

Consolidated Financial Statements of

# **MATTAGAMI FIRST NATION**

And Independent Auditors' Report thereon

Year ended March 31, 2019

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Mattagami First Nation are the responsibility of management and have been approved by the 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 judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the consolidated financial statements are presented fairly, in all material respects.

The First Nation maintains systems 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.

The 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.

The Chief and Council review the First Nation's consolidated financial statements and recommend their approval. The Chief and Council meet periodically with management, as well as the external auditors to review the annual report, the consolidated financial statements and the external auditors' report. The Chief and Council take this information into consideration when approving the consolidated financial statements for issuance to the Members. The 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.

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Chief



Councilor

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Councilor

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Councilor



Councilor

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Councilor



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Canada  
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## INDEPENDENT AUDITORS' REPORT

To the Council and Members of Mattagami First Nation

### ***Opinion***

We have audited the consolidated financial statements of Mattagami First Nation (the "First Nation"), which comprise:

- the consolidated statement of financial position as at March 31, 2019
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and the notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements")

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2019, and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibility under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the First Nation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other responsibilities in accordance with these requirements.

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



## ***Responsibility of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the First Nation's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the First Nation or to cease operations or has no realistic alternative but to do so.

## ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, internal omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the First Nation's internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to the events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the First Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

*KPMG LLP*  
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Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada

October 2, 2019

# **MATTAGAMI FIRST NATION**

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Year ended March 31, 2019

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# MATTAGAMI FIRST NATION

## Consolidated Statement of Financial Position

March 31, 2019, with comparative information for 2018

	2019	2018
<b>Financial assets</b>		
Cash	\$ 332,135	\$ 795,246
Restricted cash (note 4)	43,288	43,111
Consolidated revenue trust fund (note 5)	30,155	29,471
Portfolio investments (note 6)	563,388	507,388
Accounts receivable (note 7)	2,061,912	1,397,023
Investment in Niiwin Limited Partnership (note 8 (i))	672,440	467,894
Investment in M'Hiigan Limited Partnership (note 8 (ii))	102	102
	<u>3,703,420</u>	<u>3,240,235</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	543,602	175,313
Deferred revenue	510,746	276,921
Long-term debt (note 9)	1,044,427	1,130,359
	<u>2,098,775</u>	<u>1,582,593</u>
Net financial assets	1,604,645	1,657,642
<b>Non-financial assets</b>		
Tangible capital assets (note 10)	9,514,377	8,012,201
Prepaid expenses	37,319	24,737
	<u>9,551,696</u>	<u>8,036,938</u>
Contingent liabilities (note 11)		
Commitments (note 12)		
Accumulated surplus (note 13)	\$ 11,156,341	\$ 9,694,580

See accompanying notes to consolidated financial statements.

On behalf of the First Nation:

Chief

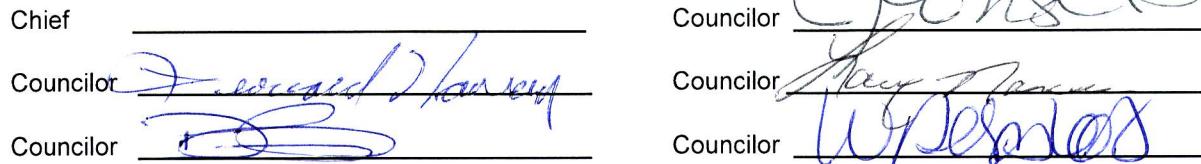
Councilor

Councilor

Councilor

Councilor

Councilor



Handwritten signatures of the Chief and three Councilors are placed over their respective names and titles. The Chief's signature is in blue ink. The three Councilors' signatures are also in blue ink, with the first two appearing to be in cursive and the third in a stylized font.

