311,913	3,035,105	2,680,554
- Federal	10,800,736	11,414,996	10,106,374
Investment income	73,500	145,149	153,931
Rental income	1,000,036	871,473	821,678
Business enterprises	-	69,336	203,807
Business operation	1,274,600	1,446,218	1,347,223
Other	3,719,898	3,575,115	4,317,094
	<b>19,180,683</b>	<b>20,557,392</b>	<b>19,630,661</b>
<b>Expenses:</b>			
Education	6,952,641	6,844,467	6,797,849
Public Works and Facilities	1,963,523	2,152,599	1,935,310
Community Services	543,811	470,561	379,793
Economic Advancement	314,565	159,295	196,770
Health Services	1,302,006	1,104,550	1,085,843
Health Agreement	1,098,374	1,456,645	1,361,004
Health Other	75,000	2,288,384	1,061,967
Administration	1,896,462	1,609,701	1,472,570
Rentals	185,139	209,813	254,546
Employment and Training	2,314,359	2,548,122	2,234,275
Community Property	552,817	675,172	992,606
Subsidized Housing	608,013	823,506	704,255
Business Operation	1,274,600	1,404,581	1,401,933
Total expenses	<b>19,081,310</b>	<b>21,747,396</b>	<b>19,878,721</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>99,373</b>	<b>(1,190,004)</b>	<b>(248,060)</b>
Accumulated surplus, beginning of year	39,640,655	39,640,655	39,888,715
<b>Accumulated surplus, end of year</b>	<b>\$ 39,740,028</b>	<b>38,450,651</b>	<b>39,640,655</b>

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, 2016, with comparative information for 2015

	2016 Budget (note 13)	2016 Actual	2015 Actual
Excess (deficiency) of revenue over expenses	\$ 99,373	(1,190,004)	(248,060)
Acquisition of tangible capital assets	(1,169,167)	(510,271)	(1,169,167)
Amortization of tangible capital assets	1,217,958	1,291,755	1,217,958
	148,164	(408,520)	(199,269)
Acquisition of prepaid expenses	-	(317,482)	(300,952)
Use of prepaid expenses	-	300,952	452,616
<b>Change in net financial assets</b>	148,164	(425,050)	(47,605)
Net financial assets, beginning of year	9,378,179	9,378,179	9,425,784
<b>Net financial assets, end of year</b>	<b>\$ 9,526,343</b>	<b>8,953,129</b>	<b>9,378,179</b>

See accompanying notes to consolidated financial statements.



# M'CHIGEENG FIRST NATION

## Exhibit D - Consolidated Statement of Cash Flows

Year ended March 31, 2016, with comparative information for 2015

	2016	2015
Operating transactions:		
Deficiency of revenue over expenses	\$ (1,190,004)	(248,060)
Adjustment for:		
Amortization of tangible capital assets	1,291,755	1,217,958
Equity from business enterprises	(69,336)	(188,220)
	32,415	781,678
Change in non-cash working capital:		
Decrease in accounts receivable	452,628	505,846
Increase in accounts payable and accrued liabilities	15,948	9,905
Decrease in deferred revenue	(307,157)	(515,611)
Decrease (increase) in prepaid expenses	(16,530)	151,663
	177,304	933,481
Capital transactions:		
Cash used to acquire tangible capital assets	(510,271)	(1,169,167)
Financing transactions:		
Issuance of long-term debt	-	366,863
Principal payments on long-term debt	(383,375)	(316,665)
	(383,375)	50,198
Investing transactions:		
Decrease in loan receivable from MERE General Partner Inc.	49,942	86,175
Investments	-	(221,818)
Decrease in advances to MERE General Partner Inc.	37,992	72,845
Increase in advances to HIAH entities	(818,892)	(1,415,763)
Increase in consolidated revenue fund	(19,361)	(20,202)
	(750,319)	(1,498,763)
<b>Net decrease in cash</b>	<b>(1,466,661)</b>	<b>(1,684,251)</b>
Cash position, beginning of year	5,959,365	7,643,616
<b>Cash position, end of year</b>	<b>\$ 4,492,704</b>	<b>5,959,365</b>

See accompanying notes to consolidated financial statements.

# M'CHIGEENG FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2016

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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 and related entities under the control of the First Nation.
- ii) Investment in MERE General Partner Inc. ("MERE") and HIAH Economic Dev LP ("HIAH"):

The investments in MERE and HIAH are 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.

# M'CHIGEENG FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2016

### 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	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.

#### (g) 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.

# M'CHIGEENG FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2016

### 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:

In accordance with various operating agreements between the First Nation and Canada Mortgage and Housing Corporation ("CMHC"), cash in the amount of \$1,248,256 (2015 - \$1,087,644) is restricted for this purpose.

### 3. Investments:

	2016	2015
Investment in U.C.C.M. Building Material Supply Limited Partnership	\$ 507,621	518,275
Investment in M'Nidoo M'Nising Limited Partnership	1	1
Investment in Robinson Huron Forestry Inc.	1	1
Investment in Sun Life Financial Inc.	145,992	145,992
Investment - Great Lakes Hospitality Group Partnership	1,656,818	1,656,818
	<u>\$ 2,310,433</u>	<u>2,321,087</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 M'Nidoo M'Nising Limited Partnership represents a 16.55% ownership interest and is accounted for using the equity method.

The investment in Robinson Huron Forestry Inc. represents a 12.5% ownership interest and is accounted for using the equity method.

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, 2016 is \$278,048 (2015 - \$268,161).

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

# M'CHIGEENG FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2016

#### 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, 2016:

	2016	2015
<b>Financial Position:</b>		
Current assets	\$ 934,466	888,778
Non-current assets	10,823,439	11,479,404
	11,757,905	12,368,182
Current liabilities	648,735	605,769
Advances from M'Chigeeng First Nation	3,955,443	3,993,435
Long-term debt	6,704,116	7,459,872
	11,308,294	12,059,076
<b>Net assets</b>	<b>\$ 449,611</b>	<b>309,106</b>
<b>Results of operations:</b>		
Revenue	\$ 1,409,847	1,448,009
Expenses	1,269,343	1,316,158
<b>Net earnings</b>	<b>\$ 140,504</b>	<b>131,851</b>

(b) The investment at March 31, 2016 consists of the following:

	2016	2015
Balance, beginning of year	\$ 309,106	177,255
First Nation's share of operating income for the year	140,505	131,851
<b>Balance, end of year</b>	<b>\$ 449,611</b>	<b>309,106</b>

#### 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, 2016

### 6. Loans receivable from MERE General Partner Inc.:

	2016	2015
Loan receivable, 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.	\$ 833,738	883,680

### 7. Investment in HIAH entities:

The First Nation has a 99% interest in HIAH Economic Dev LP ("HIAH") and a further 1% interest by virtue of its 100% investment in HIAH Corp. (the general partner for HIAH). HIAH is engaged in business ventures, partnerships or enterprises which the Partners pursue in Canada for the general welfare or development of M'Chigeeng First Nation.

