

Consolidated Financial Statements of

MATTAGAMI FIRST NATION

And Independent Auditor's Report thereon

Year ended March 31, 2021

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.

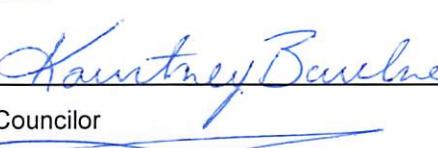
The First Nation maintains systems of internal accounting and administrative controls. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the First Nation's assets are appropriately accounted for and adequately safeguarded.

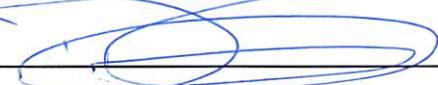
The Chief and Council are responsible for ensuring that management fulfills its responsibilities for financial reporting and are ultimately responsible for reviewing and approving the consolidated financial statements.

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 AUDITOR'S 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, 2021
- 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, 2021, 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 "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's 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.

Auditor's 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 auditor's 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 auditor's 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 auditor's 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.

A handwritten signature in black ink that reads 'KPMG LLP' in a stylized, cursive font. The signature is underlined with a single horizontal line.

Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada
March 3, 2023

MATTAGAMI FIRST NATION

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Year ended March 31, 2021

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MATTAGAMI FIRST NATION

Consolidated Statement of Financial Position

March 31, 2021, with comparative information for 2020

	2021	2020
Financial Assets		
Cash	\$ 7,681,982	\$ 4,982,135
Restricted cash (note 4)	43,547	43,487
Consolidated revenue trust fund (note 5)	31,133	30,747
Portfolio investments (note 6)	813,388	813,388
Accounts receivable (note 7)	1,981,017	806,867
Investment in Niiwin Limited Partnership (note 8 (i))	768,251	712,728
Investment in M'Hiigan Limited Partnership (note 8 (ii))	2	2
	<u>11,319,320</u>	<u>7,389,354</u>
Financial Liabilities		
Accounts payable and accrued liabilities	219,652	216,781
Deferred revenue (note 9)	4,068,414	1,189,385
Long-term debt (note 10)	1,243,056	863,356
	<u>5,531,122</u>	<u>2,269,522</u>
Net financial assets	5,788,198	5,119,832
Non-financial Assets		
Tangible capital assets (note 11)	11,205,763	9,807,081
Prepaid expenses	97,713	62,115
	<u>11,303,476</u>	<u>9,869,196</u>
Contingent liabilities (note 12)		
Accumulated surplus (note 13)	\$ 17,091,674	\$ 14,989,028

See accompanying notes to consolidated financial statements.

On behalf of the First Nation:

Chief	<u>Chief Wm</u>	Councilor	<u>W Delos Santos</u>
Councilor	<u>Kentley Bruline</u>	Councilor	<u>B Namur</u>
Councilor	<u>J D</u>	Councilor	

MATTAGAMI FIRST NATION

Consolidated Statement of Operations and Accumulated Surplus

Year ended March 31, 2021, with comparative information for 2020

	2021	2020
Revenue:		
Federal funding (note 14)	\$ 3,490,987	\$ 3,451,162
Grants and other subsidies	1,772,895	2,673,073
Provincial funding	785,208	862,241
Other	3,486,064	3,797,734
Share of earnings from investment in government business enterprises (note 8)	55,523	140,288
	<u>9,590,677</u>	<u>10,924,498</u>
Expenses:		
Band support	1,122,719	894,734
Operation and maintenance	1,622,883	1,626,251
Education	1,369,789	1,505,675
Health	1,612,719	1,183,834
Social assistance	508,310	480,635
Other	894,444	818,329
Community property	96,745	185,254
Business enterprises	2,708	4,950
Social housing	183,097	203,765
Restricted fund	74,617	188,384
	<u>7,488,031</u>	<u>7,091,811</u>
Excess of revenue over expenses	2,102,646	3,832,687
Accumulated surplus, beginning of year	14,989,028	11,156,341
Accumulated surplus, end of year	\$ 17,091,674	\$ 14,989,028

See accompanying notes to consolidated financial statements.