# MATTAGAMI FIRST NATION

Consolidated Statement of Operations and Accumulated Surplus

Year ended March 31, 2019, with comparative information for 2018

	2019	2018
<b>Revenue:</b>		
Federal funding (note 14)	\$ 3,606,224	\$ 4,345,681
Kunuwanimano Child and Family Services	1,401,308	-
Provincial funding	767,662	496,573
Grants and other subsidies	610,372	528,819
Other	3,041,504	2,033,126
Share of earnings from investment in government business enterprises	204,546	181,503
	<u>9,631,616</u>	<u>7,585,702</u>
<b>Expenses:</b>		
Band Support	1,233,714	1,045,401
Operation and Maintenance	1,547,392	1,325,839
Education	1,652,756	1,767,963
Health	1,273,323	1,041,873
Social Assistance	386,038	416,330
Other	1,725,289	523,079
Community Property	81,872	305,427
Business Enterprises	8,053	9,948
Social Housing	261,418	140,282
	<u>8,169,855</u>	<u>6,576,142</u>
<b>Excess of revenue over expenses</b>	<b>1,461,761</b>	<b>1,009,560</b>
<b>Accumulated surplus, beginning of year</b>	<b>9,694,580</b>	<b>8,685,020</b>
<b>Accumulated surplus, end of year</b>	<b>\$ 11,156,341</b>	<b>\$ 9,694,580</b>

See accompanying notes to consolidated financial statements.

# MATTAGAMI FIRST NATION

## Consolidated Statement of Changes in Net Financial Assets

Year ended March 31, 2019, with comparative information for 2018

	2019	2018
Excess of revenue over expenses	\$ 1,461,761	\$ 1,009,560
Acquisition of tangible capital assets	(2,146,492)	(1,347,806)
Amortization of tangible capital assets	644,316	613,648
Gain on disposal of tangible capital assets	-	(2,236)
Proceeds on disposal of tangible capital assets	-	6,000
	<u>(40,415)</u>	<u>279,166</u>
Acquisition of prepaid expenses	(37,319)	(24,737)
Use of prepaid expenses	24,737	30,179
Change in net financial assets	<u>(52,997)</u>	<u>284,608</u>
Net financial assets, beginning of year	1,657,642	1,373,034
Net financial assets, end of year	<u>\$ 1,604,645</u>	<u>\$ 1,657,642</u>

See accompanying notes to consolidated financial statements.

# MATTAGAMI FIRST NATION

## Consolidated Statement of Cash Flows

Year ended March 31, 2019, with comparative information for 2018

	2019	2018
<b>Cash flows from operating activities:</b>		
Excess of revenue over expenses	\$ 1,461,761	\$ 1,009,560
<b>Adjustments for:</b>		
Gain on disposal of tangible capital assets	- (2,236)	
Amortization of tangible capital assets	644,316	613,648
Share of earnings from investment in government business enterprises	(204,546) (181,503)	
	<u>1,901,531</u>	<u>1,439,469</u>
<b>Change in non-cash working capital:</b>		
Increase in accounts receivable	(664,889) (659,624)	
Decrease (increase) in prepaid expenses	(12,582) 5,442	
Increase (decrease) in accounts payable and accrued liabilities	368,289 (16,162)	
Increase (decrease) in deferred revenue	233,825 (722,995)	
	<u>1,826,174</u>	<u>46,130</u>
<b>Cash flows from financing activities:</b>		
Issuance of long-term debt	79,900 -	
Principal payments on long-term debt	(165,832) (163,755)	
	<u>(85,932)</u>	<u>(163,755)</u>
<b>Cash flows from investing activities:</b>		
Increase in investment in government business enterprise	- (102)	
Increase in portfolio investments	(56,000) -	
Increase (decrease) in consolidated revenue trust fund	(684) 196,661	
Proceeds on disposal of tangible capital assets	- 6,000	
Purchase of tangible capital assets	(2,146,492) (1,347,806)	
	<u>(2,203,176)</u>	<u>(1,145,247)</u>
<b>Net decrease in cash</b>	<b>(462,934)</b>	<b>(1,262,872)</b>
<b>Cash, beginning of year</b>	<b>838,357</b>	<b>2,101,229</b>
<b>Cash, end of year</b>	<b>\$ 375,423</b>	<b>\$ 838,357</b>
<b>Represented by:</b>		
Restricted cash	\$ 43,288	\$ 43,111
Cash	332,135	795,246
	<u>\$ 375,423</u>	<u>\$ 838,357</u>

See accompanying notes to consolidated financial statements.