During the year, the First Nation provided HIAH with labour, contract support, accounting services and other operating expenses totaling \$151,235 (2015 - \$152,463). These transactions were entered into during the normal course of operations and were recorded at their exchange amount.

	2016	2015
Financial Position:		
Current assets	\$ 544,872	71,956
Non-current assets	3,151,223	1,415,763
	3,696,095	1,487,719
Long-term debt	1,450,000	-
Net assets	\$ 2,246,095	1,487,719

# M'CHIGEENG FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2016

### 7. Investment in HIAH Economic Dev LP (continued):

Results of operations:	2016	2015
Revenue	\$ 216,445	215,338
Expenses	276,961	143,382
Share of operations	\$ (60,516)	71,956

The investment at March 31, 2016 consists of the following:

	2016	2015
Balance, beginning of year	\$ 1,487,719	-
Share of operating income (loss) for the year	(60,516)	71,956
Capital contribution	818,892	1,415,763
Balance, end of year	\$ 2,246,095	1,487,719

	2016	2015
Investment in business enterprises:		
100% interest in HIAH Corp.	\$ 116	721
99% interest in HIAH Economic Dev LP	2,245,979	1,486,998
	\$ 2,246,095	1,487,719

### 8. Deferred revenue:

	2016	2015
Health Canada	\$ 68,247	441,211
Indigenous and Northern Affairs Canada	65,807	-
	134,054	441,211

# M'CHIGEENG FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2016

### 9. Long-term debt:

	2016	2015
1.65% Mortgage payable in monthly payments of \$3,482, including interest maturing June 2017	\$ 238,580	276,098
2.51% Mortgage payable in monthly payments of \$3,251 including interest maturing March 2020	298,831	331,810
1.71% Mortgage payable in monthly payments of \$5,104 including interest maturing September 2017	626,549	676,629
1.64% Mortgage payable in monthly payments of \$3,193 including interest maturing February 2017	534,095	563,397
1.65% Mortgage payable in monthly payments of \$3,991 including interest maturing June 2017	679,403	715,769
1.62% Mortgage payable in monthly payments of \$4,998 including interest maturing March 2018	879,732	925,074
3.41% Mortgage payable in monthly payments of \$4,599 including interest maturing September 2018	710,866	743,713
2.23% Mortgage payable in monthly payments of \$3,338 including interest maturing August 2019	591,316	618,449
2.78% Mortgage payable in monthly payments of \$3,752 including interest maturing August 2020	666,361	696,221
1.05% Mortgage payable in monthly payments of \$3,866 including interest maturing April 2020	984,143	1,020,000
Loan payable to Bank of Montreal in monthly installments of \$2,175 including interest of 3.05% due December 2016	71,751	97,842
	<b>\$ 6,281,627</b>	<b>6,665,002</b>

The interest on the long-term debt is subsidized by CMHC in the amount of \$379,823 (2015 - \$339,059).

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

2017	\$ 388,148
2018	395,188
2019	401,227
2020	381,894
2021	387,907



# M'CHIGEENG FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2016

### 10. Tangible capital assets:

Cost	Balance			Balance at March 31, 2016
	March 31, 2015	Additions	Disposals	
Land	\$ 1,346,968	\$ -	\$ -	\$ 1,346,968
Land improvements	602,364	-	-	602,364
Buildings	25,295,525	188,077	-	25,483,602
Infrastructure	17,067,113	151,223	-	17,218,336
Machinery and equipment	3,036,487	77,411	-	3,113,898
Furniture, computers and fixtures	772,720	81,030	-	853,750
Assets under construction	240,705	12,530	-	253,235
<b>Total</b>	<b>\$ 48,361,882</b>	<b>\$ 510,271</b>	<b>\$ -</b>	<b>\$ 48,872,153</b>

Accumulated amortization	Balance			Balance at March 31, 2016
	March 31, 2015	Disposals	Amortization expense	
Land	\$ -	\$ -	\$ -	\$ -
Land improvements	176,874	-	21,062	197,936
Buildings	9,111,370	-	639,849	9,751,219
Infrastructure	6,914,746	-	392,288	7,307,034
Machinery and equipment	1,778,743	-	171,881	1,950,624
Furniture, computers and fixtures	418,625	-	66,675	485,300
Assets under construction	-	-	-	-
<b>Total</b>	<b>\$ 18,400,358</b>	<b>\$ -</b>	<b>\$ 1,291,755</b>	<b>\$ 19,692,113</b>

	Net book value	
	March 31, 2015	March 31, 2016
Land	\$ 1,346,968	\$ 1,346,968
Land improvements	425,490	404,428
Buildings	16,184,155	15,732,383
Infrastructure	10,152,367	9,911,302
Machinery and equipment	1,257,744	1,163,274
Furniture, computers and fixtures	354,095	368,450
Assets under construction	240,705	253,235
<b>Total</b>	<b>\$ 29,961,524</b>	<b>\$ 29,180,040</b>

# M'CHIGEENG FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2016

### 10. Tangible capital assets (continued):

Cost	Balance March 31, 2014	Additions	Disposals	Balance at March 31, 2015
Land	\$ 1,312,968	\$ 34,000	\$ -	\$ 1,346,968
Land improvements	602,364	-	-	602,364
Buildings	22,732,930	2,562,595	-	25,295,525
Infrastructure	17,067,113	-	-	17,067,113
Machinery and equipment	2,750,242	355,968	(69,723)	3,036,487
Furniture, computers and fixtures	497,457	275,263	-	772,720
Assets under construction	2,299,363	29,320	(2,087,978)	240,705
<b>Total</b>	<b>\$ 47,262,437</b>	<b>\$ 3,257,146</b>	<b>\$ (2,157,701)</b>	<b>\$ 48,361,882</b>

