



May, 2009 • Volume 1 • Issue 1

# MISHKEEGOGAMANG OJIBWAY NATION Community Update

## Why Investing Hydro Funds is Important

In the fall of 1999, Brian Brown gave a community presentation on hydro funds at Ten Houses and at the Main Reserve. Several options were presented and Brown outlined the idea of setting up a Trust Committee to administer the Hydro Settlement dollars. But the community membership at the time demanded a payout to members each year, and the Trust Committee was never formed. It was easier to just pay out the funds than to argue about what could be done with this funding that would benefit the whole community.

Yet the debate has continued, and the original presentation has something important to say to us. What the presentation showed is:

*If half the hydro funds were invested each year and not spent, then after 18 years you would have \$11,589,620 in the bank and you would earn \$695,377 interest each year (at the 1999 interest rate of 6%). You could spend the interest each year and that would mean your money would continue making money.*

*The other way to look at this is to say, if the First Nation spent the \$750,000 it paid out each year on building houses, you could have built approximately 5 houses each year at a cost of \$150,000 each. As of today you would have built 45 homes, owned free and clear by Mishkeegogamang.*

Now look at today's situation. What are we left with after 10 years of receiving the Ontario Hydro Settlement dollars?

That is a question community members need to answer for themselves.

### Mission Statement

Pashkokogan Healing Lodge is committed to support families in overcoming their addictions, trauma, and neglect by regaining a strong spiritual connection to the land, its resources and potential for rebirth, and to reflect those teachings in the family and community.



*"The money should be used for anything for the good of the communities. We want to build a future for the next generation." Romeo Skunk*

## Management of Funds

This information is being shared with the community membership as a way of being transparent and accountable. There are allegations, rumours and gossip in the community about fraud and mismanagement by the Chief and Council, and in the interests of transparency and accountability, this community update on record-keeping and fund management shows that all the funds that should be in the bank account are there.

Mishkeegogamang First Nation is required to submit audits to the Department of Indian and Northern Affairs Canada, the First Nation Inuit Health Branch, and all other federal/provincial funding organizations for each fiscal year. Mishkeegogamang First

Nation has engaged two different auditors over the last 10 years to prepare its audits.

An auditor is an outside party that has a designation in the accounting field. Auditors are bound by the Institute of Chartered Accountants. The auditor follows strict guidelines when preparing each First Nation audit. These rules and regulations require the auditor to fill out forms for each area that is being audited, verifying that the information contained in the First Nation accounting records is accurate.

### Why have an Audit?

It's required by funders. An audit is required by each federal/provincial funding agreement

in order to report to the funder that the funds disbursed to the First Nation have been spent (used) according to the agreement.

The roles of the auditor and of the First Nation being audited are clear and distinct:

- The First Nation prepares financial statements summarizing its financial activities throughout the year.
- The auditor looks at the First Nation records, summarizes them and expresses an opinion as to whether the First Nation records show a fair and accurate summary of its financial activities throughout the year.

*continued on page 5*

In all the audits for the Ontario Hydro Settlement Agreement –  
THERE HAS NEVER BEEN ANY FINDING OF MISMANAGEMENT OR FRAUD COMMITTED BY ANYONE.

## Financial Report 2001 - 2008

The spreadsheet shows the financial position of each program at the end of every fiscal year from 2001 - 2008. Where the number is in brackets, it means the program had a deficit at the end of the year. This is a summary of audited financial statements. All the numbers in this document were taken from audited statements and put into a format that makes it easy to see where the money has been spent.

### Some tips to help you read the financial report

- SURPLUS means the amount of money left over at the end of the fiscal year.
- It is always shown as a regular number.
- DEFICIT means how much you had overspent at the end of the fiscal year.
- Deficits are shown in brackets (\$000,000)



Herb ZoBell  
Senior Account Manager

February 25, 2009-05-19

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Attention: To Whom It May Concern:

RE: Mishkeegogamang Hydro Funds for 2007, 2008, and 2009

As per request from Chief and Council, we wish to write a letter concerning the status of the Hydro funds that flow to Mishkeegogamang First Nation in January of each year. As per the Ontario Hydro Settlement, the First Nation has been and will continue to receive \$750,000 each year until January 2017. Since the First Nation reduced or eliminated the per capita payout, those funds have been safely invested in term deposits at RBC. No payout has occurred, with the exception of payments to Elders and to cover legal costs. Since the First Nation made this decision to maintain funds on deposit, and with the assistance of the Co-Manager, the overall financial picture of the First Nation has improved significantly.

Remaining on deposit with RBC is \$235,466.27 from the 2007 hydro fund release, \$691,053.36 from the 2008 hydro fund release, and \$583,004.94 from the 2009 hydro fund release. These funds are safely invested in Guaranteed Investment Certificates (GIC's) held at RBC. As indicated above, \$167,000 was recently used from the hydro funds to cover legal costs and to make an annual payment to the Elders. At no time has any of these funds been misappropriated by any member of Chief and Council or management. Given the financial controls in place, supported by the annual audit that is completed on the First Nation's financial records, misappropriation of funds has not occurred at Mishkeegogamang First Nation. RBC also completes an annual review of the First Nation, and we wish to commend Chief and Council for the progress they have made these last few years.

With the permission of Chief and Council, should anyone wish to discuss this further, please feel free to contact me at my office at (807) 684-8375.

Sincerely,

Herb ZoBell, B.Mgt., MBA  
Senior Account Manager  
First Nation Banking - RBC

## Financial Position

### At March 31, 2007:

- Mishkeegogamang First Nation had a deficit of \$2,550,737.
- Nearly every program has contributed to this deficit.