# MATTAGAMI FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2019

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Mattagami First Nation (the “First Nation”) administers funds and performs services as contracted with various funding agencies for the benefit of its members.

## **1. Significant accounting policies:**

These financial statements of Mattagami First Nation (the “First Nation”) are the representation of management and have been prepared in accordance with Canadian generally accepted accounting principles for local 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 financial statements:

### **(a) Reporting entity:**

The reporting entity includes all of the committees and related entities of the First Nation under the control of the Chief and Council including:

- Niiwin Limited Partnership
- Niiwin General Partner Inc.
- M’Hiigan Limited Partnership
- M’Hiigan General Partner Inc.

The government business enterprises comprising the above are accounted for using the modified equity method. Under the modified equity method, the business enterprise’s accounting principles are not adjusted to conform to those of the First Nation and inter-organizational transactions and balances are not eliminated.

### **(b) Basis of accounting:**

The First Nation follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

### **(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 in the year of receipt and classified as such on the statement of financial position.

# MATTAGAMI FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2019

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## 1. Significant accounting policies (continued):

### (d) 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.

#### (i) 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 and landfill sites, are amortized on a straight-line basis over their estimated useful lives as follows:

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Land improvements	20 years
Buildings	25-40 years
Roads	15-40 years
Water systems	10-40 years
Machinery and equipment	5-25 years
Vehicles	5 years
Furniture, computer and fixtures	4-10 years

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Assets under construction are not amortized until the asset is available for productive use.

#### (ii) Works of art and cultural and historic assets are not recorded as assets in these financial statements.

### (e) 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 at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates and assumptions include the carrying amount of 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.

### (f) Consolidated revenue funds:

Funds held in trust are comprised of funds held in Ottawa Trust accounts and arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

### (g) Portfolio investments:

Portfolio investments are recorded at cost. Temporary declines in the market value of the investments are not adjusted.

# MATTAGAMI FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2019

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## 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 programs are subject to audit by the various agencies, with audit adjustments repayable to the government. Adjustments are recorded in the year during which the adjustments are determined.

## 2. Minor children distribution trust funds:

On July 26, 2004, the First Nation distributed \$2,100 to every member of the First Nation. Members who had not reached their 18<sup>th</sup> birth date as of July 26, 2004 are entitled to receive their distribution along with accumulated interest on their 18<sup>th</sup> birth date. The minor children distribution trust and related liability represents the distribution outstanding along with accumulated interest for those members entitled to a distribution, but who have not attained their 18<sup>th</sup> birth date as of March 31, 2019.

The trust funds are not included in these consolidated financial statements. The balance held in trust by the First Nation is \$68,101 (2018 - \$89,082).

## 3. Bank operating loan:

The First Nation has an operating line of credit of \$150,000 available with Bank of Montreal. At March 31, 2019, there is an outstanding balance of \$Nil (2018 - \$Nil). The line of credit is due on demand and has an interest rate of prime plus 1.875%.

## 4. Restricted cash:

In accordance with the operating agreements between the First Nation and Canada Mortgage and Housing Corporation ("CMHC"), the First Nation is required to set aside funding to maintain a replacement reserve bank account. Cash in the amount of \$43,288 (2018 - \$43,111) is restricted for this purpose by the First Nation. Under the terms of the agreement, the First Nation is required to have set aside \$93,938 (2018 - \$109,357).