MATTAGAMI FIRST NATION

Consolidated Statement of Changes in Net Financial Assets

Year ended March 31, 2021, with comparative information for 2020

	2021	2020
Excess of revenue over expenses	\$ 2,102,646	\$ 3,832,687
Acquisition of tangible capital assets	(2,194,083)	(1,072,378)
Amortization of tangible capital assets	795,401	766,174
Loss on disposal of tangible capital assets	-	1,000
Proceeds on disposal of tangible capital assets	-	12,500
	<u>703,964</u>	<u>3,539,983</u>
Acquisition of prepaid expenses	(97,713)	(62,115)
Use of prepaid expenses	62,115	37,319
	<u>Change in net financial assets</u>	<u>668,366</u>
Net financial assets, beginning of year	5,119,832	1,604,645
Net financial assets, end of year	<u>\$ 5,788,198</u>	<u>\$ 5,119,832</u>

See accompanying notes to consolidated financial statements.

MATTAGAMI FIRST NATION

Consolidated Statement of Cash Flows

Year ended March 31, 2021, with comparative information for 2020

	2021	2020
Cash flows from operating activities:		
Excess of revenue over expenses	\$ 2,102,646	\$ 3,832,687
Adjustments for:		
Amortization of tangible capital assets	795,401	766,174
Loss on disposal of tangible capital assets	-	1,000
Loss on investment in government business enterprises	-	100
Share of earnings from investment in government business enterprises	<u>(55,523)</u>	<u>(140,288)</u>
	2,842,524	4,459,673
Change in non-cash working capital:		
Decrease (increase) in accounts receivable	(1,174,150)	1,255,045
Increase in prepaid expenses	(35,598)	(24,796)
Increase (decrease) in accounts payable and accrued liabilities	2,871	(326,821)
Increase in deferred revenue	<u>2,879,029</u>	<u>678,639</u>
	4,514,676	6,041,740
Cash flows from financing activities:		
Issuance of long-term debt	616,856	-
Principal payments on long-term debt	<u>(237,156)</u>	<u>(181,071)</u>
	379,700	(181,071)
Cash flows from investing activities:		
Increase in portfolio investments	-	(250,000)
Distribution from investment in government business enterprise	-	100,000
Decrease in consolidated revenue trust fund	(386)	(592)
Proceeds on disposal of tangible capital assets	-	12,500
Purchase of tangible capital assets	<u>(2,194,083)</u>	<u>(1,072,378)</u>
	(2,194,469)	(1,210,470)
Net increase in cash	2,699,907	4,650,199
Cash, beginning of year	5,025,622	375,423
Cash, end of year	\$ 7,725,529	\$ 5,025,622
Represented by:		
Restricted cash	\$ 43,547	\$ 43,487
Cash	<u>7,681,982</u>	<u>4,982,135</u>
	\$ 7,725,529	\$ 5,025,622

See accompanying notes to consolidated financial statements.

MATTAGAMI FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2021

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.

(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.

MATTAGAMI FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2021

1. Significant accounting policies (continued):

(d) Non-financial assets (continued):

(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.

(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 (continued)

Year ended March 31, 2021

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 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, 2021.

The trust funds are not included in these consolidated financial statements. The balance held in trust by the First Nation is \$31,354 (2020 - \$46,312).

3. Bank operating loan:

The First Nation has an operating line of credit of \$150,000 available with Bank of Montreal. At March 31, 2021, there is an outstanding balance of \$Nil (2020 - \$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 \$43,547 (2020 - \$43,487) is restricted for this purpose by the First Nation. Under the terms of the agreement, the First Nation is required to have set aside \$91,311 (2020 - \$89,850).