Accumulated amortization	Balance March 31, 2014	Disposals	Amortization expense	Balance at March 31, 2015
Land	\$ -	\$ -	\$ -	\$ -
Land improvements	155,812	-	21,062	176,874
Buildings	8,519,082	-	592,288	9,111,370
Infrastructure	6,532,059	-	382,687	6,914,746
Machinery and equipment	1,680,889	(69,723)	167,577	1,778,743
Furniture, computers and fixtures	364,281	-	54,344	418,625
Assets under construction	-	-	-	-
<b>Total</b>	<b>\$ 17,252,123</b>	<b>\$ (69,723)</b>	<b>\$ 1,217,958</b>	<b>\$ 18,400,358</b>

	Net book value March 31, 2014	Net book value March 31, 2015
Land	\$ 1,312,968	\$ 1,346,968
Land improvements	446,552	425,490
Buildings	14,213,848	16,184,155
Infrastructure	10,535,054	10,152,367
Machinery and equipment	1,069,353	1,257,744
Furniture, computers and fixtures	133,176	354,095
Assets under construction	2,299,363	240,705
<b>Total</b>	<b>\$ 30,010,314</b>	<b>\$ 29,961,524</b>

# M'CHIGEENG FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2016

### 11. 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) Indigenous and Northern Affairs Canada ("INAC") has guaranteed certain CMHC Section 10 loans to various First Nation members, the balance of which is \$228,148 (2015 - \$293,159). 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 \$813,917 (2015 - \$834,030).
- (iv) Under terms of a loan facility agreement between the Bank of Montreal and the Great Lakes Hospitality Limited Partnership (the "GLHLP") the First Nation has guaranteed an amount proportional to its 28.67% equity interest in the partnership. The principal amount of the loan was for \$4,700,000. In addition, the First Nation in conjunction with the other limited partners has guaranteed on a joint and several basis obligations to make any payments due by the GLHLP under terms of the loan facility.
- (v) In accordance with terms and conditions of a financing arrangement between the Bank of Montreal and the Robinson Huron Treaty (the "Trust"), the First Nation as a beneficiary of the Trust has guaranteed borrowing in proportion to its beneficial interest in the Trust in the amount of \$478,500. As at March 31, 2016, its proportional outstanding loan balance as part of the Trust is \$214,406.  

The loan guarantee is secured by an assignment of the First Nation's distributions from the Ontario First Nation Limited Partnership.
- (vi) Under terms of a loan facility agreement between the Bank of Montreal and HIAH Economic Dev LP the First Nation has guaranteed loans in the amount of \$1,450,000. The outstanding balance of the loan as of March 31, 2016 is \$1,450,000.

### 12. Consolidated revenue fund:

The following schedule details the receipt and expenditure for the consolidated revenue fund:

	Revenue	Capital	Total
Balance, beginning of year	\$ 125,604	72,515	198,119
Interest	19,361	-	19,361
Balance, end of year	\$ 144,965	72,515	217,480

# M'CHIGEENG FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2016

### 13. Accumulated surplus:

	2016	2015
Surplus:		
Invested in tangible capital assets	\$ 22,315,658	22,713,767
Business enterprises	9,649,325	8,849,031
Other	183,785	702,114
	<u>32,148,768</u>	<u>32,264,912</u>
Reserves	2,235,350	2,777,630
Reserve Funds	2,609,600	3,328,507
Committed Reserves	1,456,933	1,269,606
	<u>\$ 38,450,651</u>	<u>39,640,655</u>

### 14. 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 expense budget:	
Total expenses per budget	\$ 18,683,201
Less:	
Capital acquisition	(510,271)
Principal payments on long-term debt	(383,375)
	<u>(893,646)</u>
Add:	
Amortization of tangible capital assets	1,291,755
Expense budget per financial statements	<u>\$ 19,081,310</u>

### 15. Comparative information:

Certain 2015 comparative information have been reclassified where necessary to conform to the current year presentation.

# M'CHIGEENG FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2016

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## 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.

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.

### 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.

# M'CHIGEENG FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2016

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## 16. Segmented information (continued):

### 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.

### Employment and Training

The employment and training 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 16 - Segmented Information (continued)

Year ended March 31, 2016

	Education	Public Works	Community Services	Economic Advancement	Health Services	Administration	Subsidized Housing	Employment and Training	Community Property	Business Operations	2016 Total
Revenue	\$ 6,163,900	1,074,908	264,204	164,022	4,609,123	2,586,333	1,019,528	2,296,664	932,292	1,446,218	20,557,392
Expenses:											
Salaries, benefits and honorarium	3,360,824	542,969	290,010	108,287	1,894,418	1,051,159	-	472,131	138,691	54,370	7,912,859
Materials, supplies and rentals	563,192	451,076	102,170	6,611	1,758,206	476,244	320,971	245,952	87,955	1,326,238	5,340,615
Contractual and professional	62,851	139,414	1,456	5,933	314,645	195,589	30,960	45,636	653,912	-	1,450,396
Travel and training	138,594	34,841	18,030	7,417	237,469	79,518	-	220,666	12,048	2,832	751,415
Other	2,702,237	433,678	54,951	31,047	547,817	(273,620)	362,573	1,554,448	(27,439)	21,141	5,406,833
Interest on long-term debt	-	-	-	-	-	-	103,794	-	-	-	103,794
Amortization	144,084	611,426	3,944	-	118,668	89,136	215,021	9,289	-	-	1,191,568
Investment in tangible capital assets	(127,315)	(60,805)	-	-	(21,645)	(10,324)	-	-	(189,995)	-	(410,084)
	6,844,467	2,152,599	470,561	159,295	4,849,578	1,609,702	1,033,319	2,548,122	675,172	1,404,581	21,747,396
Excess (deficiency) of revenue over expenses	\$ (680,567)	(1,077,691)	(206,357)	4,727	(240,455)	976,631	(13,791)	(251,258)	257,120	41,637	(1,190,004)

# M'CHIGEENG FIRST NATION

Note 16 - Segmented Information (continued)