### At March 31, 2008:

- Mishkeegogamang First Nation had reduced their deficit of \$2,550,737 to \$1,145,421.

### Annual Funding

INAC Funding	\$4,426,792
First Nation Inuit	
Health Funding	\$1,564,632
Hydro Settlement	\$750,000
All other Departments & Casino Rama	\$4,076,871
*Total Revenue for year ended March 31, 2008	\$10,818,295

\*The Total Revenue can vary by as much as \$1,000,000 from year to year.

\*\*The Mishkeegogamang First Nation receives \$60,000 from the Richview Memorandum of Understanding (current fiscal year). These funds have been used for funerals, community crisis assistance to band members, and recreation. To date Mishkeegogamang First Nation has received \$50,000 and has spent \$130,000 for the above types of expenses.

### Band Member Advances

Mishkeegogamang First Nation passed a BCR (Band Council Resolution) to stop all advances of any kind to band membership and staff. This was done due to the large amount of money owed to the band because individuals do not pay back the advances. The amount of advances that have not been paid back currently stands at \$70,000.

### Salaries

Mishkeegogamang First Nation pays a total of \$3,602,741 in salaries per year. 33% of total funding goes towards salaries for the First Nation

• \$ 483,311	Band Support
• \$ 219,627	Social Services
• \$ 751,345	Health Programs
• \$1,391,569	Education
• \$ 120,640	Community Services
• \$ 145,000	Pashkogan
• \$ 220,480	Safehouse
• \$ 56,160	Housing
• \$ 88,920	Water Treatment Plant
• \$ 125,689	All other departments combined
<hr/>	
\$3,602,741	Total Salaries

## SURPLUS/DEFICIT SUMMARY

The Audit Surplus/(Deficit) summary shows that a majority of programs have accumulated a deficit over the past 8 years. The following programs are the biggest contributors to the deficit.

- Mould Renovations
- INAC Community Operations & Maintenance
- Water Operations & Maintenance
- Medical Services Program
- MSB Multi-complex
- MSB Management
- Native Claims Negotiation
- NIHB Transport
- INAC Governor General's Visit
- Water and Sewer Servicing
- Social Development
- Treaty No 9 Commemoration
- INAC Teacherage Construction

## AUDIT OPINIONS

There are three different opinions for the audits:

1. An Unqualified (clear) audit opinion is given when the auditor feels and the testing shows that the controls are in place, competent individuals are managing the accounting system, and the accounting records reflect an accurate activity of transactions throughout the year.
2. A Qualified audit opinion is given when the auditor feels and the testing shows that the controls in place are limited. There will usually be one problem area that will determine this opinion, e.g. if the auditor is unable to verify a significant transaction in the record keeping.
3. A Denial audit opinion is when the auditor feels that the controls are weak and he or she has no confidence in the record keeping.