5. Consolidated revenue trust fund:

	Revenue	Capital	Total
Balance beginning of year	\$ 5,787	\$ 24,960	\$ 30,747
Interest	386	—	386
Balance, end of year	\$ 6,173	\$ 24,960	\$ 31,133

MATTAGAMI FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2021

6. Portfolio investments:

	2021		2020	
	Cost	Market value	Cost	Market value
Pan American Silver	\$ 453,888	\$ 344,516	\$ 453,888	\$ 193,226
Gowest Gold Ltd.	6,000	9,250	6,000	6,000
SOL Global Investments Corp.	10,000	8,000	10,000	575
Noble Mineral Exploration Inc.	2,000	4,125	2,000	1,125
Galleon Gold Corp.	2,000	3,000	2,000	2,500
Melkior Resources Inc.	6,000	55,000	6,000	24,000
GFG Resources Inc.	18,750	9,416	18,750	5,771
Trio Resources Inc.	1,500	255	1,500	50
Rogue Resources Inc.	4,750	6,250	4,750	2,500
Kapuskasing Gold Corp.	2,500	8,750	2,500	5,000
Probe Metals Inc.	41,500	46,750	41,500	15,250
Rainy Mountain Royalty Corp.	6,500	8,750	6,500	3,000
iMetal Resources Inc.	2,500	1,375	2,500	750
Central Timmins Exploration Corp.	5,500	30,500	5,500	5,000
Sweat Lodge Technologies Inc.	250,000	375,000	250,000	250,000
	\$ 813,388	\$ 910,937	\$ 813,388	\$ 514,747

7. Accounts receivable:

	2021	2020
Indigenous Services Canada	\$ 70,371	\$ 220,269
Province of Ontario	25,007	70,515
Government of Canada	6,186	5,697
Mining agreements	660,143	152,633
Wabun Tribal Council	244,684	117,072
Due from Mattagami First Nation Community Development Trust	258,385	72,318
Nishnawbe Aski Nation	221,482	76,922
Due from members	29,523	29,221
Ontario First Nation Limited Partnership	428,734	—
Other	36,502	62,220
	\$ 1,981,017	\$ 806,867

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:

	2021	2020
Niiwin General Partner Inc. (25 common shares)	\$ 768	\$ 712
Niiwin Limited Partnership	767,484	712,016
	\$ 768,252	\$ 712,728

MATTAGAMI FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2021

8. Investment in government business enterprises (continued):

The investment at March 31, 2021 consists of the following:

	NLP	NGPI	2021	2020
Balance, beginning of year	\$ 712,016	\$ 712	\$ 712,728	\$ 672,440
First Nation's share of earnings	55,468	55	55,523	140,288
Partner distribution	—	—	—	(100,000)
Balance, end of year	\$ 767,484	\$ 767	\$ 768,251	\$ 712,728

Financial information for NLP as at, and for the year ended March 31, 2021, is as follows:

	2021	2020
Financial position:		
Current assets	\$ 3,647,771	\$ 2,135,507
Non-current assets	4,302,586	3,159,987
Total assets	7,950,357	5,295,494
Current liabilities	3,119,645	1,116,965
Long-term debt	1,757,706	1,327,616
Total liabilities	4,877,351	2,444,581
Partners' equity	\$ 3,073,006	\$ 2,850,913
Results of operations:		
Revenue	\$ 17,961,522	\$ 7,746,367
Expenses	17,739,429	(7,185,215)
Net earnings	\$ 222,093	\$ 561,152

(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.

9. Deferred revenue:

	2021	2020
Indigenous Services Canada	\$ 2,590,772	\$ 1,145,287
Nishnawbe Aski Nation	42,047	42,047
Resource revenue sharing agreement	1,433,544	—
Other	2,051	2,051
	\$ 4,068,414	\$ 1,189,385

