



2019 ANNUAL REPORT

Inside this issue:

Mississagi Trust	1
Year in Review	1
Lands	1
Elders	2
2019 Applications	3
Disbursements	3
Testimonials	4
Annual Evaluation of Streams	5
Portfolio Reports	7
Pictures of Hall Renovations	8
2019 Audit	

Mississagi Trust

"Mississagi and the Trustees acknowledge and agree that the Trust Property is intended to be held and shall be held as a long-term asset for the use and benefit of Mississagi, as beneficiary, to be administered by the Trustees upon the trusts set out in this Trust Agreement."

"The Trust Account is to be managed, used and invested prudently and wisely for the benefit of the present and future generations of the Mississagi people." (Trust Agreement April 27, 1994)

Year In Review



Management Summary:
Health Revenue
and Capital
(Attached).

Lands

The Trust purchased a parcel of land (approx. 70 acres) through a sealed bid tender process on May 23, 2019. The Trust received direction to purchase this property from Chief and Council. This property abuts property previously purchased by the Trust. The purchase amount was \$10,000 and the total closing amount was \$13,659.

The Trust was directed by Chief and Council via BCR to purchase a piece of property

Mississagi Trust

"Mississagi and the Trustees acknowledge and agree that the Trust Property is intended to be held and shall be held as a long-term asset for the use and benefit of Mississagi, as beneficiary, to be

the Trustees set out in ment."

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Year In Review

Portfolio Management Summary: 2019 TD Wealth Revenue Portfolio and Capital Portfolio (Attached).

Lands

The Trust purchased a parcel of land (approx. 70 acres) through a sealed bid tender process on May 23, 2019. The Trust received direction to purchase this property from Chief and Council. This property abuts property previously purchased by the Trust. The purchase amount was \$10,000 and the total closing amount was \$13,659.

Elders Enjoying their Pendleton Blankets



Dorothy Fortin



Jim Gionette



Lorraine Cada & Gloria Daybutch



Elva Morningstar receiving her gift

Trust Proposal Application Approvals

From January 1 to December 31, 2019, the Trust received one hundred (100) inquiries regarding the proposal applications for Comprehensive Community Plan initiative, Community Project initiatives, and Membership applications. The Trust received 92 inquiries under the membership stream.

Of the 92 inquiries 62 inquiries were regarding health, 19 inquiries were regarding education, 8 inquiries were regarding small business plus three inquiries that did not fall under any stream. There was six inquiries regarding the Community Project Stream and two inquiries regarding the Comprehensive Community Plan Stream.

Eighty-two (82) applications were either sent out or downloaded. Forty-four (44) applications were received. Forty-two applications were reviewed by the Trustees with 38 applications being approved including 6 applications that were tentatively approved pending funding from other programs. Three applications required additional information and was not received, however one did get approved from another funding source.

Three applications were not approved as they did not meet the criteria under the membership stream.

Under the "Comprehensive Community Plan" stream, the Trust approved two (2) projects, totaling \$131,109. These funding approvals were to assist with the renovation of the community hall (\$48,000) as well as to assist with the construction of a duplex (\$83,109). (Please see attached pictures)

One application was approved under the Community Project stream in the amount of \$13,151. The approval was to assist with housing inspections as well as to provide two workshops regarding housing maintenance.

#

Thirty (30) First Nation members

investment portfolio manager, Mr. Michael McAuley, to see what the next steps would be. An addendum had to be placed at the beginning of the Trust Agreement advising of the vote that took place allowing 15% investment in stocks over a three-year period. A new Investment Policy Statement had to be drafted by the Portfolio Manager then approved and signed by the Trustees. Investing in stocks started in July 2019.

One Time Disbursement

In 2019, the Trust received two (2) inquiries/requests for the one-time cash disbursement from Band members. Upon review of cheques issued in the past, it was determined that one Band member had previously received their disbursement. The other request came from a Band member who just recently regained their status and was therefore not entitled to be registered on Mississauga #8 Band list prior to the February 25, 1995. required registry date to receive the disbursement.

Many of our new band members have received their status in 2011 through "Bill C-3 Gender Equity in Indian Registration Act". Therefore, if you have gained status through the above Act, you are not entitled to receive the one-time disbursement.