### Surplus-Deficit Summary 2001-2008

Programs/Departments	31-Mar-01	31-Mar-02	31-Mar-03	31-Mar-04	31-Mar-05	31-Mar-06	31-Mar-07	31-Mar-08	
1999/2000 SURPLUS	16,416.00								16,416.00
Aboriginal Language Initiative		24.00	904.00						928.00
AHWS-Elders/Seniors Gatherings									-
AWH-Pashkogan Project						(13,091.00)	383.00		(12,708.00)
Capacity Building Project					(1,920.00)				(1,920.00)
Casino Rama									-
CASINO-Elder Committee Honoraria									-
CASINO-Funeral/Emergency Assistance					(4,080.00)	(701.00)			(4,781.00)
CASINO-Pow wow/Youth and Elder Gathering					300.00	(1,005.00)			(705.00)
Crisis Team & Shelter (05)	(6,125.00)	(43,700.00)	72,420.00	(40,227.00)	11,125.00	9,833.00			3,326.00
FEDNOR-Telecommunication Construction	5,412.00	(12,620.00)							(7,208.00)
Housing Retrofit									-
HRSDC-New Horizons								3,244.00	3,244.00
INAC-Administration	(59,377.00)	(163,735.00)	6,710.00	272,454.00	45,525.00	77,373.00	124,243.00	131,908.00	435,101.00
INAC-Band Employee Benefits						41,316.00		(17,408.00)	23,908.00
INAC-Band operated School Direct Program							959.00		959.00
INAC-Basic Needs					45,599.00	(29,827.00)	(22,388.00)	(8,809.00)	(15,425.00)
INAC-Community Economic Opportunity							(4,170.00)		(4,170.00)
INAC-Economic Development	(8,928.00)	12,382.00	(6,765.00)	(513.00)	(975.00)	4,902.00	63.00		166.00
INAC-Education Maintenance	(37,877.00)	20,373.00	(49,136.00)	(11,432.00)	(13,501.00)		11,697.00	(61.00)	(79,937.00)
INAC-Education Program	(81,542.00)		2,707.00	(7,234.00)				71,463.00	(14,606.00)
INAC-Education Transportation							(10,872.00)	(336.00)	(11,208.00)
INAC-Enhanced Teachers Salaries						4,080.00			4,080.00
INAC - New Paths								55.00	55.00
INAC-Environmental Remediation							22,006.00		22,006.00
INAC-Feasibility Study									-
INAC-Firehall									-
INAC-Housing & Minor Capital	(52,102.00)	(129,321.00)	(1.00)	339,501.00		(39,130.00)	441,896.00	349,921.00	910,764.00
INAC-In Home Care					612.00	(228.00)	(157.00)	5.00	232.00
INAC-Indian Registry Administration							6,407.00	6,009.00	12,416.00
INAC-Infrastructure									-
INAC-Lot Servicing									-
INAC-Mould Renovations						(366,352.00)	(29,133.00)		(395,485.00)
INAC-NCB						(56,503.00)	(3,613.00)		(60,116.00)
INAC-Operation & Maintenance	(125,886.00)	(123,931.00)	(15,980.00)	20.00	(168,360.00)			13,162.00	(420,975.00)
INAC-Registry Events					(1,949.00)	(1,575.00)		96.00	(3,428.00)
INAC-SATF					49,350.00	10,438.00	(33,534.00)		26,254.00
INAC-Self Governance & Community									-
INAC-School Construction	(55,086.00)	81,230.00	(12,486.00)	(2,072.00)		(19,571.00)			11,586.00
INAC-Special Education				(10.00)	(1,976.00)	(139.00)			(21,557.00)
INAC-Special Needs							(727.00)		(866.00)
INAC-Summer Student Program					26,961.00		2,944.00		29,905.00
INAC-Teacherage Construction	(357,183.00)	282,694.00	(5,110.00)						(79,599.00)
INAC-Teacherages									-
INAC-Water Treatment Plant Oversight							105,958.00	(21.00)	105,937.00
INAC-Water Capital									-
INAC-Water O&M					(8,854.00)			411.00	(8,443.00)
INAC-Water Treatment Plant					-	(13,543.00)	2,132.00	(5,549.00)	(16,960.00)
Insurance Homes					44,925.00				44,925.00
Local Computer Network/MNDM Retrofit							9,612.00		9,612.00
Beaver Lake Camp									-
St. Rapheal Feasibility Study							30,550.00		30,550.00
MCSS-Early Years Challenge					(5,854.00)				(5,854.00)
Medical Services Program	(3,693.00)	(86,558.00)	(12,757.00)	(29,518.00)					(132,526.00)
Ministry of Citizenship						(810.00)		(9.00)	(819.00)
MNDM-Summer Students						(65.00)	(56.00)		(121.00)
MSB Multiplex					(10,378.00)	988.00	(125,397.00)		(134,787.00)
MSB-BFI					(330.00)				(330.00)
MSB-BHC					(185.00)		(68.00)	696.00	443.00
MSB-Case Manager						(12.00)	(7.00)	(378.00)	(397.00)
MSB-CHR					(20,532.00)	(5,961.00)			(26,493.00)
MSB-Clinic O&M					10,797.00	(16,231.00)	1,630.00	(814.00)	(4,618.00)
MSB-Early Child Development							(2,463.00)	(500.00)	(2,963.00)
MSB-Fuel Spill Cleanup							(64,895.00)		(64,895.00)
MSB-Health Station Construction									-
MSB-Home and Community Care					(16,944.00)	9,459.00	(1,079.00)	224.00	(8,340.00)
MSB-Management					(36,930.00)	(27,856.00)	(434.00)	1,126.00	(64,094.00)
MSB-NNADAP					(460.00)			(190.00)	(650.00)
MSB-Re-investment								38,754.00	38,754.00
MSB-Security					132.00	(474.00)		140.00	(202.00)
NAN-Active Living Camp							2,706.00	1,504.00	4,210.00
NAN-Crisis Team					2,457.00	(126.00)		533.00	2,864.00
NAN-HBHC,FASE,Diabetes					(5,341.00)	14,323.00	8,413.00		17,395.00
NAN-Diabetes Initiative							45.00	10,292.00	10,337.00
NAN-Self Governance & Community									-
Native Claims Negotiation			(19,683.00)	3,140.00					(16,543.00)
NIHB-Transport					(120,219.00)	(13,442.00)	(7,490.00)	16,437.00	(124,714.00)
Northern Boreal Initiative Project					(6,622.00)	(19,609.00)			(26,231.00)
Old Village Access Road									-
INAC - Governor Generals Visit								(38,177.00)	(38,177.00)
Sewer & Water Servicing		(175,429.00)	(15,751.00)						(191,180.00)
SLAAMB-Job Creation & Training	(23,035.00)	(19,901.00)	(37,626.00)	276.00					(80,286.00)
SLAAMB-Training/employment Program					7,723.00		6,624.00	(90.00)	14,257.00
Social Assistance					(8,148.00)	(49,276.00)	(49,583.00)	117,356.00	10,349.00
Social Development	910.00	(67,339.00)	(91,290.00)	87,625.00	(200.00)				(70,294.00)
TC&FS-Child Welfare Worker				(237.00)					(237.00)
TC&FS-Tikanagan							(316.00)		(316.00)
Treaty No. 9 Commemoration					(111,846.00)	60,846.00			(51,000.00)
Other	2,731.00	(21,248.00)	(5,461.00)	388.00					(23,590.00)
<b>SURPLUS (DEFICIT)</b>	<b>(785,365.00)</b>	<b>(447,079.00)</b>	<b>(189,305.00)</b>	<b>612,161.00</b>	<b>(300,163.00)</b>	<b>(507,171.00)</b>	<b>487,153.00</b>	<b>690,994.00</b>	<b>(438,775.00)</b>



Because of arson, Mishkeegogamang no longer qualifies for insurance on many of its buildings.

## Arson Creates a Ripple Effect of Losses

Arson causes a lot of suffering and loss. In fact, the whole community feels the shock when a house burns down. But arson also causes a lesser-known loss: the loss of insurance privileges and other financial supports.