MATTAGAMI FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2021

10. Long-term debt:

	2021	2020
CMHC mortgage payable in monthly installments of \$2,091 including interest at 1.03%, renewing October 2021	\$ 130,278	\$ 153,790
CMHC mortgage payable in monthly installments of \$1,714 including interest at 0.96%, renewing September 2021	296,329	313,730
CMHC mortgage payable in monthly installments of \$914 including interest at 0.96%, renewing September 1, 2021	158,041	167,321
CMHC mortgage payable, terms to be settled upon completion of related construction project.	616,856	–
Bank of Montreal loan payable #1, due on demand, monthly installments of \$1,382 including interest at prime plus 1.75%	–	30,397
Bank of Montreal loan payable #2, due on demand, monthly installments of \$1,095 including interest at prime plus 1.75%	–	10,920
Bank of Montreal loan payable #3, due on demand, monthly installments of \$2,141 including interest at prime plus 1.75%	–	23,000
Bank of Montreal loan payable #4, due on demand, monthly installments of \$5,586 including interest at prime plus 1.75%	–	55,000
Bank of Montreal loan payable #5, due on demand, monthly installments of \$1,594 including interest at prime plus 1.75%	–	62,589
Bank of Montreal mortgage payable on behalf of Morris Naveau, monthly installments of \$661, including interest at 7.25%, unsecured	41,552	46,609
	\$ 1,243,056	\$ 863,356

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

2022	\$ 589,850
2023	5,530
2024	30,820
2025	–
2026	–
2027 and thereafter	616,856

MATTAGAMI FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2021

11. Tangible capital assets:

Cost	Balance at March 31, 2020	Additions	Disposals / Transfers	Balance at March 31, 2021
Land improvements	\$ 1,832,098	\$ 31,974	\$ -	\$ 1,864,072
Buildings	9,247,311	683,328	-	9,930,639
Roads	1,032,708	-	-	1,032,708
Water systems	5,504,169	-	-	5,504,169
Machinery and equipment	1,611,271	186,505	-	1,797,776
Vehicles	453,047	64,128	-	517,175
Furniture, computers and fixtures	707,066	198,166	-	905,232
Assets under construction	11,250	1,029,982	-	1,041,232
Total	\$ 20,398,920	\$ 2,194,083	\$ -	\$ 22,593,003

Accumulated Amortization	Balance at March 31, 2020	Disposals	Amortization	Balance at March 31, 2021
Land improvements	\$ 748,386	\$ -	\$ 91,344	\$ 839,730
Buildings	4,660,903	-	327,394	4,988,297
Roads	901,814	-	5,839	907,653
Water systems	2,673,484	-	135,907	2,809,391
Machinery and equipment	889,314	-	79,778	969,092
Vehicles	220,404	-	71,094	291,498
Furniture, computers and fixtures	497,534	-	84,045	581,579
Total	\$ 10,591,839	\$ -	\$ 795,401	\$ 11,387,240

	Net book value, March 31, 2020	Net book value, March 31, 2021
Land improvements	\$ 1,083,712	\$ 1,024,342
Buildings	4,586,408	4,942,342
Roads	130,894	125,055
Water systems	2,830,685	2,694,778
Machinery and equipment	721,957	828,684
Vehicles	232,643	225,677
Furniture, computers and fixtures	209,532	323,653
Assets under construction	11,250	1,041,232
Total	\$ 9,807,081	\$ 11,205,763

MATTAGAMI FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2021

11. Tangible capital assets (continued):

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 (continued)

Year ended March 31, 2021

12. Contingent liabilities:

- (i) Indigenous Services Canada ("ISC") has guaranteed loans on behalf of its members in the amount of \$1,264,777 (2020 - \$744,379). 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 \$847,217 (2020 - \$619,553).
- (iii) The First Nation has endorsed CMHC loans made to various members under the Rural Rehabilitation Assistance Program and is contingently liable.

13. Accumulated surplus:

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

	2021	2020
Invested in tangible capital assets	\$ 10,004,259	\$ 9,045,338
Operations	2,960,469	2,443,586
Investment in Niiwin Limited Partnership	768,252	712,728
Investment in M'Hiigan Limited Partnership	2	2
Reserves and restricted funds	3,358,692	2,787,374
 Accumulated surplus	 \$ 17,091,674	 \$ 14,989,028

14. Federal funding:

	2021	2020
Indigenous Services Canada	\$ 3,405,467	\$ 3,309,907
Canada Mortgage and Housing Corporation	85,520	114,455
Service Canada	—	26,800
	\$ 3,490,987	\$ 3,451,162

Indigenous Services Canada revenue is as follows:

	2021	2020
Revenue per funding confirmation	\$ 4,850,952	\$ 3,986,494
Add: deferred revenue, beginning of year	1,145,287	468,700
Less: deferred revenue, end of year	(2,590,772)	(1,145,287)
 Revenue as reported	 \$ 3,405,467	 \$ 3,309,907

MATTAGAMI FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2021

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

BAND SUPPORT

Schedule of Financial Activity and Change in Program Balance

Year ended March 31, 2021, with comparative information for 2020

	2021	2020
Revenue:		
Deferred revenue, beginning of year	\$ -	\$ 26,492
Federal funding	332,964	314,812
Grants and other subsidies	258,385	148,878
Provincial	9,764	20,914
Other	143,863	153,083
<u>Deferred revenue, end of year</u>	<u>(45,141)</u>	-
	699,835	664,179
Expenses:		
Band support	1,031,061	800,686
Economic development	76,257	75,848
Registration and membership	4,312	5,970
Capacity development	-	2,075
MNR	6,452	-
Estate management	-	(2,452)
Amortization of tangible capital assets	17,631	17,649
Investment in tangible capital assets	<u>(12,994)</u>	<u>(5,042)</u>
	1,122,719	894,734
Deficiency of revenue over expenses	(422,884)	(230,555)
Capital adjustments:		
Amortization of tangible capital assets	17,631	17,649
Investment in tangible capital assets	<u>(12,994)</u>	<u>(5,042)</u>
	4,637	12,607
Change in program balance	\$ (418,247)	\$ (217,948)

MATTAGAMI FIRST NATION

OPERATION AND MAINTENANCE

Schedule of Financial Activity and Change in Program Balance

Year ended March 31, 2021, with comparative information for 2020

	2021	2020
Revenue:		
Deferred revenue, beginning of year	\$ 25,092	\$ 62,857
Federal funding	751,206	560,806
Provincial	9,422	97,183
Other	106,651	116,647
Deferred revenue, end of year	(43,756)	(2,052)
	848,615	835,441
Expenses:		
Public works	226,686	328,561
Water	117,805	87,827
Education	156,450	94,401
Community operations	149,026	212,873
CMHC Housing internship	36,736	36,041
Roads	92,900	67,419
Housing	248,416	183,767
Planning MTSA	-	62,857
Clean water and waste fund	-	41,355
Health Canada drinking and waste water	-	25,612
Energy conservation program	-	2,140
Odamino arena	6,061	24,225
Amortization of tangible capital assets	616,182	599,439
Investment in tangible capital assets	(27,379)	(140,266)
	1,622,883	1,626,251
Deficiency of revenue over expenses	(774,268)	(790,810)
Capital adjustments:		
Amortization of tangible capital assets	616,182	599,439
Investment in tangible capital assets	(27,379)	(140,266)
	588,803	459,173
Change in program balance before undernoted items	(185,465)	(331,637)
Principal payments on long-term debt	(96,509)	(49,901)
Change in program balance	\$ (281,974)	\$ (381,538)

MATTAGAMI FIRST NATION

EDUCATION

Schedule of Financial Activity and Change in Program Balance

Year ended March 31, 2021, with comparative information for 2020

	2021	2020
Revenue:		
Deferred revenue, beginning of year	\$ 730,619	\$ 25,350
Federal funding	1,998,076	1,852,694
Provincial	131,924	128,321
Other	151,875	118,120
Deferred revenue, end of year	<u>(1,935,929)</u>	<u>(688,572)</u>
	1,076,565	1,435,913
Expenses:		
Post secondary	192,043	270,235
Elementary /Secondary	535,096	488,910
First Nation Student Success Program	131,375	262,802
Transportation	49,653	74,132
Enhanced teachers salaries	-	2,636
Library services	51,039	45,101
Special education	258,575	192,965
School effectiveness	-	50
School breakfast	65,447	48,791
Language and culture	-	7,410
Parental and community involvement	-	88,619
Youth Life Promotion Initiatives	57,644	-
Amortization of tangible capital assets	28,917	32,449
Investment in tangible capital assets	<u>-</u>	<u>(8,425)</u>
	1,369,789	1,505,675
Deficiency of revenue over expenses	(293,224)	(69,762)
Capital adjustments:		
Amortization of tangible capital assets	28,917	32,449
Investment in tangible capital assets	<u>-</u>	<u>(8,425)</u>
	28,917	24,024
Change in program balance before undernoted items	(264,307)	(45,738)
Principal payments on long-term debt	(30,396)	(16,580)
Change in program balance	\$ (294,703)	\$ (62,318)