## 5. Consolidated revenue trust fund:

	Revenue	Capital	Total
Balance beginning of year	\$ 4,511	24,960	\$ 29,471
Interest	684	—	684
Balance, end of year	\$ 5,195	24,960	\$ 30,155

# MATTAGAMI FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2019

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## 6. Portfolio investments:

	Cost	Market value at March 31, 2019	Cost	Market value at March 31, 2018
Pan American Silver (formerly Tahoe Resources)	\$ 453,888	178,662	\$ 453,888	339,482
Gowest Gold Ltd.	6,000	2,000	6,000	5,500
Scythian Biosciences Corp.	10,000	8,950	10,000	11,500
Noble Mineral Exploration Inc.	2,000	3,750	2,000	5,250
Explor Resources Inc.	2,000	1,500	2,000	2,000
Melkior Resources Inc.	6,000	10,000	6,000	8,000
GFG Resources Inc.	18,750	12,150	18,750	20,048
Trio Resources Inc.	1,500	125	1,500	35
Rogue Resources Inc.	4,750	3,500	4,750	15,000
Kapuskasing Gold Corp.	2,500	3,000	2,500	1,500
Probe Metals Inc.	41,500	24,500	—	—
Rainy Mountain Royalty Corp.	6,500	1,000	—	—
iMetal Resources Inc.	2,500	4,000	—	—
Central Timmins Exploration Corp.	5,500	4,000	—	—
	\$ 563,388	257,137	\$ 507,388	408,315

## 7. Accounts receivable:

	2019	2018
Indigenous Services Canada	\$ 643,655	\$ 360,716
Mining agreements	692,451	199,731
Wabun Tribal Council	254,018	59,432
Due from Mattagami Trust	139,721	90,731
Nishnawbe Aski Nation	101,548	129,194
Canadian Mortgage and Housing Corporation	57,234	420,733
Due from members	12,124	24,483
Other	161,161	112,003
	\$ 2,061,912	\$ 1,397,023

# MATTAGAMI FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2019

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## 8. Investment in government business enterprises:

- (i) The First Nation has a 25% equity interest in both the Niiwin Limited Partnership ("NLP") and its general partner Niiwin General Partner Inc. ("NGPI") as follows:

	2019	2018
Niiwin General Partner Inc. (25 common shares)	\$ 672	\$ 442
Niiwin Limited Partnership	671,768	467,452
	<hr/> \$ 672,440	<hr/> \$ 467,894

The investment at March 31, 2019 consists of the following:

	NLP	NGPI	2019	2018
Balance, beginning of year	467,452	442	\$ 467,894	\$ 286,391
First Nation's share of earnings	204,316	230	204,546	181,503
Balance, end of year	<hr/> 671,768	<hr/> 672	<hr/> \$ 672,440	<hr/> \$ 467,894

Financial information for NLP as at, and for the year ended March 31, 2019, is as follows:

	2019	2018
Financial position:		
Current assets	\$ 3,373,887	\$ 2,320,153
Non-current assets	2,623,288	1,753,287
Total assets	5,997,175	4,073,440
Current liabilities	2,038,406	1,394,366
Long-term debt	1,269,008	905,901
Total liabilities	3,307,414	2,300,267
Partners' equity	<hr/> \$ 2,689,761	<hr/> \$ 1,773,173

Results of operations:

Revenue	\$ 11,576,530	\$ 8,066,540
Expenses	(10,659,942)	(7,404,017)
Net earnings	<hr/> \$ 916,588	<hr/> \$ 662,523

- (ii) The First Nation has a 51% equity interest in M'Hiigan General Partner Inc. and a 50.99% equity interest in M'Hiigan Limited Partnership. The Partnership was formed on September 29, 2017 and has no operating activity to date.

# MATTAGAMI FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2019

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## 9. Long-term debt:

	2019	2018
CMHC mortgage payable in monthly installments of \$2,091 including interest at 1.03%, renewing October, 2021	\$ 177,167	\$ 200,309
CMHC mortgage payable in monthly installments of \$1,714 including interest at 0.96%, renewing September 2021	331,190	348,492
CMHC mortgage payable in monthly installments of \$914 including interest at 0.96%, renewing September 1, 2021	176,634	185,861
Bank of Montreal loan payable #1, due on demand, monthly installments of \$1,382 including interest at prime plus 1.75%, maturing January 31, 2022	46,977	63,557
Bank of Montreal loan payable #2, due on demand, monthly installments of \$1,095 including interest at prime plus 1.75%, maturing in November 2020	21,840	32,759
Bank of Montreal loan payable #3, due on demand, monthly installments of \$2,141 including interest at prime plus 1.75%, maturing in February 2021	46,000	69,000
Bank of Montreal loan payable #4, due on demand, monthly installments of \$5,586 including interest at prime plus 1.75%, maturing in February 2021	115,000	175,000
Bank of Montreal loan payable #5, due on demand, monthly installments of \$1,594 including interest at prime plus 1.75%, maturing in December 2023	78,569	—
Bank of Montreal mortgage payable on behalf of Morris Naveau, monthly installments of \$661, including interest at 7.25%, unsecured	51,050	55,381
	<b>\$ 1,044,427</b>	<b>\$ 1,130,359</b>

