
MATHIAS COLOMB CREE NATION
CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2020

MATHIAS COLOMB CREE NATION

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MARCH 31, 2020

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Mathias Colomb Cree Nation are the responsibility of management and have been approved by Chief and Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants and as such include amounts that are the best estimates and judgments of management.

Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

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

Chief and Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the external auditors' report.

The external auditors, Baker Tilly HMA LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Mathias Colomb Cree Nation and meet when required.



Chief



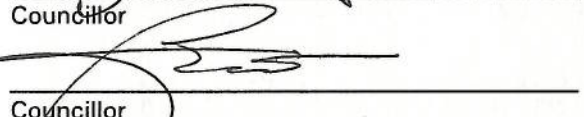
Councillor



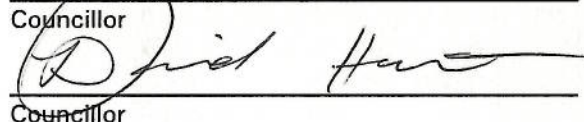
Councillor



Councillor



Councillor



Councillor

INDEPENDENT AUDITORS' REPORT

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To the Chief, Council and Membership
Mathias Colomb Cree Nation

Qualified Opinion

We have audited the accompanying consolidated financial statements of Mathias Colomb Cree Nation, which comprise the consolidated statement of financial position as at March 31, 2020, and the consolidated statements of operations, change in net (assets) debt, and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of the report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Mathias Colomb Cree Nation as at March 31, 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Mathias Colomb Cree 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 ethical 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 qualified opinion.

Accounts Payable and Accrued Liabilities

We have been unable to satisfy ourselves with the accuracy, existence and completeness of the recorded payables, due to the sub-ledgers not being properly reconciled as a result of continuity issues in the opening balances. As a result, we were not able to assess whether potentially material adjustments were required to accounts payable, accrued liabilities and related expenses.

Due to / from Related Parties

We have been unable to satisfy ourselves over the completeness, existence, and valuation of the amounts due to/from related parties as well as the completeness, existence, accuracy and occurrence of the revenues and expenditures related to these transactions. Prior year balances were not properly reconciled, thus, the there were issues in the opening balances. As a result, we were not able to assess whether potentially material adjustments were required to the due to/from related parties and related revenues, and expenditures.

Other Matter: Comparative Figures

We draw attention to Note 16 to the financial statements, which explains that comparative figures for the year ended March 31, 2019 were audited by another auditor who expressed an unqualified opinion on those financial statements on February 27, 2020.

We also draw attention to Note 3 to the financial statements, which presents the corrections required to be made in the opening balances as at April 1, 2019. This matter also forms part of our basis for qualified opinion.

(continued.....)

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing Mathias Colomb Cree 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 Mathias Colomb Cree Nation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Mathias Colomb Cree Nation's financial reporting process.

Auditors' Responsibility 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 these 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 risks 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, intentional 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 purpose of expressing an opinion on the effectiveness of Mathias Colomb Cree 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 events or conditions that may cast significant doubt on Mathias Colomb Cree 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 Mathias Colomb Cree Nation to cease to continue as a going concern.

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- 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Winnipeg, Manitoba
February 2, 2022

Baker Tilly HMA LLP

Chartered Professional Accountants

MATHIAS COLOMB CREE NATION

STATEMENT 1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION**MARCH 31****2020****2019****FINANCIAL ASSETS**

Cash and cash equivalents	\$ 937,322	\$ 468,429
Restricted cash (Note 4)	542,168	3,965,335
Accounts receivable (Note 5)	4,993,063	9,731,281
Long term investments (Note 6)	10,328,601	397,867
Land Entitlement Trust	735,099	
Total financial assets	<u>17,536,253</u>	<u>14,562,912</u>

LIABILITIES

Bank indebtedness		752,852
Accounts payable and accrued liabilities (Note 7)	2,674,407	3,176,376
Deferred revenue and other long-term liabilities (Note 8)	5,183,914	1,665,982
Long-term debt (Note 9)	10,794,450	11,860,058
Total liabilities	<u>18,652,771</u>	<u>17,455,268</u>
Net debt	<u>(1,116,518)</u>	<u>(2,892,356)</u>

NON-FINANCIAL ASSETS

Inventory	109,372	215,092
Prepaid expenses and other current assets	87,334	65,052
Tangible capital assets (Note 10)	64,893,090	68,078,114
Deferred capital contribution	-	(25,182,932)
Total non-financial assets	<u>65,089,796</u>	<u>43,175,326</u>
Accumulated surplus	<u>\$ 63,973,278</u>	<u>\$ 40,282,970</u>