Year ended March 31, 2015

	Education	Public Works	Community Services	Economic Advancement	Health Services	Administration	Subsidized Housing	Employment and Training	Community Property	Business Operations	2015 Total
Revenue	\$ 5,960,698	1,082,112	269,510	186,513	3,437,534	2,931,832	935,603	2,211,302	1,258,334	1,347,223	19,630,661
Expenses:											
Salaries, benefits and honorarium	3,047,289	487,139	268,708	112,011	1,637,407	912,434	3,985	423,935	116,498	77,332	7,086,738
Materials, supplies and rentals	536,944	559,505	41,074	10,297	796,366	601,567	256,400	204,857	56,830	1,280,038	4,344,878
Contractual and professional	292,181	131,644	1,808	39,991	330,286	126,185	36,641	89,116	1,335,492	-	2,383,344
Travel and training	161,891	77,016	13,530	7,770	247,999	66,957	-	283,885	9,783	5,153	873,984
Other	2,770,196	373,016	50,729	26,701	478,121	(275,267)	313,045	1,244,574	(3,217)	39,410	5,017,308
Interest on long-term debt	-	-	-	-	-	-	123,678	-	-	-	123,678
Amortization	136,969	595,317	3,944	-	109,779	96,603	223,053	9,918	-	-	1,175,783
Investment in tangible capital assets	(147,621)	(287,327)	-	-	(91,144)	(56,110)	-	(22,010)	(522,780)	-	(1,126,992)
	6,797,849	1,935,310	379,793	196,770	3,508,814	1,472,569	958,802	2,234,275	992,606	1,401,933	19,878,721
Excess (deficiency) of revenue over expenses	\$ (837,151)	(853,198)	(110,283)	(10,257)	(71,280)	1,459,263	(23,199)	(22,973)	275,728	(54,710)	(248,060)



# M'CHIGEENG FIRST NATION

## Schedule 1 - Schedule of Financial Activity and Change in Program Balance Education

Year ended March 31, 2016, with comparative information for 2015

	2016	2015
<b>Revenue:</b>		
Indigenous and Northern Affairs Canada	\$ 4,634,378	4,618,788
Health Canada		-
Union of Ontario Indians	123,756	192,003
Tuition	231,000	210,300
Kenjgewin Teg Educational Institute	256,263	116,997
Ministry of Training, Colleges and Universities	100,000	80,978
Other government funding	809,424	719,426
Other	9,079	22,206
	<u>6,163,900</u>	<u>5,960,698</u>
<b>Expenses:</b>		
Education Administration	163,403	159,059
School Operations and Maintenance	417,383	380,809
Lakeview School	1,511,609	1,479,894
Special Needs	12,240	17,746
Secondary	916,424	838,284
Post Secondary	1,485,018	1,541,522
Guidance	133,049	179,217
Transportation	118,458	134,525
Continuing Education	106,483	93,586
Library	44,473	39,954
Resource Centre	124,454	158,088
Daycare	844,016	773,193
Special Education	308,116	327,068
Daycare enhancement	123,756	119,685
Parental engagement	16,790	16,105
First Nation Student Support	167,873	42,381
Anishinaabemowin Revival Program	333,241	467,386
Lighting the Way	912	-
Amortization	144,084	136,968
Investment in tangible capital assets	(127,315)	(147,621)
	<u>6,844,467</u>	<u>6,757,849</u>
<b>Capital adjustments:</b>		
Amortization	(144,084)	(136,968)
Investment in tangible capital assets	127,315	147,621
	<u>6,827,698</u>	<u>6,768,502</u>
<b>Change in program balance before undernoted</b>	<b>(663,798)</b>	<b>(807,804)</b>
<b>Transfers:</b>		
Transfer from reserves	217,616	300,626
Transfer from (to) committed reserves	(322,746)	443,201
Transfer to other programs	-	(1,000)
Transfer from Ontario First Nations Limited Partnership	768,928	64,977
<b>Change in program balance</b>	<b>\$ -</b>	<b>-</b>

# M'CHIGEENG FIRST NATION

## Schedule 2 - Schedule of Financial Activity and Change in Program Balance Public Works and Facilities

Year ended March 31, 2016, with comparative information for 2015

	2016	2015
<b>Revenue:</b>		
Indigenous and Northern Affairs Canada	\$ 664,061	685,971
Ministry of Transportation	34,731	34,731
Rental	190,912	181,170
User fees	118,049	111,828
Other government funding	1,118	1,134
Health Canada	7,500	7,500
Other	58,537	59,778
	<u>1,074,908</u>	<u>1,082,112</u>
<b>Expenses:</b>		
Roads	238,688	198,310
Water and Sanitation	759,621	658,659
Fire Protection	59,573	94,663
Maintenance management	95,243	52,087
Street Lights	33,144	30,549
Equipment rental	51,850	264,487
Equipment recoveries	(75,540)	(58,213)
Fitness Centre	27,202	34,423
Community Complex	383,813	342,041
Parks and other	28,384	10,314
Amortization	611,426	595,317
Investment in tangible capital assets	(60,805)	(287,327)
	<u>2,152,599</u>	<u>1,935,310</u>
<b>Capital adjustments:</b>		
Amortization	(611,426)	(595,317)
Investment in tangible capital assets	60,805	287,327
	<u>1,601,978</u>	<u>1,627,320</u>
<b>Change in program balance before undernoted</b>	<u>(527,070)</u>	<u>(545,208)</u>
<b>Financing and transfers:</b>		
Transfer from reserves	364,026	274,961
Long-term debt issued	-	104,366
Principal payment on debt	(26,091)	(6,524)
Internal loan	(24,000)	(24,000)
Transfer from other programs	83,859	81,481
Transfer from Ontario First Nations Limited Partnership	129,276	114,924
<b>Change in program balance</b>	<u>\$ -</u>	<u>-</u>

# M'CHIGEENG FIRST NATION

## Schedule 3 - Schedule of Financial Activity and Change in Program Balance Community Services

Year ended March 31, 2016, with comparative information for 2015

	2016	2015
<b>Revenue:</b>		
Union of Ontario Indians	\$ 11,970	9,000
Kina Gbezhgomi Child and Family	204,983	204,975
Other	47,251	55,535
	<u>264,204</u>	<u>269,510</u>
<b>Expenses:</b>		
Band Representative	9,216	41,369
Family Violence	20,775	8,908
Community Support Worker	71,152	48,946
Youth Centre	19,459	19,544
Youth Initiatives	69,803	67,849
Recreation	67,858	-
Family Resources	122,862	118,131
Family Support Worker	85,492	71,102
Amortization	3,944	3,944
	<u>470,561</u>	<u>379,793</u>
<b>Capital adjustment:</b>		
Amortization	(3,944)	(3,944)
	<u>466,617</u>	<u>375,849</u>
<b>Change in program balance before undernoted</b>	<b>(202,413)</b>	<b>(106,339)</b>
<b>Transfers:</b>		
Transfer from reserves	46,224	6,140
Transfer to other programs	-	(1,000)
Transfer from Ontario First Nations Limited Partnership	132,961	94,751
Transfer from committed reserve	23,228	6,448
<b>Change in program balance</b>	<b>\$ -</b>	<b>-</b>