The loans payable (#1, #2, #3 and #5) to Bank of Montreal are secured by specified equipment having a total carrying value of \$262,130 (2018 - \$215,108). Loan payable #4 to Bank of Montreal is secured by a general security agreement.

Principal repayments due within the next five years, assuming demand loans are payable to term, are as follows:

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2020	\$ 180,068
2021	174,774
2022	622,491
2023	23,373
2024	43,721
	<b>\$ 1,044,427</b>

# MATTAGAMI FIRST NATION

Consolidated Notes to Financial Statements

Year ended March 31, 2019

## 10. Tangible capital assets:

Cost	Balance at March 31, 2018	Additions	Disposals	Balance at March 31, 2019
Land improvements	\$ 831,844	-	-	831,844
Buildings	6,436,289	1,288,365	-	7,724,654
Roads	1,007,708	-	-	1,007,708
Water systems	5,466,129	38,040	-	5,504,169
Machinery and equipment	1,478,095	65,303	-	1,543,398
Vehicles	201,940	196,561	-	398,501
Furniture, computers and fixtures	547,070	139,390	-	686,460
Assets under construction	1,255,975	1,724,298	(1,305,465)	1,674,808
<b>Total</b>	<b>\$ 17,225,050</b>	<b>3,451,957</b>	<b>(1,305,465)</b>	<b>19,371,542</b>

Accumulated Amortization	Balance at March 31, 2018	Disposals	Amortization	Balance at March 31, 2019
Land improvements	\$ 622,107	-	38,133	660,240
Buildings	4,092,818	-	256,614	4,349,432
Roads	891,819	-	4,685	896,504
Water systems	2,354,579	-	168,933	2,523,512
Machinery and equipment	739,002	-	73,849	812,851
Vehicles	152,142	-	39,576	191,718
Furniture, computers and fixtures	360,382	-	62,526	422,908
<b>Total</b>	<b>\$ 9,212,849</b>	<b>-</b>	<b>644,316</b>	<b>9,857,165</b>

	Net book value, March 31, 2018	Net book value, March 31, 2019
Land improvements	\$ 209,737	171,604
Buildings	2,343,471	3,375,222
Roads	115,889	111,204
Water systems	3,111,550	2,980,657
Machinery and equipment	739,093	730,547
Vehicles	49,798	206,783
Furniture, computers and fixtures	186,688	263,552
Assets under construction	1,255,975	1,674,808
<b>Total</b>	<b>\$ 8,012,201</b>	<b>9,514,377</b>