Approved on behalf of Council

Chief

Councillor

Councillor

Councillor

Councillor

Councillor

MATHIAS COLOMB CREE NATION

STATEMENT 2

CONSOLIDATED STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31

	BUDGET (UNAUDITED)	2020	2019
REVENUE			
Indigenous Services Canada (<i>Note 11</i>)	\$ 24,116,991	\$ 22,408,552	\$ 19,136,107
Health Canada	5,073,822	4,640,877	4,483,057
Aboriginal Skills and Employment Training	840,924	707,348	772,219
Aboriginal Human Resource Development Strategy			402,087
Administration Fees	226,000	1,565,826	
Community Bingo and Gaming Commission	45,000	35,736	730,113
Canada Mortgage and Housing Corporation	472,633	716,480	379,482
Construction income	1,400,000	670,662	1,892,496
Manitoba Keewatinowi Okimakanak - Daycare	367,860	509,831	
Other income	1,285,981	1,662,007	2,026,555
Province of Manitoba	619,685	329,074	500,207
Rental revenue	200,000	204,735	49,863
Tobacco tax rebate	325,000	315,276	326,155
Share of profit (loss) on equity investments	-	597,320	(155,420)
	<u>34,973,896</u>	<u>34,363,724</u>	<u>30,542,921</u>
EXPENDITURES			
Aboriginal Skills and Employment Training	840,924	722,368	668,819
Band programs	2,187,837	4,445,463	5,256,829
Manitoba Keewatinowi Okimakanak - Daycare	423,590	576,897	442,225
Education	8,830,305	8,139,876	7,547,383
Operations and maintenance	595,646	1,017,605	827,681
Capacity development			632,949
Capital/Housing	1,869,693	915,744	1,258,365
Social assistance	7,963,963	7,867,681	7,737,310
Economic development	167,725	248,514	196,720
Health authority	5,029,656	6,076,821	4,870,783
Housing authority	902,433	660,792	374,122
Missinippi construction	2,177,257	2,024,514	1,482,169
Other	<u>1,099,057</u>	<u>1,231,919</u>	<u>2,012,844</u>
	<u>32,088,086</u>	<u>33,928,194</u>	<u>33,308,199</u>
ANNUAL SURPLUS (DEFICIT)	2,885,810	435,530	(2,765,278)
Prior period adjustments (<i>Note 3</i>)		23,254,778	
ACCUMULATED SURPLUS, <i>beginning of year</i>	<u>40,282,970</u>	<u>40,282,970</u>	<u>43,048,248</u>
ACCUMULATED SURPLUS, <i>end of year</i>	<u>\$ 43,168,780</u>	<u>\$ 63,973,278</u>	<u>\$ 40,282,970</u>

MATHIAS COLOMB CREE NATION

STATEMENT 3

CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT

YEAR ENDED MARCH 31

	BUDGET (UNAUDITED)	2 0 2 0	2 0 1 9
Annual surplus (deficit)	\$ <u>2,885,810</u>	\$ <u>435,530</u>	\$ (<u>2,765,278</u>)
Acquisition of tangible capital assets and construction in progress			(<u>8,222,366</u>)
Amortization of tangible capital assets	<u>-</u>	<u>3,185,024</u>	<u>3,359,673</u>
	<u>-</u>	<u>3,185,024</u>	(<u>4,862,693</u>)
Acquisition of inventory		(<u>109,372</u>)	(<u>215,092</u>)
Acquisition of prepaid expenses		(<u>87,334</u>)	(<u>65,052</u>)
Use of inventory		<u>215,092</u>	<u>162,379</u>
Use of prepaid expenses		<u>65,052</u>	<u>198,637</u>
Deferred capital contribution on tangible capital assets	<u>-</u>	<u>-</u>	<u>6,273,473</u>
	<u>-</u>	<u>83,438</u>	<u>6,354,345</u>
CHANGE IN NET DEBT FOR YEAR	2,885,810	3,703,992	(<u>1,273,626</u>)
Prior period adjustments, net of deferred capital contribution		(<u>1,928,154</u>)	
NET DEBT, <i>beginning of year</i>	(<u>2,892,356</u>)	(<u>2,892,356</u>)	(<u>1,618,730</u>)
NET DEBT, <i>end of year</i>	\$ (<u>6,546</u>)	\$ (<u>1,116,518</u>)	\$ (<u>2,892,356</u>)