TESTIMONIALS

I would like to thank the Trust and the ~~members of our community for their time and consideration to my health concerns. It means a lot to my family for the help that was received. I truly believe it takes a community's support to succeed.~~ Thank you Mississauga Trust for your ongoing support to our members.

It goes without saying thanks for this assistance. Hopefully First Nation Health Benefits program will recognize that they are not honouring the crown by failing to abide by their fiduciary obligations. It's great knowing MFN Trust ~~can help in my time of need.~~

MISSISSAGI TRUST

Annual Evaluation Report January 1 - December 31, 2019

The purpose of this report is to review the activity in the past year to determine the effectiveness of the program. Here are the statistics for the fourth year of operations:

One Hundred inquiries regarding the program

Eighty-Two applications were sent out or downloaded

Forty-Four applications were received

Forty-Two applications were reviewed by the Trustees

(2 will be reviewed in the new year)

38 applications were approved

Of those approved, six were tentatively approved of which 5 were paid by other programs and we are waiting to hear back from another program

One application was not approved

Three applications required more information and was never received; however one was approved through another program

- Three inquiries were made by/for non-registered Band members

Three applications did not meet the criteria under any stream
The following is the percentage of funds spent per application stream:

- Comprehensive Community Plan 100% - \$131,109
- Community Project 23% - \$13,151
- Membership 49% - \$65,546



Your Investment Account statement

December 1, 2019 to December 31, 2019

MISSISSAGI TRUST
Portfolio number: NS4411
Portfolio type: Investment Account

Your portfolio at a glance

You need to know

Please see **page 19** for important information about your portfolio.

Please see **page 21** for further information about Your portfolio at a glance and Your personal rates of return sections.

	This period (Dec 1 - Dec 31, 2019)	Year to date (Jan 1 - Dec 31, 2019)	Last 12 months (Jan 1 - Dec 31, 2019)	Last 3 years (Jan 1, 2017 - Dec 31, 2019)	Since Jan 1, 2012 (Jan 1, 2012 - Dec 31, 2019)
Beginning portfolio balance	\$8,926,636.04	\$8,615,352.12	\$8,615,352.12	\$9,039,072.14	\$11,089,811.21
Cash deposits & net transfers of securities	\$0.00	\$0.00	\$0.00	\$0.00	\$124,880.91
Withdrawals & deregistrations	\$0.00	-\$206,867.18	-\$206,867.18	-\$750,581.48	-\$3,891,010.31
Investment income:					
Dividends	\$1,410.64	\$7,500.74	\$7,500.74	\$8,561.72	\$8,561.72
Interest	\$9,123.80	\$119,050.11	\$119,050.11	\$643,251.35	\$2,576,913.76
Realized capital distributions, gains and losses	-\$39,940.16	-\$35,760.51	-\$35,760.51	-\$87,124.33	-\$273,079.98
Change in unrealized capital gains and losses	-\$58,186.15	\$288,293.68	\$288,293.68	\$30,404.46	-\$469,567.24
Adjustments	\$0.00	\$0.00	\$0.00	\$1,367.46	\$1,367.46
Unallocated distributions for the current year	\$24,852.55	\$121,315.06	N/A	N/A	N/A
Ending portfolio balance	\$8,859,707.19	\$8,859,707.19	\$8,859,707.19	\$8,859,707.19	\$8,859,707.19

On December 31, 2019, CAD 1.00 = USD 0.77115

Your personal rates of return as of Dec 31, 2019

For the last 12 months	For the last 3 years	For the last 5 years	Since Jan 1, 2012
5.31%	2.16%	1.97%	1.98%

Personal rate of return reflects the total percentage return earned on the investments held in your account. Total percentage return means the cumulative realized and unrealized capital gains and losses of an investment, plus income from the investment, over a specified period of time, expressed as a percentage.

Personal rate of return is calculated using a money-weighted methodology. Unlike alternative rate of return methodologies, it takes into account any deposits or withdrawals you have made, and the performance outcomes of your investments over a specified time period, net of fees and charges paid directly by this account. Rates of return are provided on an annualized basis except for any returns reflective of a period of less than one year.

