

Consolidated Financial Statements of

MATTAGAMI FIRST NATION

And Independent Auditors' Report thereon

Year ended March 31, 2020

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.

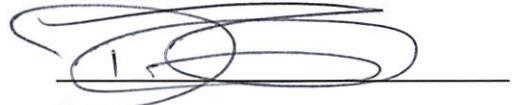
The Chief and Council are responsible for ensuring that management fulfills its responsibilities for financial reporting and are ultimately responsible for reviewing and approving the consolidated financial statements.

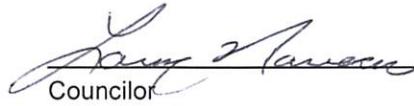
The Chief and Council review the First Nation's consolidated financial statements and recommend their approval. The Chief and Council meet periodically with management, as well as the external auditors to review the annual report, the consolidated financial statements and the external auditors' report. 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.

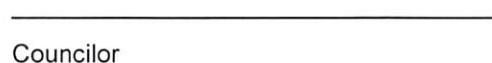

Chief


Councilor


Councilor


Councilor


Councilor


Councilor



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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, 2020
- 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 and schedules 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, 2020, 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.

Other Matter – Restriction of Use

Our report is intended for the management and Chief and Council of the First Nation and should not be used by parties other than the management and Chief and Council of the First Nation.

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.



Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada
March 25, 2021

MATTAGAMI FIRST NATION

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Year ended March 31, 2020

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MATTAGAMI FIRST NATION

Consolidated Statement of Financial Position

March 31, 2020, with comparative information for 2019

	2020	2019
Financial Assets		
Cash	\$ 4,982,135	\$ 332,135
Restricted cash (note 4)	43,487	43,288
Consolidated revenue trust fund (note 5)	30,747	30,155
Portfolio investments (note 6)	813,388	563,388
Accounts receivable (note 7)	806,867	2,061,912
Investment in Niiwin Limited Partnership (note 8 (i))	712,728	672,440
Investment in M'Hiigan Limited Partnership (note 8 (ii))	2	102
	<u>7,389,354</u>	<u>3,703,420</u>
Financial Liabilities		
Accounts payable and accrued liabilities	216,781	543,602
Deferred revenue	1,189,385	510,746
Long-term debt (note 9)	863,356	1,044,427
	<u>2,269,522</u>	<u>2,098,775</u>
Net financial assets	5,119,832	1,604,645
Non-financial Assets		
Tangible capital assets (note 10)	9,807,081	9,514,377
Prepaid expenses	62,115	37,319
	<u>9,869,196</u>	<u>9,551,696</u>
Contingent liabilities (note 11)		
Commitments (note 12)		
Effects of COVID-19 (note 16)		
Accumulated surplus (note 13)	<u>\$ 14,989,028</u>	<u>\$ 11,156,341</u>

See accompanying notes to consolidated financial statements.

On behalf of the First Nation:

Chief

Chad Renn
Frederick N. Renn
Frederick N. Renn

Councilor

Larry Nauess
Frederick N. Renn
Frederick N. Renn

Councilor

Frederick N. Renn
Frederick N. Renn
Frederick N. Renn

MATTAGAMI FIRST NATION

Consolidated Statement of Operations and Accumulated Surplus

Year ended March 31, 2020, with comparative information for 2019

	2020	2019
Revenue:		
Federal funding (note 14)	\$ 3,451,162	\$ 3,606,224
Kunuwanimano Child and Family Services	-	1,401,308
Grants and other subsidies	2,673,073	610,372
Provincial funding	862,241	767,662
Other	3,797,734	3,041,504
Share of earnings from investment in government business enterprise (note 8)	140,288	204,546
	<hr/> 10,924,498	<hr/> 9,631,616
Expenses:		
Band support	976,196	1,233,714
Operation and maintenance	1,626,251	1,547,392
Education	1,548,219	1,652,756
Health	1,246,379	1,273,323
Social assistance	480,635	386,038
Other	820,162	1,725,289
Community property	185,254	81,872
Business enterprises	4,950	8,053
Social housing	203,765	261,418
	<hr/> 7,091,811	<hr/> 8,169,855
Excess of revenue over expenses	3,832,687	1,461,761
Accumulated surplus, beginning of year	11,156,341	9,694,580
Accumulated surplus, end of year	\$ 14,989,028	\$ 11,156,341

See accompanying notes to consolidated financial statements.