# M'CHIGEENG FIRST NATION

## Schedule 4 - Schedule of Financial Activity and Change in Program Balance Economic Advancement

Year ended March 31, 2016, with comparative information for 2015

	2016	2015
Revenue:		
Indigenous and Northern Affairs Canada	\$ 150,285	149,388
Other	13,737	37,125
	<u>164,022</u>	<u>186,513</u>
Expenses:		
Economic Development	151,235	151,463
Community Energy Project	8,060	39,902
Economic Advancement	-	5,405
	<u>159,295</u>	<u>196,770</u>
<b>Change in program balance before undernoted</b>	<b>4,727</b>	<b>(10,257)</b>
Transfers:		
Transfer to other programs	-	(1,000)
Transfer from (to) reserves	(4,727)	11,257
<b>Change in program balance</b>	<b>\$ -</b>	<b>-</b>

# M'CHIGEENG FIRST NATION

## Schedule 5 - Schedule of Financial Activity and Change in Program Balance Health Services

Year ended March 31, 2016, with comparative information for 2015

	2016	2015
<b>Revenue:</b>		
Union of Ontario Indians	\$ 101,391	99,571
Ministry of Health	486,991	481,757
Health Canada	208,421	157,771
Other	16,060	17,478
Rental	40,856	43,965
	<u>853,719</u>	<u>800,542</u>
<b>Expenses:</b>		
Wellness Centre	79,116	75,554
Aboriginal Healing and Wellness	71,315	65,428
Long-term Care	486,991	443,006
Medical Transportation	119,644	266,576
Healthy Babies Healthy Children	171,933	62,382
Drug Strategy	61,203	54,725
Sawaashns	20,335	10,777
Amortization	115,658	107,395
Investment in tangible capital assets	(21,645)	-
	<u>1,104,550</u>	<u>1,085,843</u>
<b>Capital adjustments:</b>		
Amortization	(115,658)	(107,395)
Investment in tangible capital assets	21,645	-
	<u>1,010,537</u>	<u>978,448</u>
<b>Change in program balance before undernoted</b>	<b>(156,818)</b>	<b>(177,906)</b>
<b>Transfers:</b>		
Transfer from Ontario First Nations Limited Partnership	30,000	77,449
Transfer from (to) committed reserve	(1,668)	1,000
Transfer from reserves	107,483	99,457
Transfer from other programs	21,003	-
<b>Change in program balance</b>	<b>\$ -</b>	<b>-</b>

# M'CHIGEENG FIRST NATION

## Schedule 6 - Schedule of Financial Activity and Change in Program Balance Health Agreement

Year ended March 31, 2016, with comparative information for 2015

	2016	2015
<b>Revenue:</b>		
Health Canada	\$ 1,435,460	1,477,325
Union of Ontario Indians	15,263	59,371
Other	19,942	34,685
	<u>1,470,665</u>	<u>1,571,381</u>
<b>Expenses:</b>		
<b>Flexible:</b>		
Prenatal nutrition	-	47,277
Mental Health	244,155	222,491
Alcohol and Drug Abuse	71,513	60,518
Health Centre	647,642	606,049
Diabetes	48,121	52,516
<b>Set:</b>		
Health Service Initiative	96,750	133,230
Home and Community Care	246,981	228,144
Health Centre Transportation	98,473	86,176
Drinking Water	-	13,364
Amortization	3,010	2,383
Investment in tangible capital assets	-	(91,144)
	<u>1,456,645</u>	<u>1,361,004</u>
<b>Capital adjustments:</b>		
Amortization	(3,010)	(2,383)
Investment in tangible capital assets	-	91,144
	<u>1,453,635</u>	<u>1,449,765</u>
<b>Change in program balance before undernoted</b>	<b>17,030</b>	<b>121,616</b>
<b>Transfers:</b>		
Transfer from (to) reserves	3,973	(199,506)
Transfer from committed reserve	-	78,890
Transfer to other programs	(21,003)	(1,000)
<b>Change in program balance</b>	<b>\$ -</b>	<b>-</b>

# M'CHIGEENG FIRST NATION

## Schedule 7 - Schedule of Financial Activity and Change in Program Balance Health Other

Year ended March 31, 2016, with comparative information for 2015

	2016	2015
Revenue:		
Health Canada	\$ 1,843,133	550,000
Deferred revenue, beginning of year	441,211	515,611
	<u>2,284,344</u>	<u>1,065,611</u>
Expenses:		
Mental Wellness Team	547,173	511,180
Giiwednong Health Link	1,741,211	550,787
	<u>2,288,384</u>	<u>1,061,967</u>
<b>Change in program balance before undernoted</b>	<b>(4,040)</b>	<b>3,644</b>
Transfer:		
Transfer from reserves	396	-
Transfer from (to) committed reserves	3,644	(3,644)
<b>Change in program balance</b>	<b>\$ -</b>	<b>-</b>