This historical data offers you a longer term perspective about your account's performance and progress towards your goals.



TD Wealth Private Investment Counsel

Your Investment Account statement

December 1, 2019 to December 31, 2019

MISSISSAGI TRUST
Portfolio number: MP1832
Portfolio type: Investment Account

Your portfolio at a glance

You need to know

Please see **page 8** for important information about your portfolio.

Please see **page 10** for further information about Your portfolio at a glance and Your personal rates of return sections.

	This period (Dec 1 - Dec 31, 2019)	Year to date (Jan 1 - Dec 31, 2019)	Last 12 months (Jan 1 - Dec 31, 2019)	Last 3 years (Jan 1, 2017 - Dec 31, 2019)	Since Oct 7, 2014 (Oct 7, 2014 - Dec 31, 2019)
Beginning portfolio balance	\$1,680,847.44	\$1,551,648.31	\$1,551,648.31	\$1,834,086.49	\$0.00
Cash deposits & net transfers of securities	\$0.00	\$195,397.52	\$195,397.52	\$651,562.91	\$3,112,216.01
Withdrawals & deregistrations	-\$21,799.42	-\$171,548.91	-\$171,548.91	-\$936,298.23	-\$1,650,904.64
Investment income:					
Dividends	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Interest	\$1,236.88	\$14,183.72	\$14,183.72	\$113,328.07	\$238,501.69
Realized capital distributions, gains and losses	-\$1,712.02	-\$3,820.06	-\$3,820.06	-\$23,511.05	-\$21,869.43
Change in unrealized capital gains and losses	-\$8,070.65	\$40,798.58	\$40,798.58	\$8,133.04	-\$9,818.92
Unallocated distributions for the current year	\$1,866.27	\$33,902.64	N/A	N/A	N/A
Ending portfolio balance	\$1,651,586.18	\$1,651,586.18	\$1,651,586.18	\$1,651,586.18	\$1,651,586.18

On December 31, 2019, CAD 1.00 = USD 0.77115

Your personal rates of return as of Dec 31, 2019

For the last 12 months	For the last 3 years	For the last 5 years	Since Oct 7, 2014
4.89%	2.06%	2.14%	2.10%

Personal rate of return reflects the total percentage return earned on the investments held in your account. Total percentage return means the cumulative realized and unrealized capital gains and losses of an investment, plus income from the investment, over a specified period of time, expressed as a percentage.

Personal rate of return is calculated using a money-weighted methodology. Unlike alternative rate of return methodologies, it takes into account any deposits or withdrawals you have made, and the performance outcomes of your investments over a specified time period, net of fees and charges paid directly by this account. Rates of return are provided on an annualized basis except for any returns reflective of a period of less than one year.

This historical data offers you a longer term perspective about your account's performance and progress towards your goals.

HALL RENOVATIONS



Mississagi Trust
Financial Statements
For the year ended December 31, 2019

Contents

Independent Auditor's Report	2
Financial Statements	
Statement of Financial Position	4
Statement of Operations and Changes in Fund Balances	5
Statement of Cash Flows	6
Notes to Financial Statements	7



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Sault Ste. Marie ON P6A 5N7 Canada

Independent Auditor's Report

To the beneficiary of Mississagi Trust:

Opinion

We have audited the financial statements of Mississagi Trust (the Trust), which comprise the statement of financial position as at December 31, 2019, and the statements of operations and changes in fund balances and cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as at December 31, 2019, and its results of its operations, change in fund balances and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for 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 the Trust 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 opinion.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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 Trust'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 Trust or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust's financial reporting process.

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 these financial statements.

Independent Auditor's Report (continued)

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 the Trust'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 the Trust'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 Trust 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.

