

Consolidated Financial Statements

Abegweit First Nation

March 31, 2020

Contents

	Page
Management's responsibility for financial reporting	1
Independent Auditors' report	2 - 3
Consolidated statement of operations	4
Consolidated statement of financial position	5
Consolidated statement of cash flows	6
Consolidated statement of changes in net debt	7
Notes to the consolidated financial statements	8 - 18
Schedule of segmented disclosure	19 - 20
Schedule of tangible capital assets	21

Management's responsibility for financial reporting

The accompanying consolidated financial statements and schedules of the Abegweit First Nation and all the information in this annual report are the responsibility of management and have been approved by the Chief on behalf of the Council.

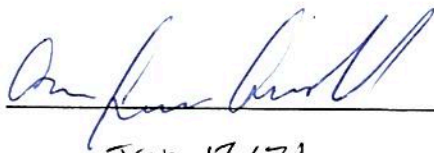
The consolidated financial statements and schedules have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accounts of Canada. Consolidated financial statements are not precise since they include certain amounts based on estimates and judgements. 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 Band Council maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Band's assets are appropriately accounted for and adequately safeguarded.

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

The Band 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 annual report, the consolidated financial statements and the external auditor's report.

The consolidated financial statements and schedules have been audited by Teed Saunders Doyle in accordance with Canadian generally accepted auditing standards on behalf of the members. Teed Saunders Doyle has full and free access to the Council.



Chief

Jan 17/21

Date

INDEPENDENT AUDITORS' REPORT

To the Chief, Councillors, and Community Members of the Abegweit First Nation,

Opinion

We have audited the accompanying consolidated financial statements of Abegweit First Nation (the "Band"), which comprise the consolidated statement of financial position as at March 31, 2020, and the consolidated statements of operations, changes in net debt and cash flows, and schedules for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Band as at March 31, 2020, and the results of its operations and its 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 responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with those 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 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 financial statements, management is responsible for assessing the Band's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

(continues)

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 Band'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 Company'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 Band 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.

Saint John, New Brunswick
December 16, 2020



CHARTERED PROFESSIONAL ACCOUNTANTS

Abegweit First Nation

Consolidated statement of operations

March 31	Budget	2020	2019
Revenue			
Indigenous Services Canada (ISC)	\$ 3,444,459	\$ 3,363,959	\$ 2,961,807
ACOA	-	75,815	80,417
Canada Mortgage & Housing Corporation	195,000	122,041	181,256
Department of Fisheries & Oceans Canada	628,399	984,208	529,587
Employment Development Agency	-	57,149	68,824
Fuel & tobacco rebates	907,400	907,400	907,400
Government of Canada	-	-	34,455
Government of PEI	283,780	717,630	540,989
Health Canada	1,733,221	2,115,131	1,446,011
Heritage Canada	11,200	15,300	11,200
Mi'kmaq Confederacy of PEI	211,000	672,125	493,712
Miscellaneous	569,483	692,580	233,800
Gain on sale of assets	-	5,207	(6,680)
Revenue from sale of products or services	<u>8,205,993</u>	<u>8,112,975</u>	<u>7,511,899</u>
	<u>16,189,935</u>	<u>17,841,520</u>	<u>14,994,676</u>
Expenditures			
Administration	1,433,845	2,193,475	2,030,387
Capital, Operating & Maintenance	1,799,620	1,925,082	1,579,654
Conservation Society	581,122	678,487	453,488
Early Years Centre	288,211	356,180	309,642
Economic Development	310,067	380,397	105,844
Education	1,217,413	1,207,671	1,174,985
Epekwitk Gas Bar	5,580,040	5,713,188	5,425,849
Fisheries	2,152,158	1,887,904	1,630,285
Fisheries – AFS	110,000	160,866	144,704
Hatchery	131,730	127,964	128,322
Health Services	1,971,890	2,263,137	1,465,893
Redstone Auto & Marine	443,200	502,570	390,575
Social Services	<u>917,401</u>	<u>488,407</u>	<u>344,899</u>
	<u>16,936,697</u>	<u>17,885,328</u>	<u>15,184,528</u>
Net (expenditures) revenue	<u>(746,762)</u>	<u>(43,808)</u>	<u>(189,852)</u>
Accumulated surplus, beginning of year	7,846,684	7,846,684	8,036,536
Net (expenditures) revenue	<u>(746,762)</u>	<u>(43,808)</u>	<u>(189,852)</u>
Accumulated surplus, end of year	<u>\$ 7,099,922</u>	<u>\$ 7,802,876</u>	<u>\$ 7,846,684</u>

See accompanying notes and schedules to the consolidated financial statements.