# MATTAGAMI FIRST NATION

Consolidated Notes to Financial Statements

Year ended March 31, 2019

## 10. Tangible capital assets (continued):

Cost	Balance at March 31, 2017	Additions	Disposals	Balance at March 31, 2018
Land improvements	\$ 831,844	-	-	831,844
Buildings	6,436,289	-	-	6,436,289
Roads	1,007,708	-	-	1,007,708
Water systems	5,466,129	-	-	5,466,129
Machinery and equipment	1,386,264	91,831	-	1,478,095
Vehicles	239,566	-	(37,626)	201,940
Furniture, computers and fixtures	547,070	-	-	547,070
Assets under construction	-	1,255,975	-	1,255,975
<b>Total</b>	<b>\$ 15,914,870</b>	<b>1,347,806</b>	<b>(37,626)</b>	<b>17,225,050</b>
<hr/>				
Accumulated Amortization	Balance at March 31, 2017	Disposals	Amortization	Balance at March 31, 2018
Land improvements	\$ 583,974	-	38,133	622,107
Buildings	3,860,614	-	232,204	4,092,818
Roads	887,134	-	4,685	891,819
Water systems	2,164,353	-	190,226	2,354,579
Machinery and equipment	666,883	-	72,119	739,002
Vehicles	158,559	(33,862)	27,445	152,142
Furniture, computers and fixtures	311,546	-	48,836	360,382
<b>Total</b>	<b>\$ 8,633,063</b>	<b>(33,862)</b>	<b>613,648</b>	<b>9,212,849</b>
<hr/>				
	Net book value, March 31, 2017		Net book value, March 31, 2018	
Land improvements	\$ 247,870		209,737	
Buildings	2,575,675		2,343,471	
Roads	120,574		115,889	
Water systems	3,301,776		3,111,550	
Machinery and equipment	719,381		739,093	
Vehicles	81,007		49,798	
Furniture, computers and fixtures	235,524		186,688	
Assets under construction	-		1,255,975	
<b>Total</b>	<b>\$ 7,281,807</b>		<b>8,012,201</b>	

# MATTAGAMI FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2019

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## 11. Contingent liabilities:

- (i) Indigenous Services Canada ("ISC") has guaranteed loans on behalf of its members in the amount of \$825,016 (2018 - \$909,677). If any loans are in default and required payment by ISC, the amount paid will be charged to the First Nation.
- (ii) The First Nation has guaranteed housing loans on behalf of First Nation members in the amount of \$619,305 (2018 - \$459,209).
- (iii) The First Nation has endorsed CMHC loans made to various members under the Rural Rehabilitation Assistance Program and is contingently liable.

## 12. Commitments:

The First Nation has entered into sales agreements with a building contracting company, committing to the construction of two new homes totaling \$801,000, of which \$721,000 in remaining costs are to be paid.

## 13. Accumulated surplus:

Accumulated surplus consists of individual fund surplus (deficit) and reserve funds as follows:

	2019	2018
Invested in tangible capital assets	\$ 8,768,168	\$ 7,180,061
Operations	(602,724)	86,189
Investment in Niiwin Limited Partnership	672,440	467,894
Investment in M'Hiigan Limited Partnership	102	102
Reserves and restricted funds	2,318,355	1,960,334
Accumulated surplus	\$ 11,156,341	\$ 9,694,580

## 14. Federal funding:

	2019	2018
Indigenous Services Canada	\$ 2,742,839	\$ 3,574,844
Health Canada	713,083	413,200
Canada Mortgage and Housing Corporation	133,410	347,377
Service Canada	16,892	10,260
	\$ 3,606,224	\$ 4,345,681

Indigenous Services Canada revenue is as follows:

	2019	2018
Revenue per funding confirmation	\$ 3,018,343	\$ 2,782,624
Add: deferred revenue, beginning of year	193,196	985,416
Less: deferred revenue, end of year	(468,700)	(193,196)
Revenue as reported	\$ 2,742,839	\$ 3,574,844

# MATTAGAMI FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2019

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## **15. Comparative information:**

The consolidated financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect the prior year surplus.

## **16. Segmented information:**

Mattagami First Nation is a diversified governmental institution that provides a wide range of services to its band members, including band support, health services, education, social assistance, and capital. 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 functional areas and their activities and are reported in these programs. Certain functional areas that have been separately disclosed in the accompanying Schedules, along with the service they provide.

### **Band Support**

The band support department oversees the delivery of all governmental services. The department is responsible for ensuring that there are adequate policies and procedures in place to safeguard assets and to properly report financial activities. In addition, this department includes the governance activities of chief and council and management and assistance for computer and communications related projects and services.

### **Health Services**

The health services department provides a diverse bundle of services directed toward the well-being of the members of the member First Nations including such activities as long-term care, medical transportation services, health centers, diabetes, fetal alcohol syndrome, mental health, smoke free programs, traditional healing and training designed to enhance the health of member communities.