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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Sault Ste. Marie, Ontario
May 6, 2020

Mississagi Trust

Statement of Financial Position

December 31			2019	2018
	Revenue	Capital	Total	Total
Assets				
Current				
Cash	\$ 32,763	\$ 844	\$ 33,607	\$ 10,725
Property taxes and other receivables	73,500	-	73,500	74,157
Inter-fund balances (Note 3)	(129,086)	129,086	-	-
	(22,823)	129,930	107,107	84,882
Investments				
Long term investments (Note 2)	1,651,586	8,859,707	10,511,293	10,167,001
Property	-	3,046,622	3,046,622	3,035,152
	1,651,586	11,906,329	13,557,915	13,202,153
	\$ 1,628,763	\$ 12,036,259	\$ 13,665,022	\$ 13,287,035

Liabilities and Fund Balances

Current				
Accounts payable and accrued liabilities	\$ 3,967	\$ -	\$ 3,967	\$ 3,633
Due to beneficiary, Mississauga First Nation	1,635,025	-	1,635,025	1,550,704
	1,638,992	-	1,638,992	1,554,337
Fund Balances				
Unrealized gains (losses)	(10,229)	38,747	28,518	(303,520)
Fund balances	-	11,997,512	11,997,512	12,036,218
	(10,229)	12,036,259	12,026,030	11,732,698
	\$ 1,628,763	\$ 12,036,259	\$ 13,665,022	\$ 13,287,035

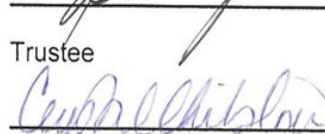
Approved on behalf of the Trust



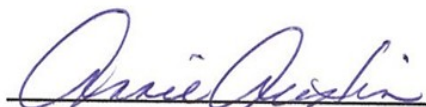
Trustee



Trustee



Trustee



Trustee

Trustee

Mississagi Trust
Statement of Operations and Changes in Fund Balances

For the year ended December 31			2019	2018
	Revenue	Capital	Total	Total
Revenue				
Investment income (loss)	\$ 292,131	\$ (35,761)	\$ 256,370	\$ 252,388
Expenses				
Honorariums	24,000	-	24,000	24,400
Insurance	5,460	-	5,460	5,207
Management fees	58,152	-	58,152	56,727
Meeting and election costs	1,114	-	1,114	5,432
Office	6,086	-	6,086	9,272
Professional fees	5,531	-	5,531	11,617
Property taxes	6,469	-	6,469	5,313
Rental	3,165	-	3,165	3,831
Telephone and communications	1,400	-	1,400	1,354
Training	140	-	140	-
Travel	189	-	189	-
Wages and benefits	45,051	-	45,051	43,692
	156,757	-	156,757	166,845
Income from operations	135,374	(35,761)	99,613	85,543
Distribution to beneficiary	(135,374)	-	(135,374)	(120,721)
	-	(35,761)	(35,761)	(35,178)
Approved project applications under the ratified July 2018 Trust guidelines:				
Comprehensive community plan	-	-	-	16,628
Community projects	-	-	-	958
Band members	51,053	-	51,053	9,120
	51,053	-	51,053	26,706
Allocation from beneficiary	(51,053)	-	(51,053)	(26,706)
	-	-	-	-
Unrealized gain (loss) on market value of investments	40,799	288,294	329,093	(109,219)
Gain (loss) for the year	40,799	252,533	293,332	(144,397)
Fund balances, beginning of year	(51,028)	11,783,726	11,732,698	11,879,095
Less: disbursements for new Mississauga Band members	-	-	-	(2,000)
Fund balances, end of year	\$ (10,229)	\$ 12,036,259	\$ 12,026,030	\$ 11,732,698

The accompanying notes are an integral part of these financial statements.

Mississagi Trust **Statement of Cash Flows**

For the year ended December 31	2019	2018
	Total	Total
Cash flows from operating activities		
Net gain (loss)	\$ 293,332	\$ (144,397)
Changes in non-cash working capital balances		
Property taxes and other receivables	657	(285)
Accounts payable and accrued liabilities	334	(316,394)
Due to beneficiary, Mississauga First Nation	84,321	94,015
	<u>378,644</u>	<u>(367,061)</u>
Investing activities		
Purchase of property	(11,470)	(49,631)
Net sale (purchase) of investments	<u>(344,292)</u>	<u>110,674</u>
	<u>(355,762)</u>	<u>61,043</u>
Financing activities		
Payments to band members	<u>-</u>	<u>(2,000)</u>
Increase (decrease) in cash during the year	22,882	(308,018)
Cash, beginning of year	<u>10,725</u>	<u>318,743</u>
Cash, end of year	<u>\$ 33,607</u>	<u>\$ 10,725</u>

The accompanying notes are an integral part of these financial statements.