MATHIAS COLOMB CREE NATION

STATEMENT 4

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31

	2020	2019
CASH FLOW FROM		
<i>OPERATING ACTIVITIES</i>		
Surplus (deficit)	\$ 435,530	\$(2,765,278)
Items not affecting cash:		
Amortization of tangible capital assets	3,185,024	3,359,673
Equity income on business investments	(597,320)	155,420
Increase in value of land entitlement trust	(337,232)	
Revenue from deferred Capital contributions	-	(495,059)
	<u>2,686,002</u>	<u>254,756</u>
Changes in non-cash working capital:		
Accounts receivable	(1,027,728)	(584,149)
Inventory	105,720	(52,714)
Accounts payable and accrued liabilities	(501,969)	(2,375,510)
Deferred revenue and other long-term liabilities	3,517,932	(814,148)
Prepaid expenses and other current assets	(22,282)	133,585
Deferred capital contribution	-	<u>6,276,162</u>
	<u>2,071,673</u>	<u>2,583,226</u>
Cash flow from operating activities	<u>4,757,675</u>	<u>2,837,982</u>
<i>INVESTING ACTIVITIES</i>		
Purchase of tangible capital assets		(8,222,366)
Long term investments		(4,568,921)
Loans and notes receivable	-	<u>5,666,840</u>
Cash flow used by investing activities	-	<u>(7,124,447)</u>
<i>FINANCING ACTIVITIES</i>		
Proceeds from long term debt		1,407,261
Repayment of long term debt	(1,065,608)	(947,310)
Cash flow from financing activities	<u>(1,065,608)</u>	<u>459,951</u>
NET INCREASE (DECREASE) IN CASH DURING YEAR	3,692,067	(3,826,514)
Prior period adjustments, net of deferred capital contribution	(1,928,154)	
CASH (DEFICIENCY), <i>beginning of year</i>	(284,423)	<u>3,542,091</u>
CASH (DEFICIENCY), <i>end of year</i>	<u>\$ 1,479,490</u>	<u>\$(284,423)</u>
CASH COMPRISED OF		
Cash and cash equivalents	\$ 937,322	\$
Restricted cash	542,168	468,429
Bank indebtedness	-	(752,852)
	<u>\$ 1,479,490</u>	<u>\$(284,423)</u>

MATHIAS COLOMB CREE NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

1. NATURE OF OPERATION

Mathias Colomb Cree Nation is a non-profit, non-taxable entity and is engaged in the social, cultural, and economic development of Cree Nation citizens of Mathias Colomb Cree Nation.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements were prepared in accordance with Canadian public sector accounting standards.

REPORTING ENTITY

The Mathias Colomb Cree Nation reporting entity includes the Mathias Colomb Cree Nation government and all related entities which are accountable to the Cree Nation and are either owned or controlled by Mathias Colomb Cree Nation Council.

All controlled entities are fully consolidated on a line-by-line basis except for the commercial enterprises which meet the definition of a government business enterprise, which are included in the Consolidated Financial Statements on a modified equity basis.

These consolidated financial statements combine the assets, liabilities and results of operations for the Cree Nation and use accounting principles that lend themselves to consolidation. All inter-entity balances have been eliminated on consolidation.

The following entities results of operations are included in these financial statements:

<u>Subsidiary</u>	<u>Ownership %</u>	<u>Year End</u>
Pukatawagan Aboriginal Education Authority Inc.	100	March 31, 2020
Mathias Colomb Cree Nation Health Authority Inc.	100	March 31, 2020
Mamawehetowin Crisis Centre Inc.	100	March 31, 2020
Marilyn Bravehart Day Care	100	March 31, 2020
Mathias Colomb Cree Nation Housing Authority Inc.	100	March 31, 2020
Missinippi Construction Co. Ltd	100	March 31, 2020
Unincorporated departments		
Mathias Colomb Cree Nation Community Bingo and Gaming Operations	-	
Mathias Colomb Cree Nation Employment and Training	-	
Organizations accounted for on a modified equity basis include:		
Beaver Air Services Limited Partnership	100	December 31, 2019
Keewatin Railway Company Ltd.	44	December 31, 2019

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, balances with banks net of bank overdrafts and term deposits with a maturity of three months or less at acquisition which are held for the purpose of meeting short-term cash commitments. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)**INVENTORIES HELD FOR USE*

Inventories held for consumption are recorded at the lower of cost and replacement cost.

TANGIBLE CAPITAL ASSETS

Tangible capital assets are stated at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Tangible capital assets are amortized over their estimated useful lives at the following rates and methods:

Land		non-amortizable
Buildings	20 - 40 years	straight-line method
Equipment	10 - 20 years	straight-line method
Motor vehicles	10 years	straight-line method
Infrastructure	20 - 50 years	straight-line method

Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

ASSET CLASSIFICATION

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed, or developed assets that do not provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale. Non-financial assets include tangible capital assets, inventory, and prepaid expenses.

NET DEBT

The Nation's consolidated financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt of the Nation is determined by its financial assets less its liabilities. Net debt combined with non-financial assets comprises a second indicator of financial position, accumulated surplus.

REVENUE RECOGNITION

Mathias Colomb Cree Nation follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized when revenue is earned.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**MARCH 31, 2020**

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)****MEASUREMENT UNCERTAINTY***

The preparation of the financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after estimates as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Inventory is stated after provisions are made for slow moving and obsolete inventory. Amortization is based on the estimated useful lives of tangible capital assets.

These estimates are reviewed periodically and, as adjustments become necessary, they are reported in the statement of operations in the period in which they become known.

EMPLOYEE FUTURE BENEFITS

The organization has a contributory defined benefit plan for its employees which is accounted for using the immediate recognition approach. Under this method, the accrued pension benefits are based on actuarial estimates used for purposes of funding the plan. The accrued benefit obligation and fair value of plan assets are reported, and actuarial gains and losses and past service costs are recognized as part of net income in the year they occur.