MATTAGAMI FIRST NATION

Consolidated Statement of Changes in Net Financial Assets

Year ended March 31, 2020, with comparative information for 2019

	2020	2019
Excess of revenue over expenses	\$ 3,832,687	\$ 1,461,761
Acquisition of tangible capital assets	(1,072,378)	(2,146,492)
Amortization of tangible capital assets	766,174	644,316
Loss on disposal of tangible capital assets	1,000	-
Proceeds on disposal of tangible capital assets	12,500	-
	3,539,983	(40,415)
Acquisition of prepaid expenses	(62,115)	(37,319)
Use of prepaid expenses	37,319	24,737
Change in net financial assets	3,515,187	(52,997)
Net financial assets, beginning of year	1,604,645	1,657,642
Net financial assets, end of year	\$ 5,119,832	\$ 1,604,645

See accompanying notes to consolidated financial statements.

MATTAGAMI FIRST NATION

Consolidated Statement of Cash Flows

Year ended March 31, 2020, with comparative information for 2019

	2020	2019
Cash flows from operating activities:		
Excess of revenue over expenses	\$ 3,832,687	\$ 1,461,761
Adjustments for:		
Amortization of tangible capital assets	766,174	644,316
Loss on disposal of tangible capital assets	1,000	-
Loss on investment in government business enterprise	100	-
Share of earnings from investment in government business enterprises	(140,288)	(204,546)
	<u>4,459,673</u>	<u>1,901,531</u>
Change in non-cash working capital:		
Decrease (increase) in accounts receivable	1,255,045	(664,889)
Increase in prepaid expenses	(24,796)	(12,582)
Increase (decrease) in accounts payable and accrued liabilities	(326,821)	368,289
Increase in deferred revenue	678,639	233,825
	<u>6,041,740</u>	<u>1,826,174</u>
Cash flows from financing activities:		
Issuance of long-term debt	-	79,900
Principal payments on long-term debt	(181,071)	(165,832)
	<u>(181,071)</u>	<u>(85,932)</u>
Cash flows from investing activities:		
Increase in portfolio investments	(250,000)	(56,000)
Distribution from investment in government business enterprise	100,000	-
Decrease in consolidated revenue trust fund	(592)	(684)
Proceeds on disposal of tangible capital assets	12,500	-
Purchase of tangible capital assets	(1,072,378)	(2,146,492)
	<u>(1,210,470)</u>	<u>(2,203,176)</u>
Net increase (decrease) in cash	4,650,199	(462,934)
Cash, beginning of year	375,423	838,357
Cash, end of year	\$ 5,025,622	\$ 375,423
Represented by:		
Restricted cash	\$ 43,487	\$ 43,288
Cash	4,982,135	332,135
	<u>\$ 5,025,622</u>	<u>\$ 375,423</u>

See accompanying notes to consolidated financial statements.

MATTAGAMI FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2020

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, 2020

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:

Land improvements	5-20 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

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 and accounts payable and accrued liabilities. 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.

MATTAGAMI FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2020

1. Significant accounting policies (continued):

(g) Portfolio investments:

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

(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 18th birth date as of July 26, 2004 are entitled to receive their distribution along with accumulated interest on their 18th 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 18th birth date as of March 31, 2020.

The trust funds are not included in these consolidated financial statements. The balance held in trust by the First Nation is \$46,312 (2019 - \$68,101).

3. Bank operating loan:

The First Nation has an operating line of credit of \$150,000 available with Bank of Montreal. At March 31, 2020, there is an outstanding balance of \$Nil (2019 - \$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 \$43,487 (2019 - \$43,288) is restricted for this purpose by the First Nation. Under the terms of the agreement, the First Nation is required to have set aside \$89,850 (2019 - \$93,938).