Thirty homes were constructed in Mishkeegogamang between 1999 and 2001, all financed through the Canada Mortgage Housing Corporation (CMHC). Five of these homes have since burnt to the ground, four as a result of arson.

Because of this high rate of arson, Mishkeegogamang is now considered a high risk for insurance. Insurance premiums have risen from \$3,500 in 2001 to \$7,740 in 2007. The deductible for houses has risen from \$5,000 to \$75,000 per loss.

In fact, the band has not claimed insurance on the last three fires as a result of this high deductible and because it can't afford to lose its insurance.

The 30 CMHC homes, the teacherages and the safe house are the only buildings on the First Nation that carry insurance. All other homes, community buildings, and the school carry no insurance. Several insurance companies have been approached for estimates to insure these buildings, but none are interested in dealing with the First Nation.

The CMHC Agreement (to mortgage the homes) states we must carry insurance on CMHC homes. If we lose the insurance then we could potentially lose the Ministerial Guarantee as well.

## Councillor Candidates No Longer Have to Live on Reserve

A decision of the Federal Court of Appeal in 2008 has cancelled the requirement that candidates for councillor positions at band council elections have to live on the reserve. Candidates must qualify according to other regulations, such as being a band member and being at least 18 years of age, but they no longer have to be residing on a reserve to run for a councillor position. This ruling of the court is for bands such as Mishkeegogamang that hold elections under the Indian Act.

It was Gull Bay First Nation band members that appealed the section of the Indian Act which stated [75. (1)] "No person other than an elector who resides in an electoral section may be nominated for the office of councillor to represent that section on the council of the band."

The appeal states "Subsection 75 (1) of the Indian Act violates section 15 of the Charter...and is therefore invalid to the extent that it prohibits electors who do not reside on the reserve from being nominated for the office of councillor."

This decision took effect on August 19, 2008 and applies to Mishkeegogamang for the June 15, 2009 Chief and Council election.

### 2009 Treaty Annuity Payment

Treaty Annuity Payments will take place July 9, 2009 between 12:00 noon and 4:00 p.m. There will be NO third party pickups. Notes will NOT be accepted. All members must produce their Status Cards.

### Electronic refunds and new status cards

Mishkeegogamang is working towards an electronic service that will make it easier for gasoline retailers to do business. Electronic vouchers will be accepted for gasoline tax

refunds of tax exempt sales to the First Nation as well as individual band members.

It is called e-service and is already available in other parts of Ontario. With e-service, there will be no more filling out paper vouchers by hand. The refund amount is calculated automatically so there is less work for on-reserve gasoline retailers. It is a faster, more efficient way to get refunds.

Information on each gasoline tax refund claim sent to the ministry will be kept private, safe, and secure.

Another new and improved item that is currently getting the bugs worked out of it is the new status card. It will have a magnetic strip on it that will contain the band member's information and will make it a more efficient means of identification.

### Election 2009 to be held July 15

The Mishkeegogamang First Nation General Election date is July 15, 2009. The current term of Council expires on July 14, 2009. A nomination meeting will be held for three hours on June 3rd, and June 8th will be the last day candidates can withdraw their nominations. Off-reserve member election packages will be mailed out June 10, 2009.

Polls will open at 9:00 a.m. on July 15th and will remain open until 8:00 p.m. The Election Officer will inform off-reserve members of the elected Chief and Council on July 19.

The Ontario regional office of INAC no longer provides additional funding for the band council elections. First Nations in Ontario, as in all other regions, may use Band Support Funding or own source revenues for elections.

Treaty day is July 9th

## Abitibi Bowater Working with Mishkeegogamang

Slowly but surely negotiations between the forest products company Abitibi Bowater and Mishkeegogamang are moving forward. Communication with the company is ongoing, but the band has not been in a rush to see forestry work continue. "The forest is our sanctuary," said Chief Connie Gray-McKay. "I don't see anything happening until we have meaningful community consultations."

Bowater (prior to amalgamation with Abitibi) sent the band a letter in 2007 that summarized Bowater's accomplishments in the area. They agreed to defer operations in the Velos and Medcalf areas until the next planning cycle to allow more time to develop mutual understanding in regards to the special importance of those areas to the First Nation. "Bowater has committed to try to find a long-term mutually agreeable

solution to this important issue," said Roger Barber, Vice President of the Ontario Woodlands for Bowater.

Bowater also delayed operations in the Dole Valley area in an effort to address the concerns of traditional users, and the entrance to the Dole Valley Road was moved further south in response to local concerns.

Barber said Bowater agreed to delay the harvest of approved wood directly next to the highway and on the portion of John Derouin's trap line immediately west of Wertheim Lake. They proposed a committee of representatives from Mishkeegogamang, the Ministry of Natural Resources, and Bowater to work together to modify the harvesting pattern in the Dole Valley area. Such a committee would attempt to "combine traditional knowledge, science, and operations experience."

Bowater is committed to minimizing the amount of area removed from hunting during harvesting operations while still protecting worker safety.

The forestry company said they would hire local workers on road building projects and had already trained and employed 11 people on spacing operations. They also assisted with heavy equipment training, including providing first aid and common core training, and paid for a rental van for transporting the trainees.

Band members and councillors from Mishkeegogamang were given tours featuring harvesting operations and forest renewal, protection of water quality, tourism operations, canoe routes and wildlife preservation. They committed to involving youth in the First Nation Ranger program.