# M'CHIGEENG FIRST NATION

## Schedule 8 - Schedule of Financial Activity and Change in Program Balance Administration

Year ended March 31, 2016, with comparative information for 2015

	2016	2015
<b>Revenue:</b>		
Indigenous and Northern Affairs Canada	\$ 848,675	791,403
Other federal funding	56,957	-
Interest	61,761	89,477
Post Office	225,196	317,322
Other	111,941	110,126
	<u>1,304,530</u>	<u>1,308,328</u>
<b>Expenses:</b>		
Administration	1,251,184	1,232,636
Custom Governance	44,568	40,047
Emergency Fund	19,685	26,046
Band Council	261,725	200,582
Membership Code	114,799	-
Proposal Writer	40,359	6,284
Comprehensive Community Planning	41,212	36,906
Land Purchase	-	34,000
Post Office	243,039	343,589
Solar Panel	66	125
Security Services	-	51,173
Land management	125,871	-
Anishinaabemowin Gamig	101,667	40,000
Amortization	89,136	96,803
Investment in tangible capital assets	(10,324)	(56,110)
Administration recoveries	(713,286)	(539,511)
	<u>1,609,701</u>	<u>1,512,570</u>
<b>Capital adjustments:</b>		
Amortization	(89,136)	(96,803)
Investment in tangible capital assets	10,324	56,110
	<u>1,530,889</u>	<u>1,471,877</u>
<b>Change in program balance before undernoted</b>	<b>(226,359)</b>	<b>(163,549)</b>
<b>Financing and transfers:</b>		
Transfer from Ontario First Nations Limited Partnership	167,618	149,635
Transfer from other programs	-	7,000
Loan repayment	(19,423)	(18,923)
Transfer from reserve	24,307	69,337
Transfer from (to) committed reserves	53,857	(43,500)
<b>Change in program balance</b>	<b>\$ -</b>	<b>-</b>



# M'CHIGEENG FIRST NATION

## Schedule 9 - Schedule of Financial Activity and Change in Program Balance Rentals

Year ended March 31, 2016, with comparative information for 2015

	2016	2015
Revenue:		
Rental	\$ 164,189	138,788
Insurance claim	-	48,224
	<u>164,189</u>	<u>187,012</u>
Expenses:		
Marina rental	3,219	2,081
Single Unit rentals	29,555	29,452
Multi-Unit rentals	135,363	181,337
Amortization	41,676	41,676
	<u>209,813</u>	<u>254,546</u>
Capital adjustment:		
Amortization	(41,676)	(41,676)
	<u>168,137</u>	<u>212,870</u>
<b>Change in program balance before undernoted</b>	<b>(3,948)</b>	<b>(25,858)</b>
Financing and transfers:		
Principal repayments on internal loan	(43,254)	(43,254)
Transfer from reserves	47,202	69,112
<b>Change in program balance</b>	<b>\$ -</b>	<b>-</b>

# M'CHIGEENG FIRST NATION

## Schedule 10 - Schedule of Financial Activity and Change in Program Balance Employment and Training

Year ended March 31, 2016, with comparative information for 2015

	2016	2015
<b>Revenue:</b>		
Indigenous and Northern Affairs Canada	\$ 293,940	238,284
Ministry of Health	32,800	22,245
Union of Ontario Indians	426,077	515,705
Other	20,796	129,516
<u>Ministry of Community and Social Services</u>	<u>1,523,251</u>	<u>1,305,552</u>
	2,296,864	2,211,302
<b>Expenses:</b>		
Ontario works - 100%	145,581	152,057
- 80%	1,010,853	909,558
Administration	433,390	412,282
Homemakers	43,161	30,229
Addiction Services	97,666	114,547
National Child Benefit	55,203	49,432
Employment Support Services	25,604	13,524
Social Assistance Transfer	65,294	-
Employment Programs	51,517	92,144
Local Service Delivery	512,340	356,431
Local Services Delivery Administration	98,224	116,163
Amortization	9,289	9,918
<u>Investment in tangible capital assets</u>	<u>-</u>	<u>(22,010)</u>
	2,548,122	2,234,275
<b>Capital adjustments:</b>		
Amortization	(9,289)	(9,918)
<u>Investment in tangible capital assets</u>	<u>-</u>	<u>22,010</u>
	2,538,833	2,246,367
<b>Change in program balance before undernoted</b>	<b>(241,969)</b>	<b>(35,065)</b>
<b>Transfers:</b>		
Transfer to other programs	-	(1,000)
Transfer from (to) reserves	179,584	(3,038)
Transfer from committed reserves	62,385	39,103
<b>Change in program balance</b>	<b>\$ -</b>	<b>-</b>

# M'CHIGEENG FIRST NATION

## Schedule 11 - Schedule of Financial Activity and Changes in Program Balances Community Property

Year ended March 31, 2016, with comparative information for 2015

	2016	2015
<b>Revenue:</b>		
Indigenous and Northern Affairs Canada	\$ 921,170	944,285
Ministry of Transportation	34,731	34,731
Band member contributions	-	105,180
Canada Mortgage and Housing Corporation	37,000	146,600
Other	5,198	37,538
Deferred revenue, end of year	(65,807)	-
	<u>932,292</u>	<u>1,268,334</u>
<b>Expenses:</b>		
Lakeview Water/Sewer	-	29,320
Roads	235,497	79,114
Housing Renovations	224,733	346,900
Housing	17,144	88,036
Garbage Dump	-	117,000
Capital Management	34,537	35,137
Band Office	-	9,320
Septic/Water Tanks	47,389	48,236
Property Service	-	12,436
Community Complex	50,122	77,582
Parks and Playgrounds	29,752	19,400
Ojibwa Lodge	-	328,747
CMHC Phase XII	12,530	-
Fire Prevention	32,360	11,581
Water Extension	15,049	89,780
Health Centre Addition	21,860	91,892
Education	-	55,159
Grocery Store	144,194	75,746
Investment in tangible capital assets	(189,995)	(522,780)
	<u>675,172</u>	<u>992,606</u>
<b>Capital adjustments:</b>		
Investment in tangible capital assets	189,995	522,780
	<u>865,167</u>	<u>1,515,386</u>
<b>Change in program balance before undernoted</b>	<b>67,125</b>	<b>(247,052)</b>
<b>Financing and transfers:</b>		
Long-term debt issued	-	262,497
Transfer to other program	(83,858)	(59,481)
Transfer from (to) reserves	(372,172)	448,558
Transfer from Land Settlement Trust	472,331	-
Principal repayment on internal loan	(127,400)	(127,400)
Transfer from Ontario First Nation Limited Partnership	50,000	278,560
Transfer to committed reserves	(6,026)	(555,682)
<b>Change in program balance</b>	<b>\$ -</b>	<b>-</b>