### **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.

### **Social Assistance**

The social assistance department provides services under the Provincial Ontario Works Program including both active measures such as employment training and financial assistance components. In addition, the department manages the national child benefit programs.

# MATTAGAMI FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2019

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## **16. Segmented information (continued):**

### **Social 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 collections and maintenance management.

### **Community Property**

The capital 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.

### **Infrastructure**

The infrastructure or public works department provides the First Nation with support services for the repair and maintenance of all First Nation owned assets including buildings, roads, water systems and equipment.

### **Economic and Community Development**

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

### **Restricted**

The First Nation's activities related to its participation with the Ontario First Nations Limited Partnership are identified and managed by this department.

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

# MATTAGAMI FIRST NATION

Consolidated Notes to Financial Statements

Year ended March 31, 2019

## 16. Segmented information (continued):

	Band Support	Health Services	Education	Social Assistance	Social Housing	Community Property	Infrastructure	Economic and Community Development	Restricted	2019 Total
Revenue	\$ 810,745	1,345,828	1,669,731	398,932	143,745	1,713,748	799,092	1,985,914	763,881	9,631,616
Expenses:										
Salaries wages and benefits	508,783	526,215	846,321	32,404	-	20,343	374,176	223,417	-	2,531,659
Materials, supplies, rentals and general	160,768	30,267	46,018	-	186,482	1,603,577	488,559	-	-	2,515,671
Administration (chargebacks)	(74,660)	70,660	-	-	-	-	-	4,000	-	-
Tuition	-	-	213,057	-	-	-	-	-	-	213,057
Travel	204,991	35,681	61,666	273	-	-	27,700	22,836	-	353,147
Other	465,952	738,929	535,714	353,295	15,300	182,250	285,916	1,481,140	-	4,058,496
Investment in tangible capital assets	(43,914)	(156,496)	(78,925)	-	-	(1,724,298)	(142,858)	-	-	(2,146,491)
Amortization of tangible capital assets	11,794	28,067	28,905	66	59,636	-	513,899	1,949	-	644,316
	1,233,714	1,273,323	1,652,756	386,038	261,418	81,872	1,547,392	1,733,342	-	8,169,855
Excess (deficiency) of revenue over expenses	\$ (422,969)	72,505	16,975	12,894	(117,673)	1,631,876	(748,300)	252,572	763,881	1,461,761

# MATTAGAMI FIRST NATION

Consolidated Notes to Financial Statements

Year ended March 31, 2019

## 16. Segmented information (continued):

	Band Support	Health Services	Education	Social Assistance	Social Housing	Community Property	Infrastructure	Economic and Community Development	Restricted	2018 Total
Revenue	\$ 569,860	1,054,607	1,468,156	412,249	149,340	1,550,152	721,869	1,053,083	606,386	7,585,702
<b>Expenses:</b>										
Salaries wages and benefits	425,196	395,222	834,858	31,879	-	48,132	328,824	187,766	-	2,251,877
Materials, supplies, rentals and general	211,487	35,409	90,810	-	61,675	1,502,020	398,416	-	-	2,299,817
Administration (chargebacks)	(4,000)	-	-	-	-	-	-	4,000	-	-
Tuition	-	-	314,723	-	-	-	-	-	-	314,723
Travel	131,748	49,732	49,000	2,216	-	-	21,816	24,342	-	278,854
Other	283,903	573,892	453,718	382,169	18,973	11,250	117,453	323,671	-	2,165,029
Investment in tangible capital assets	(9,352)	(29,155)	-	-	-	(1,255,975)	(45,414)	(7,910)	-	(1,347,806)
Amortization of tangible capital assets	6,419	16,773	24,854	66	59,634	-	504,744	1,158	-	613,648
	1,045,401	1,041,873	1,767,963	416,330	140,282	305,427	1,325,839	533,027	-	6,576,142
Excess (deficiency) of revenue over expenses	\$ (475,541)	12,734	(299,807)	(4,081)	9,058	1,244,725	(603,970)	520,056	606,386	1,009,560