MATTAGAMI FIRST NATION

HEALTH

Schedule of Financial Activity and Change in Program Balance

Year ended March 31, 2021, with comparative information for 2020

	2021	2020
Revenue:		
Deferred revenue, beginning of year	\$ 411,922	\$ -
Federal funding	1,524,528	1,043,541
Grants and other subsidies	638,295	301,442
Provincial	161,045	110,749
Other	220,726	171,490
Deferred revenue, end of year	(588,293)	(203,982)
	2,368,223	1,423,240
Expenses:		
Medical services	288,798	202,178
Medical service transportation	75,437	91,264
Response	78,456	98,081
Other - one time	18,767	31,196
Crisis	20,791	29,110
Health Canada	-	20,162
Family well being	67,769	66,008
Meals on wheels	16,674	3,207
Jordan's Principal	468,455	524,026
Long term care	98,082	88,102
Prevention	24,557	46,072
Palliative care	-	2,188
COVID-19	526,213	10,000
Amortization of tangible capital assets	38,643	33,730
Investment in tangible capital assets	(109,923)	(61,490)
	1,612,719	1,183,834
Excess of revenue over expenses	755,504	239,406
Capital adjustments:		
Amortization of tangible capital assets	38,643	33,730
Investment in tangible capital assets	(109,923)	(61,490)
Loss on disposal of tangible capital assets	-	1,000
	(71,280)	(26,760)
Change in program balance	\$ 684,224	\$ 212,646

MATTAGAMI FIRST NATION

SOCIAL ASSISTANCE

Schedule of Financial Activity and Change in Program Balance

Year ended March 31, 2021, with comparative information for 2020

	2021	2020
Revenue:		
Federal funding	\$ 136,227	\$ 43,349
Provincial	377,077	431,722
	<hr/> 513,304	<hr/> 475,071
Expenses:		
Social Assistance	508,310	480,635
	<hr/> 508,310	<hr/> 480,635
Change in program balance	\$ 4,994	\$ (5,564)

MATTAGAMI FIRST NATION

OTHER

Schedule of Financial Activity and Program Balance

Year ended March 31, 2021, with comparative information for 2020

	2021	2020
Revenue:		
Deferred revenue, beginning of year	\$ -	\$ 66,609
Federal funding	18,245	35,049
Grants and other subsidies	2,309,759	2,222,753
Provincial	95,977	73,352
Mining initiatives	2,065,441	1,795,696
Other	48,360	694,747
Share of earnings from investment in government business enterprise	55,523	140,288
<u>Deferred revenue, end of year</u>	<u>(1,433,544)</u>	-
	3,159,761	5,028,494
Expenses:		
Employment programs	86,381	134,051
Lands economic future paths project	17,446	66,609
New Relationship Fund	77,190	90,424
Resource development	2,109,275	406,714
Pow Wow	-	21,026
K-NET	45,270	37,735
CN hatchery program	5,302	10,778
IBA negotiations	-	(1,083)
Cote environmental project	-	40,653
AKI/IAMGOLD Implementation	286,808	-
Fishing tourism	233,177	32,781
Amortization of tangible capital assets	31	6,090
<u>Investment in tangible capital assets</u>	<u>(1,966,436)</u>	<u>(27,449)</u>
	894,444	818,329
Excess of revenue over expenses	2,265,317	4,210,165
Capital adjustment:		
Amortization of tangible capital assets	31	6,090
<u>Investment in tangible capital assets</u>	<u>(1,966,436)</u>	<u>(27,449)</u>
	(1,966,405)	(21,359)
Change in program balance before undernoted items	298,912	4,188,806
Investment in government business enterprise	(55,523)	(140,288)
Write down of investment in government business enterprise	-	100
Distribution from investment in government business enterprises	-	100,000
Change in program balance	\$ 243,389	\$ 4,148,618