# M'CHIGEENG FIRST NATION

## Schedule 12 - Schedule of Financial Activity and Change in Program Balance Casino Rama Community Activities

Year ended March 31, 2016, with comparative information for 2015

	2016	2015
Revenue:		
Ontario First Nations Limited Partnership	\$ 1,114,474	1,119,257
Transfers:		
Transfer to Education	(768,928)	(64,977)
Transfer to Public Works and Facilities	(129,276)	(114,924)
Transfer to Community Services	(132,961)	(94,751)
Transfer to Administration	(167,618)	(149,635)
Transfer to Health Services	(30,000)	(77,449)
Transfer to Economic Advancement Reserve	(250,000)	(250,000)
Transfer to Community Property	(50,000)	(278,560)
	<u>(1,528,783)</u>	<u>(1,030,296)</u>
<b>Change in program balance</b>	<b>(414,309)</b>	<b>88,961</b>
Program balance, beginning of year	414,309	325,348
<b>Program balance, end of year</b>	<b>\$ -</b>	<b>414,309</b>

# M'CHIGEENG FIRST NATION

## Schedule 13 - Schedule of Financial Activity and Change in Fund Position Section 95 Housing - Operating

Year ended March 31, 2016, with comparative information for 2015

	2016	2015
<b>Revenue:</b>		
Rental	\$ 475,516	457,755
Canada Mortgage and Housing Corporation	379,823	339,059
	<u>855,339</u>	<u>796,814</u>
<b>Expenses:</b>		
Mortgage interest	103,792	123,678
Utilities	90,951	100,857
Administration	47,184	49,489
Insurance	36,207	31,321
Bad debts	107,752	31,288
Audit	12,000	18,639
Repairs and maintenance	252,275	167,606
Invested in tangible capital assets	(100,187)	(42,177)
Amortization	273,532	223,554
	<u>823,506</u>	<u>704,255</u>
<b>Capital adjustments:</b>		
Invested in Tangible capital assets	100,187	42,177
Amortization	(273,532)	(223,554)
	<u>650,161</u>	<u>522,878</u>
<b>Change in program balance before undernoted</b>	<b>205,178</b>	<b>273,936</b>
<b>Financing and transfer:</b>		
Transfer from reserves	104,854	63,534
Transfer to CMHC reserve	(82,700)	(73,700)
Principal payment on debt	(357,284)	(310,141)
	<u>(335,130)</u>	<u>(320,307)</u>
<b>Change in fund position</b>	<b>(129,952)</b>	<b>(46,371)</b>
Fund position, beginning of year	(652,670)	(606,299)
<b>Fund position, end of year</b>	<b>\$ (782,622)</b>	<b>(652,670)</b>

# M'CHIGEENG FIRST NATION

## Schedule 14 - Schedule of Change in Replacement Reserve Fund Balance Section 95 Housing

Year ended March 31, 2016, with comparative information for 2015

	2016	2015
Balance, beginning of year	\$ 635,136	624,660
Contributions from operations	82,700	73,700
Interest earned	11,089	310
Expenditures	(104,854)	(63,534)
<b>Balance, end of year</b>	<b>\$ 624,071</b>	<b>635,136</b>

# M'CHIGEENG FIRST NATION

## Schedule 15 - Schedule of Financial Activity and Change in Fund Position She'ndwin Teg Gaming Commission

Year ended March 31, 2016, with comparative information for 2015

	2016	2015
Revenue:		
Bingo	\$ 1,429,126	1,327,814
Nevada's and other	17,092	19,409
	<u>1,446,218</u>	<u>1,347,223</u>
Cost of sales:		
Materials and supplies	91,132	95,881
Prizes	1,156,671	1,057,051
	<u>1,247,803</u>	<u>1,152,932</u>
Net contribution	198,415	194,291
Expenses:		
Rent	77,300	71,800
Wages and benefits	54,370	77,332
Office and general	23,508	56,419
Distribution	1,600	43,450
	<u>156,778</u>	<u>249,001</u>
Excess (deficiency) of revenue over expenses	41,637	(54,710)
Transfers:		
Transfer to reserves	(24,000)	(24,000)
Fund position, beginning of year	107,219	185,929
Fund position, end of year	<u>\$ 124,856</u>	<u>107,219</u>

# M'CHIGEENG FIRST NATION

Schedule 16 - Schedule of Reserves

Year ended March 31, 2016, with comparative information for 2015

	Education	Employment and Training	Health Services	Health Transfer Agreement	Economic and Community Development	Community Services	Working Capital	Rental	Public Works and Facilities	Community Property	Employee Benefit	2016 Total	2015 Total
Balance, beginning of year	\$ 223,832	323,955	-	1,154,190	-	-	488,904	62,348	-	-	524,594	2,777,823	3,463,038
Revenue:	67,111	-	-	-	4,727	-	60,403	-	-	394,031	-	526,272	261,786
Expenses:													
Transfers to current operations	270,188	173,435	52,342	81,582	-	38,763	-	47,202	326,900	-	78,333	1,068,745	947,001
Inter-reserve transfers	-	-	(52,342)	52,342	4,727	(38,763)	(33,095)	-	(326,900)	394,031	-	-	-
	270,188	173,435	-	133,924	4,727	-	(33,095)	47,202	-	394,031	78,333	1,068,745	947,001
Net change for the year	(203,077)	(173,435)	-	(133,924)	-	-	93,498	(47,202)	-	-	(78,333)	(542,473)	(685,215)
Balance, end of year	\$ 20,755	150,520	-	1,020,266	-	-	582,402	15,146	-	-	446,261	2,235,350	2,777,823



# M'CHIGEENG FIRST NATION

Schedule 17 - Schedule of Reserve Funds

Year ended March 31, 2016, with comparative information for 2015

	Public Works Equipment	Education	Health Transfer Other	Economic Development Loans Program	Revolving Housing Renovation Loan Program	Land Lease	Ottawa Trust	Economic Advancement	Community Reinvestment	2016 Total	2015 Total
Balance, beginning of year	\$ 79,204	12,372	76,646	116,817	638,794	54,532	198,120	500,000	416,103	2,092,588	2,075,860
Revenue:											
Interest earned	-	-	-	940	3,845	-	4,360	-	50,944	60,089	62,758
MERE land lease	-	-	-	-	-	-	15,000	-	-	15,000	15,000
MERE repayments	-	-	-	-	-	-	-	-	87,934	87,934	159,020
McLean's Mountain Wind Farm	-	-	-	-	-	-	-	-	-	-	333,333
Transfer from reserve	-	-	-	-	-	-	-	250,000	-	250,000	250,000
Contributions from current operations	-	-	212	-	-	-	-	-	-	212	53,886
	-	-	212	940	3,845	-	19,360	250,000	138,878	413,235	873,997
Expenses:											
Transfer to operations	2,401	-	-	-	-	-	-	-	45,445	47,846	236,908
Minor Hockey	-	-	-	-	-	-	-	-	-	-	25,000
Transfer to Investment - Hotel	-	-	-	-	-	-	-	-	-	-	366,801
Transfer to Ojibwa Lodge	-	-	-	-	-	-	-	-	-	-	228,560
	2,401	-	-	-	-	-	-	-	45,445	47,846	857,269
Net change for the year	(2,401)	-	212	940	3,845	-	19,360	250,000	93,433	365,389	16,728
Balance, end of year	\$ 76,803	12,372	76,858	117,757	642,639	54,532	217,480	750,000	509,536	2,457,977	2,092,588