December 31, 2019

1. Summary of significant accounting policies

Nature and purpose of organization

The Mississagi Trust was established in 1994 from the Land Claim Settlement Agreement under the laws of Ontario. The main purpose of the trust is to maintain assets for the use and benefit of Mississauga First Nation as beneficiary, as governed by the provisions of the trust agreement.

Basis of accounting

The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.

Fund accounting

The Capital Fund reports the original amounts received from the boundary claim settlement. In general, capital amounts may only be invested in authorized investments, distributed or loaned for specified purposes and disbursed for authorized expenses.

The Revenue Fund is maintained to account for the trust's earnings on investments and administrative expenses.

Revenue recognition

The trust follows the restricted fund method of accounting for revenue. Amounts received from the settlement are recognized as revenue in the Capital Fund. Investment income is recognized as revenue in the Revenue Fund in the period in which it is earned.

Other revenue is recognized when the amounts to be received can be reasonably estimated and ultimate collection is reasonably assured.

Tangible capital assets

Capital assets are not recorded on the statement of financial position. Purchases of capital assets in the year are recorded as expenses and disclosed in the statement of operations and changes in fund balances.

Investments

Consisting of a variety of fixed, mutual and equity investments are initially recognized and subsequently measured at fair value. Changes in fair value are recognized in income in the period.

Property

Consisting of a variety of land purchases made under the terms of the Land Claim Settlement which dictates the Trust purchase certain lands within or bordering the Mississagi Reserve.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial instruments traded in an active market are reported at fair value, with any unrealized gains and losses reported in operations. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each statement of financial position date.

Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations 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. Actual results could differ from management's best estimates as additional information becomes available in the future.

Mississagi Trust

Notes to Financial Statements

December 31, 2019

1. Summary of significant accounting policies (continued)

Cash and equivalents

Management considers all highly liquid investments with maturity of three months or less at acquisition to be cash equivalents.

Distributions to beneficiary

Distributions from the trust may only be made pursuant to the terms of the trust agreement which are generally as follows:

Capital fund distributions are authorized for permitted investments.

Revenue fund amounts equal to annual income as calculated for tax purposes are to be distributed to the beneficiary. Distributions are authorized for projects that would promote the economic, social, and cultural well-being of its members, as well as payments for the trust's operating expenditures.

2. Long term investments

	<u>Market value</u>	<u>Book value</u>
Long term investments - Capital Fund		
Long term investments - capital fund are comprised of the following:		
Federal bonds, effective yield of 1.5% to 3.8%, maturing between June 2021 - June 2029	\$ 1,664,882	\$ 1,752,973
Provincial bonds, effective yield of 2.55% to 2.95%, maturing between June 2023 - December 2028	1,596,642	1,572,653
Corporate bonds, effective yield of 2.13% to 2.84%, maturing June 2020	402,858	411,095
Global bond funds	401,681	394,427
Other Canadian bond funds	3,414,788	3,344,377
Accrued interest domestic bonds	11,102	11,102
Canadian equities	381,550	372,647
U.S. equities	322,603	305,058
International equities	112,404	105,431
Cash	551,197	551,197
	<u>8,859,707</u>	<u>8,820,960</u>

Mississagi Trust Notes to Financial Statements

December 31, 2019

2. Long term investments (continued)

	Market value	Book value
Long term investments - Revenue Fund		
Long term investments - revenue fund are comprised of the following:		
Federal bonds, effective yield of 1.50% to 2.35%, maturing between June 2026 - June 2027	96,178	93,704
Provincial bonds, effective yield of 1.55% to 3.5%, maturing between September 2021 - December 2028	433,596	436,995
TD Canadian bond funds	1,058,258	1,067,152
Accrued interest domestic bonds	1,079	1,079
Cash	62,475	62,475
	<u>1,651,586</u>	<u>1,661,405</u>
Total long term investments	\$ 10,511,293	\$ 10,482,365

3. Inter-fund balances

Inter-fund balances consist of capital gains unrealized by the capital fund and payments made from the capital fund to the revenue fund. These capital gains will be paid to the revenue fund upon being realized.