5. Consolidated revenue trust fund:

	Revenue	Capital	Total
Balance beginning of year	\$ 5,195	\$ 24,960	\$ 30,155
Interest	592	-	592
Balance, end of year	\$ 5,787	\$ 24,960	\$ 30,747

MATTAGAMI FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2020

6. Portfolio investments:

	Cost	Market value at March 31, 2020	Cost	Market value at March 31, 2019
Pan American Silver (formerly Tahoe Resources)	\$ 453,888	\$ 193,226	\$ 453,888	\$ 178,662
Gowest Gold Ltd.	6,000	6,000	6,000	2,000
SOL Global Investments Corp.	10,000	575	10,000	8,950
Noble Mineral Exploration Inc.	2,000	1,125	2,000	3,750
Galleon Gold Corp.	2,000	2,500	2,000	1,500
Melkior Resources Inc.	6,000	24,000	6,000	10,000
GFG Resources Inc.	18,750	5,771	18,750	12,150
Trio Resources Inc.	1,500	50	1,500	125
Rogue Resources Inc.	4,750	2,500	4,750	3,500
Kapuskasing Gold Corp.	2,500	5,000	2,500	3,000
Probe Metals Inc.	41,500	15,250	41,500	24,500
Rainy Mountain Royalty Corp.	6,500	3,000	6,500	1,000
iMetal Resources Inc.	2,500	750	2,500	4,000
Central Timmins Exploration Corp.	5,500	5,000	5,500	4,000
Sweat Lodge Technologies Inc.	250,000	250,000	—	—
	\$ 813,388	\$ 514,747	\$ 563,388	\$ 257,137

7. Accounts receivable:

	2020	2019
Indigenous Services Canada	\$ 220,269	\$ 643,655
Province of Ontario	70,515	—
Government of Canada	5,697	—
Mining agreements	152,633	692,451
Wabun Tribal Council	117,072	254,018
Due from Mattagami Trust	72,318	139,721
Nishnawbe Aski Nation	76,922	101,548
Canadian Mortgage and Housing Corporation	5,072	57,234
Due from members	29,221	12,124
Other	57,148	161,161
	\$ 806,867	\$ 2,061,912

MATTAGAMI FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2020

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:

	2020	2019
Niiwin General Partner Inc. (25 common shares)	\$ 795	\$ 672
Niiwin Limited Partnership	711,733	671,768
	\$ 712,728	\$ 672,440

The investment at March 31, 2020 consists of the following:

	NLP	NGPI	2020	2019
Balance, beginning of year	\$ 671,768	\$ 672	\$ 672,440	\$ 467,894
First Nation's share of earnings	140,165	123	140,288	204,546
Partner distribution	(100,000)	—	(100,000)	—
Balance, end of year	\$ 711,933	\$ 795	\$ 712,728	\$ 672,440

Financial information for NLP as at, and for the year ended March 31, 2020, is as follows:

	2020	2019
Financial position:		
Current assets	\$ 2,135,507	\$ 3,373,887
Non-current assets	3,159,987	2,623,288
Total assets	5,295,494	5,997,175
Current liabilities	1,116,965	2,038,406
Long-term debt	1,327,616	1,269,008
Total liabilities	2,444,581	3,307,414
Partners' equity	\$ 2,850,913	\$ 2,689,761

Results of operations:

Revenue	\$ 7,746,367	\$ 11,576,530
Expenses	(7,185,215)	(10,659,942)
Net earnings	\$ 561,152	\$ 916,588

(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, 2020

9. Long-term debt:

	2020	2019
CMHC mortgage payable in monthly installments of \$2,091 including interest at 1.03%, renewing October 2021	\$ 153,790	\$ 177,167
CMHC mortgage payable in monthly installments of \$1,714 including interest at 0.96%, renewing September 2021	313,730	331,190
CMHC mortgage payable in monthly installments of \$914 including interest at 0.96%, renewing September 1, 2021	167,321	176,634
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	30,397	46,977
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	10,920	21,840
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	23,000	46,000
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	55,000	115,000
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	62,589	78,569
Bank of Montreal mortgage payable on behalf of Morris Naveau, monthly installments of \$661, including interest at 7.25%, unsecured	46,609	51,050
	<hr/> \$ 863,356	<hr/> \$ 1,044,427

The Bank of Montreal loans payable (#1, #2, #3 and #5) are secured by specified equipment having a total carrying value of \$221,262 (2019 - \$262,130). Loan payable #4 to Bank of Montreal is secured by a general security agreement.