MATTAGAMI FIRST NATION

COMMUNITY PROPERTY

Schedule of Financial Activity and Change in Program Balance

Year ended March 31, 2021, with comparative information for 2020

	2021	2020
Revenue:		
Deferred revenue, beginning of year	\$ 20,541	\$ 34,659
Federal funding	114,121	216,631
Deferred revenue, end of year	(20,541)	-
	114,121	251,290
Expenses:		
Enhanced housing	96,745	140,383
Innovation housing - Authority	-	42,972
Member housing - RRAP	-	45,450
Investment in tangible capital assets	(43,551)	(43,551)
	96,745	185,254
Excess of revenue over expenses	17,376	66,036
Capital adjustments:		
Investment in tangible capital assets	-	(43,551)
Change in program balance before undernoted item	17,376	22,485
Principal payments on long-term debt	(5,057)	(4,440)
Change in program balance	\$ 12,319	\$ 18,045

MATTAGAMI FIRST NATION

BUSINESS ENTERPRISES

Schedule of Financial Activity and Program Balance

Year ended March 31, 2021, with comparative information for 2020

	2021	2020
Expenses:		
Interest on long-term debt	\$ 2,708	\$ 4,950
Deficiency of revenue over expenses	(2,708)	(4,950)
Principal payments on long-term debt	(55,000)	(60,000)
Change in program balance	\$ (57,708)	\$ (64,950)

MATTAGAMI FIRST NATION

SOCIAL HOUSING

Schedule of Financial Activity and Change in Program Balance

Year ended March 31, 2021, with comparative information for 2020

	2021	2020
Revenue:		
Deferred revenue, beginning of year	\$ 1,210	\$ 1,213
Canada Mortgage and Housing Corporation	61,107	60,867
Rental	104,673	88,512
<u>Deferred revenue, end of year</u>	<u>(1,210)</u>	<u>(1,213)</u>
	165,780	149,379
Expenses:		
Phase I	100,410	45,047
Phase II	29,242	37,436
Phase III	16,156	17,444
Phase IV	20,643	800,678
Amortization of tangible capital assets	93,997	76,817
<u>Investment in tangible capital assets</u>	<u>(77,351)</u>	<u>(773,657)</u>
	183,097	203,765
Deficiency of revenue over expenses	(17,317)	(54,386)
Capital adjustment:		
Amortization of tangible capital assets	93,997	76,817
<u>Investment in tangible capital assets</u>	<u>(77,351)</u>	<u>(773,657)</u>
	16,646	(696,840)
Change in program balance before undernoted items	(671)	(751,226)
Transfers and financing:		
Principal payments on long-term debt	(50,194)	(50,150)
Issuance of long term debt	616,856	-
Transfer from replacement reserve	11,038	18,668
Transfer to replacement reserve	(12,500)	(14,580)
Change in program balance	\$ 564,529	\$ (797,288)

MATTAGAMI FIRST NATION

RESTRICTED

Schedule of Financial Activity and Change in Reserve Balance

Year ended March 31, 2021, with comparative information for 2020

	Ontario First Nations Limited Partnership	Consolidated Revenue Trust Fund	2021 Total	2020 Total
Revenue:				
Share of Ontario First Nations Limited Partnership <u>Interest</u>	\$ 644,087	- 386	\$ 644,087 386	\$ 660,899 592
	644,087	386	644,473	661,491
Expenses:				
Economic Development	218	-	218	50
Education	7,910	-	7,910	42,544
Health	30,275	-	30,275	62,545
Community Development	36,214	-	36,214	83,245
	74,617	-	74,617	188,384
Excess of revenue over expenses	569,470	386	569,856	473,107
Reserve balance, beginning of year	2,267,368	30,156	2,297,524	1,824,417
Reserve balance, end of year	\$ 2,836,838	30,542	\$ 2,867,380	\$ 2,297,524