Bowater said a Mishkeegogamang

Economic Development Committee with representatives from the First Nation as well as Bowater could work to identify and develop economic opportunities for the community. Bowater supports the First Nation Ranger Program, which employs up to 30 youths per year from nine First Nation communities. Bowater contributed to the Mishkeegogamang hockey program, computers for Mile 50 School, and the Treaty #9 Commemoration.

Barber said they would work with Mishkeegogamang in the Hill Lake area to refine the harvest pattern and to develop prescriptions to protect First Nations values in the area. "Approaches that we develop in this area could then be applied to the 2007-2017 planning area," he said.

## Chief and Council Respond to Anonymous Email Complaints

*The following letter is in response to an anonymous email sent to Wasaya earlier this year:*

From: Chief and Council  
Mishkeegogamang First Nation

March 2, 2009

Statement re: Anonymous email complaints

Late last week, an anonymous email was brought to the attention of the Chief and Council. The email had been sent to members of the media. This statement is our official response.

The Chief and Council note that the email is anonymous and that it contains a number of factual errors and misrepresentations. While we completely support the right to free speech, we feel that the sort of blind allegations put forth in the email are both irresponsible and unconstructive.

Regarding the accusations put forth in regard to the Hydro Settlement, the Chief and Council have been committed to full transparency in accounting for these monies. Proof of this can be found on the band website where a detailed account of the Hydro Settlement can be found.

The Senior Account Manager of the Royal Bank provides further evidence that the band money is being managed in an honest and responsible fashion. His letter from February of this year which will be made available contains the following statements:

...the overall financial picture of the First Nation has improved significantly... At no time have any of these funds been misappropriated by any member of Chief and Council or Management... misappropriation of funds has not occurred at Mishkeegogamang...we wish to commend

the Chief and Council for the progress they have made these past few years.

In regards to allegations about certain construction projects, the band leadership has consulted the people of Mishkeegogamang and provided every opportunity for them to voice their opinion about the future development of our community.

The Chief and Council also feel it is important to clarify a number of incorrect allegations put forward about the protest on February 19. Contrary to what is stated in the anonymous email, the Chief and Council have never intended to "stay home" to avoid accountability.

More seriously, it is important to note that the recent protest resulted in a number of incidents of threatening and intimidating behaviour on the part of some of the individuals involved. The violent nature of the threats was especially intimidating as the people to whom they were directed were women.

Free speech and exchange of ideas are a vital part of our community life. But free speech also entails respect and responsibilities. We believe it is essential that any future rallies or protests are conducted in such a way as to ensure the respect and safety of all. We will take steps to ensure the safety of everyone.

Too often a lack of information can result in frustration or anger. For this reason, the band leadership remains committed to transparency while we continue to address the challenges and opportunities in our community. Through mutual respect and dialogue, we believe that everyone at Mishkeegogamang can contribute to an informed debate about our future.



*Auditor at work. Audits by an outside auditing firm are required by law. The auditors inspect every aspect of the accounting each year.*

### How an Auditor Works *continued from page 1*

First the auditor looks at Mishkeegogamang's own records. This is called the "internal verification." He or she goes through each item on the balance sheet, and inspects all records, including:

- Bank accounts
- Accounts receivable
- Intercompany accounts
- Capital Assets
- Loans and Mortgages
- Accounts payable
- Revenues
- Expenditures

The auditor tests the record-keeping by selecting certain transactions, e.g. for a \$5,000,000 budget the auditor may test all cheques over \$5,000. The auditor also "digs backwards" from the financial statements to the general ledger. He or she will ask for the cheque requisition and supporting

documentation, check this documentation for signatures (approval process), trace it to the general ledger, then trace it to the returned cheque and bank statement.

The auditor also does an "external verification." Written verification is obtained from the funding agency (INAC, FNHIB etc.) as to how much money was sent to Mishkeegogamang. The auditor will then verify that these amounts appear correctly in Mishkeegogamang's records. He/she will trace deposits to the bank statement, and to the general ledger.

If the auditor suspects fraud or mismanagement, he is obligated to report this finding. The audit includes a legal document to show that all the rules and regulations of the Institute of Chartered Accountants have been followed in completing the audit.

## Co-management

Mishkeegogamang is currently working on de-escalation from a Co-Management agreement. The Co-Management agreement expired March 31, 2009. A brief history of how this agreement came to be:

- Before February 4, 2008, Mishkeegogamang First Nation had a Band Manager to assist them with day-to-day operations, as directed by INAC. This was a low level of intervention.
- In early 2008, Mishkeegogamang First Nation was behind in the reporting requirements. INAC felt that the First Nation needed someone with more experience in accounting and administration. The hiring of a Co-Manager came as the next level of intervention.

- As of February 4, 2008, Mishkeegogamang First Nation has been in Co-Management with Pashe-Whiteway Management & Training Group Inc. This is considered a moderate level of intervention.

*See INAC Intervention (box) for an explanation of the three levels of intervention.*

Historical Note: Back in 1995 the Mishkeegogamang First Nation was forced into a Third Party Administration Agreement because it had accumulated a deficit of \$3,442,758. This deficit was mainly due to the negotiation costs for the Ontario Hydro claim: legal fees, honoraria/ Interpreters and meetings. These costs contributed \$2,149,317 to the deficit over the three fiscal years 1992/93, 1993/94 and 1994/95.