RESTRICTED CASH

Restricted cash balances represent assets segregated for use for replacement reserves with CMHC operating agreements. Restricted cash also includes trust funds held by Indigenous Services Canada.

LIABILITY FOR CONTAMINATED SITES

Liabilities for remediation of a contaminated site are recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the Nation is either directly responsible or accepts responsibility, it is expected that the future economic benefits will be given up, and a reasonable estimate of the amount is determinable. At each financial reporting date, the Nation reviews the carrying amount of any liability.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

SEGMENTS

Mathias Colomb Cree Nation is a diversified community that provides a wide range of services to its members. These services are categorized into segments as identified in Note 17. The following segments have been identified and separately disclosed.

Band - Contains activities that are needed to run the Mathias Colomb Cree Nation organization.

Education Services - Contains activities that provide education to band members for primary, secondary schooling and sponsorship to attend post secondary institutions.

Operations and Maintenance - Contains all activities that relate to the maintenance of buildings and land.

Capital/Housing - Contains major capital projects and activities that provide housing and repairs and maintenance to band members' housing.

Social Assistance - Contains activities that provide financial support or support by other means to band members that is aimed at developing both the individual as well as the community.

Economic Development - Contains activities that relate to the economic development of the community, including its commercial operations.

Health Services - Contains activities that provide medical services to band members.

Housing Authority - Contains activities that provide the development and sustainment of on-reserve housing.

Mississippi Construction - Contains activities that provide business services to the Mathias Colomb Cree Nation organization.

Aboriginal Skills and Employment Training Strategy (ASETS) - Contains activities that provide skills and employment training services.

Marilyn Braveheart Daycare - Contains activities that provide financial support for the daycare.

3. PRIOR PERIOD ADJUSTMENTS

	Amount
Correction of accounting treatment for deferred capital contribution	\$ 25,182,932
Correction of bank balances	1,622,303
Correction of prepaid expenses	245,000
Correction of loan balances	(281,000)
Correction of amounts payable to Indigenous Services Canada	(453,854)
Correction of accounts receivable	(2,143,948)
Correction of accounts payable	(1,831,655)
Correction of deferred revenue	<u>915,000</u>
	<u>\$ 23,254,778</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

4. RESTRICTED CASH

REPLACEMENT RESERVE - CMHC

Under the terms of the operating agreements with Canada Mortgage and Housing Corporation (CMHC), the replacement reserve is to be credited with an annual allocation of \$41,740 (March 31, 2019 - \$41,157).

These funds, along with accumulated interest, must be held in a separate bank account and/or invested in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time.

The funds in the account may only be used as approved by CMHC.

Expenditures are charged to accumulated interest first and then to principal.

As of March 31, 2020, the replacement reserve accumulated balance of \$247,239 (March 31, 2019 - \$205,499) was underfunded by \$182,624 (2019 - \$ 205,368) and due from operating.

OTTAWA TRUST FUND

The Ottawa Trust Fund arises from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. Capital trust monies are derived from non-renewable resource transactions on the sale of lands or other First Nation tangible capital assets. Capital trust monies are expended on the authorization of the Minister of Indigenous Services Canada, with the consent of the First Nation's Chief and Council. Revenue trust monies are generated primarily through land-leasing transactions or interest earned on deposits in the Consolidated Revenue Fund of the Government of Canada. Revenue trust monies are, in most cases, managed and expended under the provisions of Sections 63 to 69 of the Indian Act.

	2 0 2 0	2 0 1 9
Externally Restricted Funds		
Peace Hills Trust GIC at 2.29% held as collateral for long-term debt	\$ 452,594	\$ 441,555
Ottawa Trust Fund	26,959	26,703
CMHC Operating reserve	62,615	171
Moveable asset reserve	-	-
	<u>\$ 542,168</u>	<u>\$ 468,429</u>

5. ACCOUNTS RECEIVABLE

	2 0 2 0	2 0 1 9
Indigenous Services Canada	\$ 3,754,116	\$ 69,131
First Nation and Inuit Health	63,070	
Manitoba Keewatinowi Okimakanak	198,850	198,850
Trade and other	<u>977,027</u>	<u>3,697,354</u>
	<u>\$ 4,993,063</u>	<u>\$ 3,965,335</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

6. LONG TERM INVESTMENTS

	2 0 2 0	2 0 1 9
Beaver Air Services LP o/a Missinippi Airways (100%) ownership as sole limited partner	\$ 9,155,027	\$ 8,992,868
Missinippi Management Ltd.	50	50
Keewatin Railway Co. Ltd. (44% equity ownership)	<u>1,173,524</u>	<u>738,363</u>
	<u>\$ 10,328,601</u>	<u>\$ 9,731,281</u>

Mathias Colomb Cree Nation owns 100% of the issued capital of Missinippi Management Ltd (the general partner) and the Cree Nation members are the beneficiaries of Beaver Air Services Trust (the Limited Partner). These entities own Beaver Air Services Limited Partnership which operates as Missinippi Airways. Summarized financial information for Missinippi Airways as at and for the year ended December 31 is as follows:

	2 0 1 9	2 0 1 8
Current assets	\$ 3,032,132	\$ 2,958,103
Long term assets	<u>7,495,913</u>	<u>8,326,303</u>
Total assets	<u>10,528,045</u>	<u>11,284,406</u>
Current liabilities	1,213,086	1,840,207
Long term liabilities	159,882	251,965
Equity	<u>9,155,077</u>	<u>9,192,234</u>
Total equity and liabilities	<u>10,528,045</u>	<u>11,284,406</u>
Revenues	16,078,599	13,963,975
Expenses	<u>15,815,756</u>	<u>14,472,032</u>
Net income	<u>262,843</u>	<u>(508,057)</u>

Summarized financial information for Keewatin Railway Co. Ltd. as at and for the year ended December 31 is as follows:

	2 0 1 9	2 0 1 8
Current assets	\$ 1,943,933	\$ 1,396,464
Long term assets	<u>841,640</u>	<u>674,737</u>
Total assets	<u>2,785,573</u>	<u>2,071,201</u>
Current liabilities	503,730	714,293
Long term liabilities	317,667	381,734
Equity	<u>1,964,176</u>	<u>975,174</u>
Total equity and liabilities	<u>2,785,573</u>	<u>2,071,201</u>
Revenues	5,781,305	4,997,738
Expenses	<u>4,792,303</u>	<u>4,895,404</u>
Net income	<u>989,002</u>	<u>102,334</u>

The following transactions occurred between its investments and the Cree Nation. These transactions are measured at the amount of consideration established and agreed to by the related parties.

The Cree Nation paid \$NIL (\$256,542 in 2019) in kind to Beaver Air Services LP for air services.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2 0 2 0	2 0 1 9
Indigenous Services Canada	\$ 314,897	\$ 444,484
Northern Financial Services		
Trade and other	<u>2,359,510</u>	<u>2,731,892</u>
	<u>\$ 2,674,407</u>	<u>\$ 3,176,376</u>

8. DEFERRED REVENUE

	2 0 2 0	2 0 1 9
Indigenous Services Canada		
New paths	\$	\$ 101,785
Crow Rock Subdivision	159,221	159,221
Wastewater Plant Upgrade	30,341	30,341
Capital - Road Repairs	289,037	149,095
Land Management (Soil Remediation)	36,541	
Soil Remediation	5,458	
Fire Protection Emergency Response	55,538	
Income Assistance Service Delivery	49,535	
Ec. Dev. Commercial Fishery Business Plan	4,000	
CMHC - MB Indig. Capacity Enhancement and Mobilization		
Work Plan	12,500	
Capital - First Responder Equipment Purchase	40,537	
Capital - Materials to Repair Water Lines	60,000	
FN School Kindergarten	353,154	
A&C Wastewater < 1.5 (Sewer Truck Repairs)	11,268	
Equipment Repairs	233	
ACRS Repairs to Water Systems	112,361	
ACRS Repairs to Wastewater Systems	25,969	
Capital - ACRS Repairs to Community Buildings	93,219	
Construction (New Housing CSH75)	833,000	
Sakastew School - Restoration and Addition	53,109	
Education - Culturally Framing Aboriginal Literacy	27,513	
Income Assistance Basic Needs	385,770	
Child and Family Services - Community Well being	44,672	
Community Buildings (Youth Centre Renovations)	200,000	
Provincial School Tuition	89,601	
Crisis Centre - Emergency Shelter	204,122	
Special Needs	10,376	
Health Canada		
Medical Transportation - Capital - Vans		415,000
Health Capital Funding		500,000
Jordan's Principle	743,485	310,540
CMHC - RRAP	118,773	
Mississippi Construction Co. - Infrastructure and Hydro	528,720	
Aboriginal Skills and Employment Training - EI	96,522	
ELCC Daycare	157,615	
Arena Development	251,086	
Health Residence Retrofit	<u>100,638</u>	<u>-</u>
	<u>\$ 5,183,914</u>	<u>\$ 1,665,982</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