4. Financial instrument risk

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The trust is exposed to interest rate risk arising from the possibility that changes in interest rates will affect the value of its fixed income denominated investments.

Price risk

Price risk arises from the trust's investments. Price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Trust is exposed to the price risk associated with the fair market value of its marketable securities which fluctuate in value in the financial markets in which they are traded. Management manages the market risk by implementing an investment policy that governs the mix of the investment portfolio to ensure the diversification of the type of assets held and the type of industries the underlying assets are drawn from.

Subsequent to year end, COVID-19 has had a significant effect on the financial markets. The Trust's investments in equity instruments (see Note 2) measured at fair value are reported in these financial statements at their values on December 31, 2019. As of May 6, 2020 the TSX Composite Index has declined by approximately 13%. This may impact the amount of beneficiary distributions to the Mississauga First Nation. The extent of any future impact on the Trust's investments or operations as a result of COVID-19 is unknown.

December 31, 2019

4. Financial instrument risk (continued)

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge a financial obligation. The Trust's main credit risks relates to its cash, cash equivalents, and investments.

Credit risk associated with cash and cash equivalents, and investments is minimized by ensuring these financial assets are placed with a reputable financial institution with a high credit rating.

The portfolio mix for investments spreads the credit risk over different market sectors, limiting the exposure to concentrated credit risk. Subsequent to year end, the credit risk related to the Trust's holdings has increased due to the impact of COVID-19, which could lead to potential losses.

Liquidity risk

Liquidity risk is the risk that the trust encounters difficulties in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the trust will not have sufficient funds to settle a transactions on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. Liquidity risk arises from accounts payable and due to beneficiary, Mississauga First Nation.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency exposure arises from the Trust's holdings of non-Canadian denominated investments. These investments totalling \$435,007 represent 4.14% of total holdings which are exposed to foreign currency movements.

5. Contingent liability

The Trust is in the midst of a legal suit with a former investment portfolio manager for a loss of fair value in the investments under his management. In return, this former portfolio manager has commenced a counter-suit claiming amongst other things, libel and breach of contract. At this time, it is not possible to determine whether there will be any gain or loss from this legal situation. Therefore, no amounts have been reflected in the financial statements.