### INAC INTERVENTION

There are three distinct levels of intervention which are determined by the level of First Nation capacity as well as the Council's willingness to address the situation. These are:

- Low level: The First Nation is willing and has the capacity to address and remedy the problem. This level allows for a First Nation-managed Remedial Management Plan (RMP). The First Nation is responsible for preparing a Remedial Management Plan, the budgets that go with this plan, and ensuring that the plan is followed so the First Nation can retire its debt.
- Moderate level: Recipient is willing but lacks the capacity to address and remedy the problem. This level requires the recipient to appoint a Co-Manager. This means the First Nation Administration and the Co-Manager share signing authority on all cheques/expenditures. They share the responsibility of preparing the budget and remedial management plan to address how to get the First Nation out of debt without jeopardizing services. The Co-Manager assists with developing training capacity of the First Nation staff.
- High level: The Minister believes that a recipient is high risk and/or is unwilling to address and remedy the default or other financial difficulties. High level intervention results in the Minister appointing a Third Party Manager (TPM). This level of intervention means that the First Nation does not have any signing authority or spending authority at all. All the expenditures are authorized and approved by the Third Party Administrator. The mandate of a Third Party Administrator is to ensure that the programs are delivered, but has no responsibility to get the First Nation out of deficit.

## Ministerial Guarantee

The Ministerial Guarantee is used to secure a loan from the bank for CMHC housing mortgages. The First Nation came very close to losing the Ministerial Guarantee due to the number of housing units lost to arson. If the First Nation lost the Ministerial Guarantee, this would mean that Mishkeegogamang First Nation would have to pay out the full amount of the mortgages on these homes. The mortgages on the 18-unit project are approximately \$1.4 million.

Mishkeegogamang First Nation has worked hard to not lose the Ministerial Guarantee. When one of the units burned, the First Nation was required to rebuild the home or to pay out the one unit in full. Mishkeegogamang First Nation made a special request to CMHC to continue paying for a house that no longer exists.

If the Ministerial Guarantee is revoked the band will go into third party administration. We cannot afford to lose homes to arson.

## Mortgage Renewal

CMHC mortgages could not be renewed for almost a year past the due date because there was a list of work (deficiencies) for them that hadn't been completed when the units were constructed 10 years ago. This work had to be done and the homes had to pass CMHC inspection in order for the mortgage to be renewed.

## Missing Rent Payments

The mortgages on the CMHC houses are subsidized by CMHC and the rest is supposed to be covered by rent paid by the individual tenants. When people don't pay their rent, the First Nation has to pay for this shortage. The money for the mortgage payment has to come from somewhere. This is an unplanned expense that uses up the cash in the bank and creates a deficit in the housing department.

## Fire Truck

The good news is that Mishkeegogamang First Nation will be getting a fire truck in the very near future. Funding has been approved for this. The First Nation will contribute 25% and INAC will fund 75% of the cost.



The new renovation program will enable many houses to be upgraded and repaired.

# Let the Renovations Begin

The band is preparing to purchase materials for home renovations and is planning a home beautification competition as a way of "thinking outside the box" and stretching the use of the housing dollars.

Co-Manager Myrna Whiteway said Chief and Council received notice from Indian and Northern Affairs Canada in late March approving the purchase of materials for housing renovations. Fifty existing housing units in the community will benefit from the funding amount of \$600,000.00. After inspecting the houses and assessing their renovation needs, materials such as doors, windows and kitchen cupboards are being purchased at a cost of \$616,000.00.

Whiteway said home owners will be encouraged to put sweat equity into their houses to be eligible for thousands of dollars of prize money. She expects to hire a minimal

amount of labour to work on elders' homes and other places where the homeowner is unable to participate.

"We hope to get people to do as much work as possible on their own. The thinking was that if people put their own sweat into it they will take pride in their home," said Whiteway.

Details of the competition will be posted as they become available. Community members are encouraged to be part of a committee to set up the regulations for the competition. See Jeff Loon or Roberta Skunk (O&M and Housing) if you are interested in being on this committee.

The First Nation is required to submit a report by June 30th which includes an invoice from the material supplier as well as confirmation from the First Nation that all material has been received.

November 7, 2008

To: Chief Connie Gray-McKay

Booshoo Connie,

I just want to take this time to voice my concerns on the yearly payments people are requesting to access. I would like to decline the idea. We the people of Mishkeegogamang First Nation should be more concerned for our children and grandchildren and so on. We want to build a future for the next generation.

The money should be used for anything for the good of the communities. There are lots of opportunities for self-development within our community. Instead, the cash is flowing towards the Liquor Store or Beer Store and we have to recognize this loss of funds. These funds could be used for good purposes in the community.

In crisis situations, funds may be needed for important issues. However, [looking towards the future] is my highest priority.

I continue to stand by my chief and council, even after all these years of not living on the reserve, and I will continue to help them in the positive and good goals that our young ones can benefit from in the future. Let's work together and stand strong for our community. Support our chief and council, because we put them there to make a difference and for the betterment of our First Nation.

Take care of yourselves and each other,

Romeo Skunk

# Native Brother Found the One True Power and his Art

Raymond was raised in Canada in an Ojibway tribe of 600 that was "saturated" with two opposing powers - the Word of God and alcoholism. As a child, he joined a proud and bustling community as they hunted, trapped, and lived off the land. "We learned about animal habits, climate changes, and even navigating the wind that carries your scent," he says.

When Raymond was 10, everything changed. The federal government reduced their two thousand acres of ancestral land to a subsidized reservation. "That was the beginning of the end," he said. "Free money was a plague for my family. When everything was handed to us, we had nothing to live for, and we lost our dignity. Depression led to alcoholism that saturated our community."