9. LONG TERM DEBT

	2 0 2 0	2 0 1 9
Peace Hills Trust loan bearing interest at 3.50% per annum capitalized semi-annually, repayable in monthly principal repayments of \$16,042, along with lump sum payment as desired by The Cree Nation. The loan matures on March 1, 2023 and is secured by an ISC Ministerial Guarantee.	\$ 4,702,211	\$ 5,516,349
CMHC loan bearing interest at 1.19% per annum, repayable in monthly blended payments of \$10,411. The loan matures on May 1, 2035 and is secured by an ISC Ministerial Guarantee, supported by the CMHC insurance and loan agreement and assignment of fire insurance.	1,733,160	1,836,800
Peace Hills Trust loan bearing interest at 3.80% per annum, repayable in monthly blended payments of \$7,049. The loan matures on December 1, 2024 and is secured by an ISC Ministerial Guarantee, supported by the CMHC insurance and loan agreement and assignment of fire insurance.	978,658	1,027,933
CMHC loan bearing interest at 1.97% per annum, repayable in monthly blended payments of \$4,601. The loan matures on November 1, 2037 and is secured by an ISC Ministerial Guarantee, supported by the CMHC insurance and loan agreement and assignment of fire insurance.	823,795	862,397
CMHC loan bearing interest at 1.82% per annum, repayable in monthly blended payments of \$3,428. The loan matures on September 1, 2039 and is secured by an ISC Ministerial Guarantee, supported by the CMHC insurance and loan agreement and assignment of fire insurance.	675,294	703,879
CMHC loan bearing interest at 2.50% per annum, repayable in monthly blended payments of \$7,817. The loan matures on June 1, 2033 and is secured by an ISC Ministerial Guarantee, supported by the CMHC insurance and loan agreement and assignment of fire insurance.	1,057,908	1,124,431
Peace Hills Trust loan bearing interest at 3.70% per annum, repayable in monthly blended payments of \$8,272. The loan matures on January 1, 2020 and is secured by an ISC Ministerial Guarantee, supported by the CMHC insurance and loan agreement and assignment of fire insurance.		81,602
Peace Hills Trust loan bearing interest at 4.50% per annum, repayable in monthly blended payments of \$2,300. The loan matures on December 1, 2024 and is secured by guaranteed investment certificate of \$400,000, general security agreement and demand promissory note.	400,000	400,000
Peace Hills Trust loan bearing interest at 5.50% per annum payable monthly, along with lump sum payment as desired by The Cree Nation. The loan matures on May 1, 2022 and is secured by general security agreement, demand promissory note and assignment of tobacco tax rebates.	231,000	306,667

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

9. LONG TERM DEBT *(continued)*

Peace Hills Trust loan bearing interest at 5.50% per annum, repayable in monthly blended payments of \$8,485. The loan matures on March 1, 2022 and is secured by general security agreement and demand promissory note.

	<u>192,424</u>	<u>-</u>
	10,794,450	11,860,058
Less current portion	<u>652,421</u>	<u>1,030,803</u>
	<u>\$ 10,142,029</u>	<u>\$ 10,829,255</u>

The estimated annual principal payments required in each of the next five years to meet retirement provisions is estimated to be as follows:

March 31, 2021	\$ 652,421
2022	434,318
2023	343,300
2024	351,349
2025	359,626
Thereafter	<u>8,653,436</u>
	<u>\$ 10,794,450</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

10. TANGIBLE CAPITAL ASSETS

	Cost			Accumulated Amortization			Net Book Value	
	Opening Balance	Additions	Closing Balance	Opening Balance	Amortization	Closing Balance	Total 2 0 2 0	Total 2 0 1 9
Buildings	\$ 72,698,147	\$	\$ 72,698,147	\$ 35,701,942	\$ 1,767,646	\$ 37,469,588	\$ 35,228,559	\$ 36,996,205
Equipment	7,003,384		7,003,384	6,940,011	63,373	7,003,384		63,373
Motor vehicles	9,107,750		9,107,750	7,190,930	593,301	7,784,231	1,323,519	1,916,820
Infrastructure	<u>38,035,190</u>	<u>-</u>	<u>38,035,190</u>	<u>8,933,474</u>	<u>760,704</u>	<u>9,694,178</u>	<u>28,341,012</u>	<u>29,101,716</u>
	<u>\$ 126,844,471</u>	<u>\$ -</u>	<u>\$ 126,844,471</u>	<u>\$ 58,766,357</u>	<u>\$ 3,185,024</u>	<u>\$ 61,951,381</u>	<u>\$ 64,893,090</u>	<u>\$ 68,078,114</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

11. RECONCILIATION OF INDIGENOUS SERVICES CANADA REVENUE

	2 0 2 0	2 0 1 9
Indigenous Services Canada funding as per agreement	\$ 25,155,186	\$ 24,809,670
Plus: Revenue deferred from previous years	440,442	1,635,840
Less: Revenue deferred to subsequent year		
New paths		(101,786)
Crow rock subdivision	(159,221)	(159,221)
Wastewater plant upgrade	(30,341)	(30,341)
Capital - Road Repairs	(289,037)	(149,095)
Land Management (Soil Remediation)	(36,541)	
Soil Remediation	(5,458)	
Fire Protection Emergency Response	(55,539)	
Income Assistance Service Delivery	(49,535)	
Ec. Dev. Commercial Fishery Business Plan	(4,000)	
CMHC - MB Indig. Capacity Enhancement and Mobilization Work Plan	(12,500)	
Capital - First Responder Equipment Purchase	(40,537)	
Capital - Materials to Repair Water Lines	(60,000)	
FN School Kindergarten	(353,154)	
A&C Wastewater < 1.5 (Sewer Truck Repairs)	(11,268)	
Equipment Repairs	(233)	
ACRS Repairs to Water Systems	(112,361)	
ACRS Repairs to Wastewater Systems	(25,969)	
Capital - ACRS Repairs to Community Buildings	(93,219)	
Construction (New Housing CSH75)	(833,000)	
Sakastew School - Restoration and Addition	(53,109)	
Education - Culturally Framing Aboriginal Literacy	(27,513)	
Income Assistance Basic Needs	(385,770)	
Child and Family Services - Community Well being	(44,672)	
Community Buildings (Youth Centre Renovations)	(200,000)	
Provincial School Tuition	(89,601)	
Crisis Centre - Emergency Shelter	(204,122)	
Special Needs	(10,376)	
Less: Deferred capital contributions		(6,737,471)
Less: Set off from prior over payments		(146,008)
Add: net receivable	-	14,519
TOTAL I.S.C. REVENUE PER FINANCIAL STATEMENTS	\$ 22,408,552	\$ 19,136,107