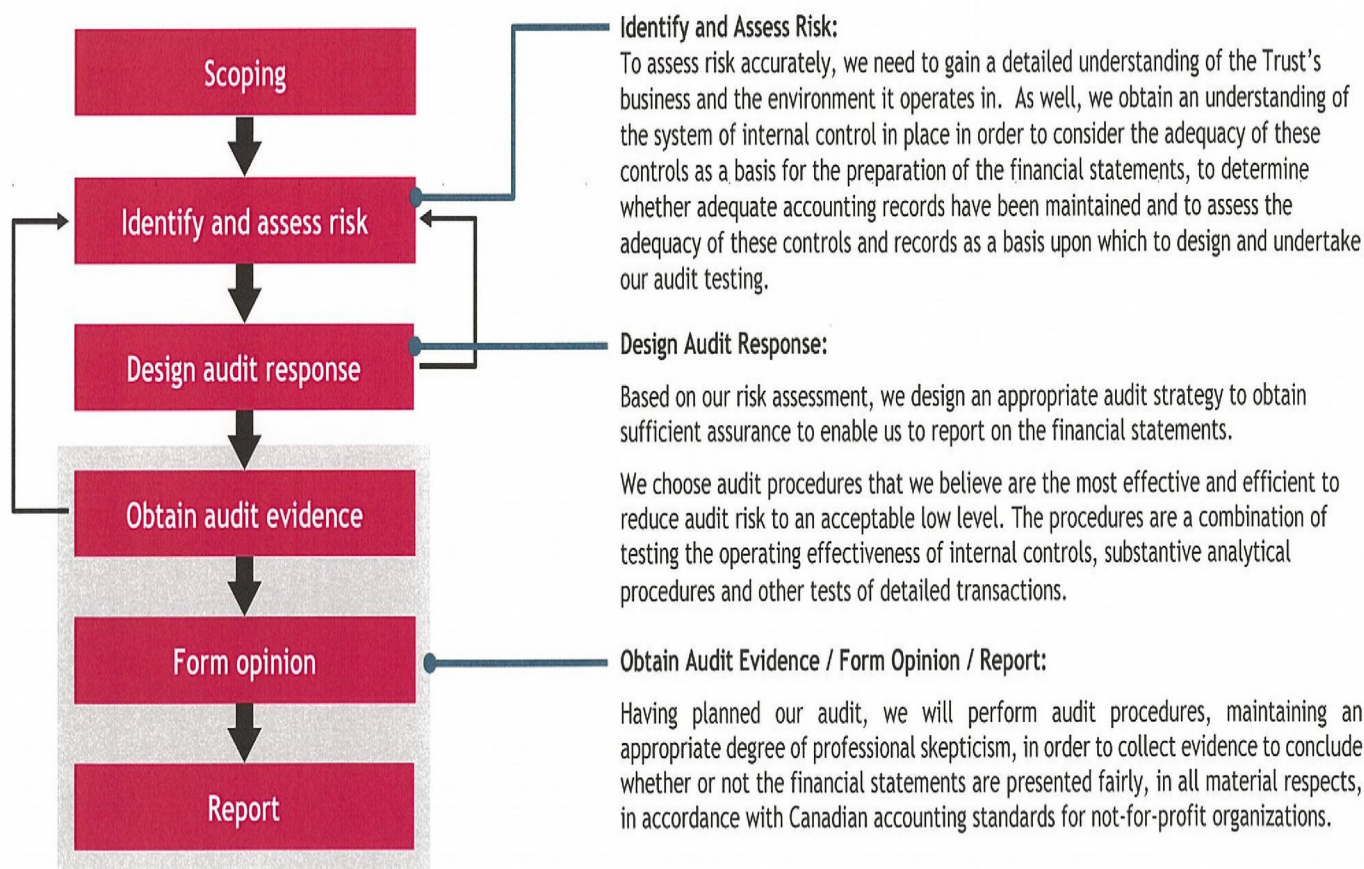
6. Commitments

Pursuant to a membership vote, the Trust is committed to future funding of \$160,809 for other approved funding. This amount has not been reflected in these financial statements.

APPENDIX C: BDO AUDIT STRATEGY

Our overall audit strategy involves extensive partner and manager involvement in all aspects of the planning and execution of the audit and is based on our overall understanding of the Trust.

We will perform a risk-based audit which allows us to focus our audit effort on higher risk areas and other areas of concern for management and the Board of Trustees.



APPENDIX D: RESPONSIBILITIES

It is important for the Board of Trustees to understand the responsibilities that rest with the Trust and its management, those that rest with the external auditor, and the responsibilities of those charged with governance. BDO's responsibilities are outlined below and within the annual engagement letter attached as Appendix B to this letter. The oversight and financial reporting responsibilities of management and the Finance Committee are also summarized below.

AUDITOR'S ENGAGEMENT OBJECTIVES

Our overall objective is to express an opinion as to whether the financial statements present fairly, in all material respects, the financial position, financial performance and cash flows of the Trust in accordance with Canadian accounting standards for not-for-profit organizations.

Year-End Audit Work	Other Information
<ul style="list-style-type: none"> ▶ Work with management towards the timely issuance of financial statements and tax returns. ▶ Provide timely and constructive management letters. This will include deficiencies in internal control identified during our audit. ▶ Present significant findings to the Board of Trustees including key audit and accounting issues, any significant deficiencies in internal control and any other significant matters arising from our work. 	<ul style="list-style-type: none"> ▶ Read the other information included in the Trust's Annual Report to identify material inconsistencies, if any, with the audited financial statements.
	Year-Round Work
	<ul style="list-style-type: none"> ▶ Consult regarding accounting, tax and reporting matters as requested throughout the year.

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"Community"
then click on
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