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

2021	\$ 177,055
2022	619,981
2023	23,373
2024	42,947

MATTAGAMI FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2020

10. Tangible capital assets:

Cost	Balance at March 31, 2019	Additions	Disposals / Transfers	Balance at March 31, 2020
Land improvements	\$ 831,844	\$ 1,000,254	\$ -	\$ 1,832,098
Buildings	7,724,654	1,522,657	-	9,247,311
Roads	1,007,708	25,000	-	1,032,708
Water systems	5,504,169	-	-	5,504,169
Machinery and equipment	1,543,398	67,873	-	1,611,271
Vehicles	398,501	99,546	(45,000)	453,047
Furniture, computers and fixtures	686,460	20,606	-	707,066
Assets under construction	1,674,808	-	(1,663,558)	11,250
Total	\$ 19,371,542	\$ 2,735,936	\$ (1,708,558)	\$ 20,398,920
Accumulated Amortization	Balance at March 31, 2019	Disposals	Amortization	Balance at March 31, 2020
Land improvements	\$ 660,240	\$ -	\$ 88,146	\$ 748,386
Buildings	4,349,432	-	311,471	4,660,903
Roads	896,504	-	5,310	901,814
Water systems	2,523,512	-	149,972	2,673,484
Machinery and equipment	812,851	-	76,463	889,314
Vehicles	191,718	(31,500)	60,186	220,404
Furniture, computers and fixtures	422,908	-	74,626	497,534
Total	\$ 9,857,165	\$ (31,500)	\$ 766,174	\$ 10,591,839
	Net book value, March 31, 2019		Net book value, March 31, 2020	
Land improvements	\$ 171,604		\$ 1,083,712	
Buildings	3,375,222		4,586,408	
Roads	111,204		130,894	
Water systems	2,980,657		2,830,685	
Machinery and equipment	730,547		721,957	
Vehicles	206,783		232,643	
Furniture, computers and fixtures	263,552		209,532	
Assets under construction	1,674,808		11,250	
Total	\$ 9,514,377		\$ 9,807,081	

MATTAGAMI FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2020

10. Tangible capital assets:

Cost	Balance at March 31, 2018	Additions	Disposals / Transfers	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
Total	\$ 17,225,050	\$ 3,451,957	\$ (1,305,465)	\$ 19,371,542
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
Total	\$ 9,212,849	\$ -	\$ 644,316	\$ 9,857,165
	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	
Total	\$ 8,012,201		\$ 9,514,377	

MATTAGAMI FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2020

11. Contingent liabilities:

- (i) Indigenous Services Canada ("ISC") has guaranteed loans on behalf of its members in the amount of \$744,379 (2019 - \$825,016). If any loans are in default and payment required 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 \$619,553 (2019 - \$619,305).
- (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:

	2020	2019
Invested in tangible capital assets	\$ 9,045,338	\$ 8,636,001
Operations	2,443,586	(470,557)
Investment in Niiwin Limited Partnership	712,728	672,440
Investment in M'Hiigan Limited Partnership	2	102
Reserves and restricted funds	2,787,374	2,318,355
Accumulated surplus	\$ 14,989,028	\$ 11,156,341

14. Federal funding:

	2020	2019
Indigenous Services Canada	\$ 3,309,907	\$ 2,742,839
Health Canada	—	713,083
Canada Mortgage and Housing Corporation	114,455	133,410
Service Canada	26,800	16,892
	\$ 3,451,162	\$ 3,606,224

Indigenous Services Canada revenue is as follows:

	2020	2019
Revenue per funding confirmation	\$ 3,986,494	\$ 3,018,343
Add: deferred revenue, beginning of year	468,700	193,196
Less: deferred revenue, end of year	(1,145,287)	(468,700)
Revenue as reported	\$ 3,309,907	\$ 2,742,839

MATTAGAMI FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2020

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. Effects of COVID-19:

On March 11, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This has resulted in governments worldwide, including the Canadian and Ontario governments, enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally and in Ontario resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions however the success of these interventions is not currently determinable. The current challenging economic climate may lead to adverse changes in cash flows, working capital levels and/or debt balances, which may also have a direct impact on the First Nation's operating results and financial position in the future. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect to the First Nation's business is not known at this time.

17. 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.

The accompanying Schedules of Financial Activity and Change in Program Balances (the "Schedules") detail the programming delivered by the First Nation.

The accounting policies used in these Schedules 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

Notes to Consolidated Financial Statements

Year ended March 31, 2020

17. Segmented information (continued):

	Band Support	Health Services	Education	Social Assistance	Social Housing	Community Property	Infrastructure	Economic and Community Development	Restricted	2020 Total
Revenue	\$ 664,179	1,423,240	1,435,913	475,071	149,379	251,290	835,441	5,028,494	661,491	10,924,498
Expenses:										
Salaries wages and benefits	471,602	575,090	827,740	34,331	-	-	479,731	281,005	-	2,669,499
Materials, supplies, rentals and general	152,370	68,011	43,413	-	82,910	-	384,818	10,370	-	741,892
Administration (chargebacks)	(107,202)	72,013	15,105	-	-	-	-	24,087	-	4,003
Tuition	-	-	352,610	-	-	-	-	-	-	352,610
Travel	125,559	19,355	67,918	16,166	-	-	13,704	55,382	-	298,084
Other	292,942	461,302	217,409	430,138	817,695	228,805	288,825	473,694	-	3,210,810
Loss in GBE investment	-	-	-	-	-	-	-	100	-	100
Investment in tangible capital assets	(5,042)	(61,490)	(8,425)	-	(773,657)	(43,551)	(140,266)	(27,449)	-	(1,059,880)
Amortization of tangible capital assets	17,649	33,730	32,449	-	76,817	-	599,439	6,090	-	766,174
OFNLP expenses	28,318	78,368	-	-	-	-	-	1,833	-	108,519
	976,196	1,246,379	1,548,219	480,635	203,765	185,254	1,626,251	825,112	-	7,091,811
Excess (deficiency) of revenue over expenses	\$ (312,017)	176,861	(112,306)	(5,564)	(54,386)	66,036	(790,810)	4,203,382	661,491	3,832,687

MATTAGAMI FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2020

17. 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	1,345,328	1,669,731	398,932	143,745	1,713,748	799,092	1,985,914	763,881	9,631,116
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)	72,005	16,975	12,894	(117,673)	1,631,876	(748,300)	252,572	763,881	1,461,261

MATTAGAMI FIRST NATION

BAND SUPPORT

Schedule of Financial Activity and Change in Program Balance

Year ended March 31, 2020, with comparative information for 2019

	2020	2019
Revenue:		
Deferred revenue, beginning of year	\$ 26,492	\$ -
Federal funding	314,812	432,295
Grants and other subsidies	148,878	-
Provincial	20,914	29,419
Other	153,083	375,523
<u>Deferred revenue, end of year</u>	<u>-</u>	<u>(26,492)</u>
	664,179	810,745
Expenses:		
Band support	882,148	745,745
Economic development	75,848	81,255
Registration and membership	5,970	6,669
Capacity development	2,075	37,734
Community support	-	97,743
Contribution to Mattagami First Nation Community Trust	-	90,713
Land code development	-	97,822
MNR	-	11,998
Estate management	(2,452)	96,155
Amortization of tangible capital assets	17,649	11,794
<u>Investment in tangible capital assets</u>	<u>(5,042)</u>	<u>(43,914)</u>
	976,196	1,233,714
Deficiency of revenue over expenses	(312,017)	(422,969)
Capital adjustments:		
Amortization of tangible capital assets	17,649	11,794
<u>Investment in tangible capital assets</u>	<u>(5,042)</u>	<u>(43,914)</u>
	12,607	(32,120)
Change in program balance before undernoted item	(299,410)	(455,089)
Transfer from restricted reserve	81,462	124,289
Change in program balance	\$ (217,948)	\$ (330,800)