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

12. EXPENSES BY OBJECT

The following is a summary of expenses by object:

	2 0 2 0	2 0 1 9
Administration	\$ 1,569,800	\$ 228,040
Amortization of capital assets	3,185,024	3,356,984
Bad debts		20,742
Bank charges and interest	32,315	493,954
Community events and program activities	652,368	401,703
Contracts	801,363	534,901
Fuel	479,342	823,547
Insurance	446,418	223,196
Loan and mortgage payments	343,643	578,434
Office supplies	252,768	327,770
Program costs	1,999,209	1,446,055
Professional fees - accounting	148,991	
Professional fees - audit	82,700	
Professional fees - legal	65,545	
Professional fees - other	208,179	1,249,919
Professional fees - program management	73,791	
Professional fees - training	137,301	
Rent	35,818	702,415
Repairs and maintenance	1,212,148	689,081
Replacement reserve allocation	41,740	41,157
Student allowances	1,271,942	1,032,411
Social	6,161,908	5,980,551
Training and development	323,032	280,633
Travel	1,122,379	1,280,079
Telephone and internet	169,203	92,073
Utilities	1,397,625	1,399,122
Vehicle	129,643	
Wages and benefits	11,583,999	12,125,432
	<u>\$ 33,928,194</u>	<u>\$ 33,308,199</u>

13. BUDGET INFORMATION

The disclosed budget information has been provided by the administration of First Nation. The budget figures have not been audited, reviewed or otherwise verified and consequently we do not express an opinion on them.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**MARCH 31, 2020**

14. ECONOMIC DEPENDENCE

Mathias Colomb Cree Nation receives the majority of its revenue from the department of Indigenous Services Canada (I.S.C.) and First Nation and Inuit Health Branch (F.N.I.H.B.) as a result of the Treaties entered into with the Government of Canada. These treaties are administered by I.S.C. and F.N.I.H.B. under the terms and conditions of the Indian Act. The ability of the Nation to continue its operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these treaties.

15. COMPARATIVE FIGURES

The comparative figures and financial statements for the year ended March 31, 2019 were audited by another firm of Chartered Professional Accountants who expressed an unqualified opinion on those financial statements on February 27, 2020. Certain prior year comparative figures have been reclassified where necessary to conform to the presentation adopted for the current year's presentation.

MATHIAS COLOMB CREE NATION

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

17. SEGMENT DISCLOSURE

The Cree Nation provides a range of services to its members. For management reporting purposes, operations and activities are reported by department. For each segment separately reported, the segment revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The presentation by segment is based on the same accounting policies as described in the summary of Significant Accounting Policies as described in Note 2. The segment results for the year are as follows:

	BAND		EDUCATION		O&M		CAPITAL	
	2020	2019	2020	2019	2020	2019	2020	2019
Revenues								
Federal Government								
ISC	\$ 976,940	\$ 1,276,628	\$ 11,159,706	\$ 6,708,114	\$ 597,388	\$ 603,210	\$ 960,833	\$ 1,661,710
Health Canada								
CMHC	-	-	-	-	-	-	241,191	-
Subtotal	976,940	1,276,628	11,159,706	6,708,114	597,388	603,210	1,202,024	1,661,710
Other revenue	3,098,205	976,537	178,054	99,859	78,883	59,773	113	482,495
Total revenue	4,075,145	2,253,165	11,337,760	6,807,973	676,271	662,983	1,202,137	2,144,205
Expenditures								
Amortization	1,846,772	2,044,516	637,110	637,110				
Debt servicing	280,325	1,130,296	4,084	1,486	61	61	155	18
Other	1,480,257	1,253,629	3,502,026	2,243,366	397,807	288,445	938,343	1,171,078
Wages and benefits	838,109	828,388	3,996,656	4,665,421	619,737	539,175	49,270	62,271
Total expenses	4,445,463	5,256,829	8,139,876	7,547,383	1,017,605	827,681	987,768	1,233,367
Surplus (Deficit)	\$ (370,318)	\$ (3,003,664)	\$ 3,197,884	\$ (739,410)	\$ (341,334)	\$ (164,698)	\$ 214,369	\$ 910,838