Raymond joined gangs and quit school by age 14. "We saw no problem with drinking.

That's what everyone did," he said. But this led to drunken fighting over women, which finally landing him in jail, his second home for the next 14 long years.

After coming to Metro Hope, Raymond's greatest fight was with self-hatred. "I had failed to follow the Lord so many times, I struggled with self-condemnation," he said. "But at Metro Hope I kept at it, and finally realized I was hungry for the smile of God I saw in others."

"For the first time I cried in front of other people and let them see who I was - that I'm only human. It was comforting to have some guys to show that to."

"Bill (Bauske) helped me a lot. Broke it down for me so I could get understanding for myself," said Raymond. "I went to each of them, Dan, Bill, Roy. Their actions were consistent with their words. It was very heavy for me to

recognize that God was in control of my life."

Raymond's faith led to a rediscovery of his outstanding talent as an artist and gave him a way to heal and reconnect with the natural world. Now, instead of the war scenes he drew as a kid, he draws scenes of peace, as well as of his Prince of Peace.

After a brief return home to Canada, Raymond went back to Minneapolis to work as a program aide for a non-profit that serves fellow homeless Native American alcoholics.

He regularly visits New Hope Center to encourage both staff and residents. When he does, the inner peace he radiates infects all those around him.

Raymond says the fight is over in his life. "I'm 100 percent with God," he now says with a smile. "I want Him to craft me the way He wants me."



The North-South Partnership supports Mishkeegogamang Recreation Programs.

## Improving Life for Children and Youth in Northwestern Ontario

Mishkeegogamang is benefiting from partnerships created by the North-South Partnership for Children. The goal of this organization is to improve life for children and youth in remote First Nations communities of northwestern Ontario. The organization includes representation from Northern communities, local and international non-government organizations (NGOs), academia, foundations and others. Mishkeegogamang Chief Connie Gray-McKay is a Board member, along with five other chiefs and representatives from the 30 First Nations of Northwestern Ontario.

One example of the practical help organized by the Partnership is the summer camp facilitated by Feed the Children Canada. This Christian-based organization will be coming out again this summer to run a three-week summer program for children. Another organization called Going Green is looking for ways to fund an ambulance for Mishkeegogamang. And a group called Christian Horizons brings people to the community to help with home renovations. The North-South Partnership for Children is working. Talk to Chief Connie Gray-McKay about how you could get involved.

## Mishkeegogamang Ojibway Nation

# 2009 Women's Conference



From the *Four Directions* by Dana Tiger

**MAY 29, 30, 31/2009 AT THE MISSABAY SCHOOL**

### ELDER TEACHINGS

Honouring & respecting ourselves as women • Taking care of ourselves  
• Roles & responsibilities as women • Making of a traditional calendar

Ice Breakers • Workshops and Handouts • Door Prizes

### SPECIAL EVENTS

Dr. Joel Bohemier – Maximized Living: A 1-Day Makeover

Cooking class with Cathy Turner @ 3:00 pm

Kick off to the "BIGGEST LOSER" Weight Loss Contest

Contact: Maureen Skunk 928-2407 • Dursilla James 928-2298 • Louise Loon 928-2298

# Mishkeegogamang First Nation Approach to Resource Development Agreements

## 1. Rights Based

- We believe that we have three types of rights: inherent rights gifted to us by the Creator, sacred rights passed to us by our grandmothers and grandfathers, and treaty rights negotiated with the Crown.
- These rights create obligations on us to protect our traditional lands for future generations. Our rights also entitle us to share in the benefits from the resources of our lands.
- Treaty lands are shared lands, not ceded lands. As shared lands, we have a legal right based on the treaty to share in the benefits from these lands.
- When we meet with companies, we have to begin by explaining our rights as the basis of why the companies have to share the benefits from their projects with us.

## 2. Consent

- Our position is that regardless of what other permissions (provincial, federal) that companies may require to proceed with their developments, they also need Mishkeegogamang's permission to work in our traditional lands.
- We see the agreements we negotiate with

companies as the vehicles through which we grant our permission. Without an agreement, there is no consent and the projects cannot proceed.

## 3. Timing

- We want to conclude agreements with companies at the exploration stage. Often companies will say, "Let's wait until we have a viable project before concluding any agreements." Our position is that at any project stage, companies require our permission to be on our traditional lands.
- Agreements which cover activities up to the point that a company makes a decision to move to the operations phase are called Exploration Agreements.
- Agreements which cover the operations phase of a project are called Impact Benefit Agreements.

## 4. Negotiation Expertise

- We realize that bringing in experts who have experience in assisting First Nations in the negotiation of resource agreements is important to ensure we are getting a fair deal in terms of other agreements that are being concluded.

- We use Gerry Kerr of Chignecto Consulting Group, who has extensive experience across the country in assisting with the negotiation of resource agreements.

- It is also important to have legal counsel on board to review the agreements, as these are legally binding contracts.

## 5. Due diligence

- The environmental impact of projects has to be assessed independently of the companies. We demand to see all permit applications and to have the right to have them assessed by independent environmental experts.
- We will also engage an independent financial advisor to review the company's business case to see if they are being honest about the financial prospects for the project.

## 6. Community Consultation

- We keep our community members informed on our progress. We begin by having our consultant give a presentation on Impact Benefit Agreements and types of benefits we can reasonably expect. We then ask members what their priorities are for the benefits we should negotiate.

- We follow up with members on updates and with an overview of the proposed agreement when negotiations have concluded.