MATTAGAMI FIRST NATION

OPERATION AND MAINTENANCE

Schedule of Financial Activity and Change in Program Balance

Year ended March 31, 2020, with comparative information for 2019

	2020	2019
Revenue:		
Deferred revenue, beginning of year	\$ 62,857	\$ -
Federal funding	560,806	708,008
Provincial	97,183	77,614
Other	116,647	100,579
Deferred revenue, end of year	(2,052)	(87,109)
	835,441	799,092
Expenses:		
Public works	328,561	399,770
Water	87,827	137,980
Education	94,401	101,360
Community operations	212,873	186,343
CMHC Housing internship	36,041	15,078
Roads	67,419	79,500
Housing	183,767	212,204
Planning MTSA	62,857	44,116
Clean water and waste fund	41,355	-
Health Canada drinking and waste water	25,612	-
Energy conservation program	2,140	-
Odamino arena	24,225	-
Amortization of tangible capital assets	599,439	513,899
Investment in tangible capital assets	(140,266)	(142,858)
	1,626,251	1,547,392
Deficiency of revenue over expenses	(790,810)	(748,300)
Capital adjustments:		
Amortization of tangible capital assets	599,439	513,899
Investment in tangible capital assets	(140,266)	(142,858)
	459,173	371,041
Change in program balance before undernoted items	(331,637)	(377,259)
Transfer from restricted reserve	-	16,749
Long-term debt issues	-	79,900
Principal payments on long-term debt	(49,901)	(35,251)
Change in program balance	\$ (381,538)	\$ (315,861)

MATTAGAMI FIRST NATION

EDUCATION

Schedule of Financial Activity and Change in Program Balance

Year ended March 31, 2020, with comparative information for 2019

	2020	2019
Revenue:		
Deferred revenue, beginning of year	\$ 25,350	\$ 111,912
Federal funding	1,852,694	1,283,139
Provincial	128,321	39,602
Other	118,120	260,428
Deferred revenue, end of year	(688,572)	(25,350)
	1,435,913	1,669,731
Expenses:		
Post secondary	270,235	388,803
Elementary /Secondary	531,454	486,327
First Nation Student Success Program	262,802	195,220
Transportation	74,132	77,102
Enhanced teachers salaries	2,636	-
Library services	45,101	32,713
Special education	192,965	373,681
School effectiveness	50	33,000
School breakfast	48,791	27,550
Language and culture	7,410	31,602
Parental and community involvement	88,619	8,250
Education - governance	-	6,849
Youth Life Promotion Initiatives	-	41,679
Amortization of tangible capital assets	32,449	28,905
Investment in tangible capital assets	(8,425)	(78,925)
	1,548,219	1,652,756
Excess (deficiency) of revenue over expenses	(112,306)	16,975
Capital adjustments:		
Amortization of tangible capital assets	32,449	28,905
Investment in tangible capital assets	(8,425)	(78,925)
	24,024	(50,020)
Change in program balance before undenoted items	(88,282)	(33,045)
Transfer from restricted reserve	42,544	94,030
Principal payments on long-term debt	(16,580)	(16,580)
Change in program balance	\$ (62,318)	\$ 44,405