MATHIAS COLOMB CREE NATION

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

17. SEGMENT DISCLOSURE (continued)

	SOCIAL		ECONOMIC DEVELOPMENT		HEALTH		OTHER	
	2020	2019	2020	2019	2020	2019	2020	2019
Revenues								
Federal Government								
ISC	\$ 7,799,590	\$ 7,363,666	\$ 229,720	\$ 738,672	\$	\$	\$ 684,375	\$ 784,107
Health Canada					4,640,877	4,483,057		
CMHC	-	-	-	-	-	-	-	-
Subtotal	7,799,590	7,363,666	229,720	738,672	4,640,877	4,483,057	684,375	784,107
Other revenue	-	40	-	43,386	467,113	120,351	306,353	888,963
Total revenue	<u>7,799,590</u>	<u>7,363,706</u>	<u>229,720</u>	<u>782,058</u>	<u>5,107,990</u>	<u>4,603,408</u>	<u>990,728</u>	<u>1,673,070</u>
Expenses								
Amortization					292,713	292,713		
Debt servicing		1,743			6,368	15,743	223	342
Other	7,435,058	7,318,129	186,161	646,361	2,386,793	1,729,017	588,649	1,216,752
Wages and benefits	<u>432,623</u>	<u>417,438</u>	<u>62,353</u>	<u>208,308</u>	<u>3,390,947</u>	<u>2,833,309</u>	<u>571,022</u>	<u>410,415</u>
Total expenses	<u>7,867,681</u>	<u>7,737,310</u>	<u>248,514</u>	<u>854,669</u>	<u>6,076,821</u>	<u>4,870,782</u>	<u>1,159,894</u>	<u>1,627,509</u>
Surplus (Deficit)	<u>\$ (68,091)</u>	<u>\$ (373,604)</u>	<u>\$ (18,794)</u>	<u>\$ (72,611)</u>	<u>\$ (968,831)</u>	<u>\$ (267,374)</u>	<u>\$ (169,166)</u>	<u>\$ 45,561</u>

MATHIAS COLOMB CREE NATION

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

17. SEGMENT DISCLOSURE (continued)

	HOUSING AUTHORITY		MISSINIPPI CONSTRUCTION		ASETS		DAYCARE	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenues								
Federal Government								
ISC	\$	\$	\$	\$	\$	\$	\$	\$
Health Canada								
CMHC	<u>475,290</u>	<u>379,482</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	475,290	379,482						
Other revenue	<u>159,156</u>	<u>453,947</u>	<u>1,091,192</u>	<u>2,217,081</u>	<u>707,348</u>	<u>772,219</u>	<u>511,397</u>	<u>429,624</u>
Total revenue	<u>634,446</u>	<u>833,429</u>	<u>1,091,192</u>	<u>2,217,081</u>	<u>707,348</u>	<u>772,219</u>	<u>511,397</u>	<u>429,624</u>
Expenses								
Amortization	237,350	214,256	132,419	132,419			38,660	38,660
Debt servicing	77,368		2,413	36,225	2,438	372	2,539	
Other	204,556	263,713	988,467	(342,758)	440,458	426,280	194,432	137,157
Wages and benefits	<u>141,519</u>	<u>110,409</u>	<u>901,215</u>	<u>1,788,701</u>	<u>279,472</u>	<u>242,167</u>	<u>341,266</u>	<u>305,068</u>
Total expenses	<u>660,793</u>	<u>588,378</u>	<u>2,024,514</u>	<u>1,614,587</u>	<u>722,368</u>	<u>668,819</u>	<u>576,897</u>	<u>480,885</u>
Surplus (Deficit)	<u>\$ (26,347)</u>	<u>\$ 245,051</u>	<u>\$ (933,322)</u>	<u>\$ 602,494</u>	<u>\$ (15,020)</u>	<u>\$ 103,400</u>	<u>\$ (65,500)</u>	<u>\$ (51,261)</u>

MATHIAS COLOMB CREE NATION

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

17. SEGMENT DISCLOSURE *(continued)*

	TOTAL	
	2020	2019
Revenues		
Federal Government		
ISC	\$ 22,408,552	\$ 19,136,107
Health Canada	4,640,877	4,483,057
CMHC	<u>716,481</u>	<u>379,482</u>
Subtotal	27,765,910	23,998,646
Other revenue	<u>6,597,814</u>	<u>6,544,275</u>
Total revenue	<u>34,363,724</u>	<u>30,542,921</u>
Expenses		
Amortization	3,185,024	3,359,674
Debt servicing	375,974	1,186,286
Other	18,743,007	16,351,169
Wages and benefits	<u>11,624,189</u>	<u>12,411,070</u>
Total expenses	<u>33,928,194</u>	<u>33,308,199</u>
Surplus (Deficit)	\$ <u>435,530</u>	\$ (2,765,278)