## 7. Benefits

- We seek the following type of benefits in our agreements:
  - Employment
  - Business opportunities
  - Financial participation
  - Training opportunities
- In Exploration Agreements, we also seek a commitment from the companies that they will conclude an Impact Benefit Agreement with us as a condition of moving to the operations stage of the project.

## 8. Resolve

- Companies have to understand that if they refuse to negotiate fair agreements with us that there will be consequences.
- Our First Nation is prepared to do what we have to in order to block projects if the companies refuse to deal with us. This could include refusing to support permit applications, negative publicity about the company, legal action, or peaceful demonstrations.

## Healing Lodge Provides Opportunity for Family and Cultural Renewal

The Pashkokogan Healing Lodge is located on the traditional territory of Mishkeegogamang First Nation on beautiful Lake Pashkokogan. It provides a 14-day family treatment program committed to supporting families in overcoming addictions and trauma and regaining a strong spiritual connection to the land.

Referrals to the program may be made by a nurse or doctor, Tikinagan Child and Family Services or other community services, or clients can apply to the program individually.

Mishkeegogamang has a long history of trauma stemming from colonial policies. In June of 2000, a group was formed to begin addressing the impacts of these traumas and to start rebuilding the community. It was through this group that Pashkokogan Healing Lodge came into being. Some of the topics addressed at the Healing Lodge are the history of First Nations people, Ethno-stress, Genograms, Indigenous healing

practise, healing from trauma, and family roles. Counselling and sharing circles form an important part of the program.

The staff at the Healing Lodge includes a program manager, intake worker, case manager, program counsellors, youth counsellors and an elder.

The main building at the Lodge was donated by the Band; it was a school at one time before the community relocated to Osnaburgh. The main building has a conference room, kitchen area, and dining room. There are four log cabins that provide year-round comfort. The program can accommodate 5 families or 30 people in total, including children.

Clients that complete the program leave with a follow-up and aftercare plan. Referrals are made to existing services in their home communities to ensure they receive support and ongoing care. For more information on the Pashkokogan Family Treatment Program, call (807) 828-2606



Because of arson, Mishkeegogamang no longer qualifies for insurance on many of its buildings.

## Mishkeegogamang Taking All Possible Steps to Provide Safe Water

Mishkeegogamang water treatment plants at the New Osnaburgh School, Eric Lake, Ace Lake, and Ten Houses got a complete assessment in 2007. The assessments showed that \$3 million worth of work needed to be done. The community had been on a boil water advisory for five years.

Following the assessments, Chief Connie Gray-McKay wrote a letter to the Minister of Indian Affairs expressing urgent concern about the water issues at Ace Lake and Eric Lake. These two communities have wells and do not have the required five dwellings to qualify for a water system program.

On February 12, 2009, Chief Gray-McKay received a response from the Minister, Chuck Strahl, acknowledging that Mishkeegogamang considers the Ace Lake and Eric Lake water systems as a high priority.

Strahl affirmed the government's commitment to helping all First Nations to

provide safe, reliable, and clean drinking water. A two-year, \$330 million First Nations Water and Wastewater Action Plan supports this commitment. In his letter, Strahl commended Mishkeegogamang for the progress it has made:

*I understand the Mishkeegogamang First Nation's participation in the Safe Water Operations Program has led to the removal of drinking water advisories on two of your communities' water treatment systems. I commend you for your efforts and commitment to safe drinking water for your community.*

Chief Gray-McKay is pleased that Mishkeegogamang has qualified for a Safe Water Operations Protocol administered by INAC. Under this program, it has hired a professional contractor - Northern Waterworks - to oversee its water systems for three years.

## Themes and Concerns

Mishkeegogamang was one of two communities assessed by the North-South Partnership in 2007. In the assessment, community members expressed these common themes and concerns:

- Low income levels and high cost of living (especially for food and fuel)
- Lack of paid employment opportunities
- A desperate need for housing, including new construction, repairs and maintenance
- Lack of physical resources for recreation, including a lack of facilities and alternatives (e.g. arts and crafts)
- Need for children and youth programs, including sports and recreation, arts and crafts, and especially land-based programs to reunite the younger generation with their cultural heritage
- Addictions to gambling, drugs and alcohol, especially among young people
- Suicide and its impact on the wider community
- Effects of intergenerational abuse and trauma, including stress, depression, anxiety, and unresolved grief
- Health concerns, including diabetes, poor nutrition, respiratory illnesses, and mental health

See the many recommendations found throughout the report aimed at addressing these common themes and problems at [www.northsouthpartnership.com](http://www.northsouthpartnership.com)

## Thrift Store Set to Re-Open

Watch for the re-opening of the Thrift Store in the old finance building at Ten Houses, right across from the band office. This store, called Ojibway Women 2003, gets donations from several Christian organizations, including Christian Horizons in the U.S. and Kids Come First. Plans are to have the store open on Wednesdays, Fridays, and Saturdays.

**1st prize \$1,000.00 2nd prize \$500.00 3rd prize \$300.00**



**All ages – men & women encouraged to participate!!!**

## The Biggest Loser WEIGHT LOSS CONTEST

Weigh-in June 1, 2009  
at the Nursing Station  
Final Weigh-in and Measurement  
August 31, 2009

For more information contact:  
Louise Loon – 928-2298  
Dursilla James – 928-2298  
Daisy Spade – 928-2298

Do you want to lose weight safely?  
Do you want to get fit?  
Are you tired of being TIRED?  
Do you enjoy walking?