MATTAGAMI FIRST NATION

HEALTH

Schedule of Financial Activity and Change in Program Balance

Year ended March 31, 2020, with comparative information for 2019

	2020	2019
Revenue:		
Federal funding	\$ 1,043,541	\$ 974,780
Grants and other subsidies	301,442	325,635
Provincial	110,749	88,597
Other	171,490	164,756
<u>Deferred revenue, end of year</u>	<u>(203,982)</u>	<u>(207,940)</u>
	1,423,240	1,345,828
Expenses:		
Medical services	264,723	174,435
Medical service transportation	91,264	129,330
Response	98,081	66,847
Other - one time	31,196	59,687
Crisis	29,110	29,689
Health Canada	20,162	14,767
Family well being	66,008	103,805
Meals on wheels	3,207	17,604
Jordan's Principal	524,026	579,402
Long term care	88,102	89,617
Prevention	46,072	-
Palliative care	2,188	-
COVID-19	10,000	-
Medical community support	-	136,569
Amortization of tangible capital assets	33,730	28,067
<u>Investment in tangible capital assets</u>	<u>(61,490)</u>	<u>(156,496)</u>
	1,246,379	1,273,323
Excess of revenue over expenses	176,861	72,505
Capital adjustments:		
Amortization of tangible capital assets	33,730	28,067
Investment in tangible capital assets	(61,490)	(156,496)
<u>Loss on disposal of tangible capital assets</u>	<u>1,000</u>	<u>-</u>
	(26,760)	(128,429)
Change in program balance before undernoted item	150,101	(55,924)
Transfer from restricted reserve	62,545	150,754
Change in program balance	\$ 212,646	\$ 94,830

MATTAGAMI FIRST NATION

SOCIAL ASSISTANCE

Schedule of Financial Activity and Change in Program Balance

Year ended March 31, 2020, with comparative information for 2019

	2020	2019
Revenue:		
Federal funding	\$ 43,349	\$ 42,152
Provincial	431,722	356,030
Other	-	750
	475,071	398,932
Expenses:		
Social Assistance	480,635	385,972
Amortization of tangible capital assets	-	66
	480,635	386,038
Excess (deficiency) of revenue over expenses	(5,564)	12,894
Capital adjustment:		
Amortization of tangible capital assets	-	66
Change in program balance	\$ (5,564)	\$ 12,960

MATTAGAMI FIRST NATION

OTHER

Schedule of Financial Activity and Program Balance

Year ended March 31, 2020, with comparative information for 2019

	2020	2019
Revenue:		
Deferred revenue, beginning of year	\$ 66,609	\$ -
Federal funding	35,049	264,833
Grants and other subsidies	2,222,753	102,891
Provincial	73,352	-
Mining initiatives	1,795,696	752,697
Other	694,747	727,556
Share of earnings from investment in government business enterprise	140,288	204,546
Deferred revenue, end of year	-	(66,609)
	5,028,494	1,985,914
Expenses:		
Employment programs	135,884	124,839
Lands economic future paths project	66,609	163,081
New Relationship Fund	90,424	85,818
Resource development	406,714	235,354
Pow Wow	21,026	66,468
K-NET	37,735	31,911
CN hatchery program	10,778	33,304
IBA negotiations	(1,083)	737,284
Cote environmental project	40,653	225,633
Fishing tourism	32,781	-
Iamgold co-ordinator	-	17,148
Gold corp resource development	-	2,500
Amortization of tangible capital assets	6,090	1,949
Investment in tangible capital assets	(27,449)	-
	820,162	1,725,289
Excess of revenue over expenses	4,208,332	260,625
Capital adjustment:		
Amortization of tangible capital assets	6,090	1,949
Investment in tangible capital assets	(27,449)	-
	(21,359)	1,949
Change in program balance before undernoted items	4,186,973	262,574
Transfer from restricted reserve	1,833	4,664
Investment in government business enterprise	(140,288)	(204,546)
Write down of investment in government business enterprise	100	-
Distribution from investment in government business enterprises	100,000	-
Change in program balance	\$ 4,148,618	\$ 62,692