# M'CHIGEENG FIRST NATION

## Schedule 18 - Schedule of Land Settlement Trust

Year ended March 31, 2016, with comparative information for 2015

	Committed	Uncommitted	2016	2015
<b>Revenue:</b>				
Interest earned	\$ -	12,210	12,210	1,386
<b>Transfers and internal loans:</b>				
Principal repayment on internal loan - Solar	-	19,423	19,423	18,923
Principal repayment on internal loan - Admin	-	127,400	127,400	127,400
Principal repayment on internal loan - Complex	-	24,000	24,000	24,000
Principal repayment on internal loan - Sudbury apartments	-	43,254	43,254	43,254
Advances to HIAH Economic Dev LP	(584,435)	(234,457)	(818,892)	(1,415,565)
Land purchase - grocery store	-	-	-	(34,000)
Transfer to Ojibwa Lodge	-	(472,331)	(472,331)	-
	(584,435)	(492,711)	(1,077,146)	(1,235,988)
<b>Net change for the year</b>	(584,435)	(480,501)	(1,064,936)	(1,234,602)
Balance, beginning of year	584,435	849,604	1,434,039	2,668,641
<b>Balance, end of year</b>	\$ -	369,103	369,103	1,434,039

# M'CHIGEENG FIRST NATION

## Schedule 19 - Operations Summary

Year ended March 31, 2016, with comparative information for 2015

	2016 Budget (note 14)	2016 Actual	2015 Actual
<b>Revenue:</b>			
Indigenous and Northern Affairs Canada	\$ 8,286,442	7,446,702	7,428,119
Ministry of Community and Social Services	1,380,501	1,523,251	1,305,552
Health Canada	1,564,953	3,494,514	2,192,596
Gaming	1,274,600	1,446,218	1,347,223
Ontario First Nations Limited Partnership	1,119,257	1,114,474	1,119,257
Rental income	1,000,036	871,473	821,678
Other	1,783,065	1,782,184	2,322,351
Union of Ontario Indians	817,576	678,457	875,650
Business Operation	-	69,336	98,463
Canada Mortgage and Housing Corporation	949,341	416,823	485,659
Other provincial funding	931,412	1,511,854	1,375,002
Other federal funding	-	56,957	-
Band member contributions	-	-	105,180
Interest	73,500	145,149	153,931
<b>Total revenue</b>	<b>19,180,683</b>	<b>20,557,392</b>	<b>19,630,661</b>
<b>Expenses:</b>			
Education	6,952,641	6,844,467	6,797,849
Public Works and Facilities	1,963,523	2,152,599	1,935,310
Community Services	543,811	470,561	379,793
Economic Advancement	314,565	159,295	196,770
Health Services	1,302,006	1,104,550	1,085,843
Health Agreement	1,098,374	1,456,645	1,361,004
Health Other	75,000	2,288,384	1,061,967
Administration	1,896,462	1,609,701	1,472,570
Rentals	185,139	209,813	254,546
Social Services	2,314,359	2,548,122	2,234,275
Community Property	552,817	675,172	992,606
Subsidized Housing	608,013	823,506	704,255
Business operation	1,274,600	1,404,581	1,401,933
<b>Total expenses</b>	<b>19,081,310</b>	<b>21,747,396</b>	<b>19,878,721</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>99,373</b>	<b>(1,190,004)</b>	<b>(248,060)</b>
Accumulated surplus, beginning of year	39,640,655	39,640,655	39,888,715
<b>Accumulated surplus, end of year</b>	<b>\$ 39,740,028</b>	<b>38,450,651</b>	<b>39,640,655</b>

# M'CHIGEENG FIRST NATION

## Schedule 20 - Accumulated Surplus

Year ended March 31, 2016, with comparative information for 2015

	2016	2015
<b>Surplus:</b>		
Invested in tangible capital assets	\$ 22,315,658	22,713,767
CMHC Section 95 Housing	(782,622)	(652,670)
She'ndwin Teg Gaming Commission	124,856	107,219
Investment - Great Lakes Hospitality Group Partnership	1,656,818	1,656,818
Investment in MERE General Partner Inc.	5,238,792	5,186,221
Investment in HIAH	2,246,095	1,487,719
Investment in U.C.C.M. Material Supply Limited Partnership	507,620	518,273
Consolidated revenue fund	217,480	198,120
Ontario First Nations Limited Partnership	-	414,309
Section 95 Replacement reserve	624,071	635,136
	<u>32,148,768</u>	<u>32,264,912</u>
<b>Reserves:</b>		
Working capital	582,402	488,711
Education	20,755	223,832
Social Services	150,520	323,955
Health Transfer Agreement	1,020,266	1,154,190
Rental	15,146	62,348
Employee Benefit	446,261	524,594
	<u>2,235,350</u>	<u>2,777,630</u>
<b>Reserve Funds:</b>		
Public Works Equipment	76,803	79,204
Education	12,372	12,372
Health Transfer - other (MCAR)	76,858	76,646
Economic Development Loans Program	117,757	116,817
Revolving Housing Renovation Loan Program	642,639	638,794
Land Lease	54,532	54,532
Economic Advancement	750,000	500,000
Economic Reinvestment	509,536	416,103
Land Settlement Trust	369,103	1,434,039
	<u>2,609,600</u>	<u>3,328,507</u>
<b>Committed Reserves:</b>		
Community Property	986,564	980,538
Social Services	-	62,384
Health	1,668	3,644
Education - ARP	322,746	-
Community Services	61,158	84,386
Administration	84,797	138,654
	<u>1,456,933</u>	<u>1,269,606</u>
	<u>\$ 38,450,651</u>	<u>39,640,655</u>