MATTAGAMI FIRST NATION

COMMUNITY PROPERTY

Schedule of Financial Activity and Change in Program Balance

Year ended March 31, 2020, with comparative information for 2019

	2020	2019
Revenue:		
Deferred revenue, beginning of year	\$ 34,659	\$ 81,284
Federal funding	216,631	55,000
Canada Mortgage and Housing Corporation	-	54,956
Provincial	-	176,400
Kunuwanimano Child and Family Services	-	1,401,308
<u>Deferred revenue, end of year</u>	<u>-</u>	<u>(55,200)</u>
	251,290	1,713,748
Expenses:		
Enhanced housing	140,383	-
Innovation housing - Authority	42,972	20,343
Member housing - RRAP	45,450	61,529
Phase IV construction	-	80,000
Innovation housing - Lot servicing	-	27,656
innovation housing - Construction	-	33,084
Ice rink	-	818,004
Youth engagement hub	-	222,922
Generator upgrade	-	360,382
Waterfront development	-	182,250
<u>Investment in tangible capital assets</u>	<u>(43,551)</u>	<u>(1,724,298)</u>
	185,254	81,872
Excess of revenue over expenses	66,036	1,631,876
Capital adjustments:		
<u>Investment in tangible capital assets</u>	<u>(43,551)</u>	<u>(1,724,298)</u>
Change in program balance before undenoted item	22,485	(92,422)
Principal payments on long-term debt	(4,440)	(4,331)
Change in program balance	\$ 18,045	\$ (96,753)

MATTAGAMI FIRST NATION

BUSINESS ENTERPRISES

Schedule of Financial Activity and Program Balance

Year ended March 31, 2020, with comparative information for 2019

	2020	2019
Expenses:		
Interest on long-term debt	\$ 4,950	\$ 8,053
Deficiency of revenue over expenses	(4,950)	(8,053)
Principal payments on long-term debt	(60,000)	(60,000)
Change in program balance	\$ (64,950)	\$ (68,053)

MATTAGAMI FIRST NATION

SOCIAL HOUSING

Schedule of Financial Activity and Change in Program Balance

Year ended March 31, 2020, with comparative information for 2019

	2020	2019
Revenue:		
Canada Mortgage and Housing Corporation	\$ 60,867	\$ 66,565
<u>Rental</u>	<u>88,512</u>	<u>77,180</u>
	149,379	143,745
Expenses:		
Phase I	45,047	96,625
Phase II	37,436	58,960
Phase III	17,444	46,197
Phase IV	800,678	-
Amortization of tangible capital assets	76,817	59,636
<u>Investment in tangible capital assets</u>	<u>(773,657)</u>	<u>-</u>
	203,765	261,418
Deficiency of revenue over expenses	(54,386)	(117,673)
Capital adjustment:		
Amortization of tangible capital assets	76,817	59,636
<u>Investment in tangible capital assets</u>	<u>(773,657)</u>	<u>-</u>
	(696,840)	59,636
Change in program balance before undenoted items	(751,226)	(58,037)
Transfers and financing:		
Principal payments on long-term debt	(50,150)	(49,670)
Transfer from replacement reserve	18,668	29,954
Transfer to replacement reserve	(14,580)	(14,580)
Change in program balance	\$ (797,288)	\$ (92,333)

MATTAGAMI FIRST NATION

RESTRICTED

Schedule of Financial Activity and Change in Reserve Balance

Year ended March 31, 2020, with comparative information for 2019

	Ontario First Nations Limited Partnership	Consolidated Revenue Trust Fund	2020 Total	2019 Total
Revenue:				
Share of Ontario First Nations Limited Partnership	\$ 660,899	-	\$ 660,899	\$ 763,196
Interest	592	-	592	685
	661,491	-	661,491	763,881
Transfers:				
Transfer to Other - Pow-Wow	(1,833)	-	(1,833)	(4,664)
Transfer to Economic Development	(50)	-	(50)	(6,616)
Transfer to Education	(42,544)	-	(42,544)	(94,030)
Transfer to Operations and Maintenance	-	-	-	(16,749)
Transfer to Health	(62,545)	-	(62,545)	(150,754)
Transfer to Community Development	(81,412)	-	(81,412)	(117,673)
	(188,384)	-	(188,384)	(390,486)
Excess of revenue over transfers	473,107	-	473,107	373,395
Reserve balance, beginning of year	1,794,261	30,156	1,824,417	1,451,022
Reserve balance, end of year	\$ 2,267,368	30,156	\$ 2,297,524	\$ 1,824,417