Abegweit First Nation

Consolidated statement of financial position

March 31

2020

2019

Financial assets

Cash and cash equivalents	\$ 1,071,524	\$ 221,631
Accounts receivable (Note 3)	2,137,400	1,116,168
Inventory held for resale (Note 4)	175,170	201,880
Replacement reserve (Note 5)	148,175	148,175
Restricted cash	157,152	157,152
Trust Funds ISC (Note 6)	14,330	14,054
	<u>3,703,750</u>	<u>1,859,060</u>

Financial liabilities

Accounts payable and accrued liabilities	811,111	410,339
Bank indebtedness (Note 8)	-	20,000
Severance liability	127,863	-
Deferred revenue	2,171,760	383,662
Long-term debt (Note 9)	1,902,529	2,106,453
RRAP liability (Note 10)	113,135	164,612
	<u>5,126,398</u>	<u>3,085,066</u>

Net debt

	<u>(1,422,648)</u>	<u>(1,226,006)</u>
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Non financial assets

Prepays (Note 7)	47,210	7,469
Intangible assets	445,000	445,000
Tangible capital assets (Page 20)	8,733,314	8,620,221
	<u>9,225,524</u>	<u>9,072,690</u>

Net assets

	<u>\$ 7,802,876</u>	<u>\$ 7,846,684</u>
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Accumulated surplus	\$ 7,640,647	\$ 7,684,455
Replacement reserve (Note 5)	148,175	148,175
Trust Funds ISC (Note 6)	14,054	14,054
	<u>\$ 7,802,876</u>	<u>\$ 7,846,684</u>

On behalf of the Band Council



See accompanying notes and schedules to the consolidated financial statements.

Abegweit First Nation

Consolidated statement of cash flows

March 31

2020

2019

Increase (decrease) in cash and cash equivalents

Operating activities

Revenues	\$ (43,808)	\$ (189,852)
Items not affecting cash		
Depreciation	1,002,687	1,066,588
Gain on sale	(5,207)	6,680
Change in non-cash working capital items		
Increase in accounts receivable	(1,021,231)	(132,237)
Increase in inventory	26,711	(43,949)
Decrease in prepaid expenses	(39,743)	655
(Increase) decrease in replacement reserve	-	(35,780)
Increase in trust funds ISC	(276)	(157)
Increase (decrease) in accounts payable and accrued liabilities	400,774	(31,680)
Increase (decrease) in deferred revenue	1,788,098	106,373
Increase in severance liability	127,863	-
Increase in RRAP liabilities	(51,478)	(63,659)
	<u>2,184,391</u>	<u>682,982</u>

Financing activities

Proceeds from issuance of long term debt	-	79,014
Principal repayments of long term debt	(203,924)	(722,488)
Decrease in bank indebtedness	(20,000)	20,000
	<u>(223,924)</u>	<u>(623,474)</u>

Investing activities

Purchase of tangible capital assets	(1,120,574)	(762,056)
Proceeds from disposal of assets	10,000	5,500
	<u>(1,110,574)</u>	<u>(756,556)</u>

Net change in cash and cash equivalents 849,893 (697,049)

Cash and cash equivalents,

Beginning of year	<u>221,631</u>	<u>918,680</u>
End of year	<u>\$ 1,071,524</u>	<u>\$ 221,631</u>

See accompanying notes and schedules to the consolidated financial statements.

Abegweit First Nation

Consolidated statement of changes in net debt

March 31	Budget	2020	2019
Net revenues (expenditures)	\$ (746,762)	\$ (43,808)	\$ (189,852)
Gain on sale of asset	-	(5,207)	6,680
Amortization	910,000	1,002,687	1,066,588
Acquisition of tangible capital assets	-	(1,120,574)	(762,056)
Acquisition of intangible capital assets	-	-	-
Proceeds from sale of tangible capital assets	-	10,000	5,500
	163,238	(156,902)	126,861
Use of prepaid expense, net of acquisitions	-	(39,740)	655
Change in net debt	163,238	(196,642)	127,515
Net debt beginning of year	(1,226,003)	(1,226,006)	(1,353,521)
Net debt, end of year	\$ (1,062,765)	\$ (1,422,648)	\$ (1,226,006)

See accompanying notes and schedules to the consolidated financial statements.

Abegweit First Nation

Notes to the consolidated financial statements

March 31, 2020

1. Summary of significant accounting policies

Consolidation

These consolidated financial statements consolidate the assets, liabilities and results of operations of the Abegweit First Nation's reporting entity.

Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenues, expenditures, cash flows and changes in net debt of the reporting entity. The reporting entity is comprised of all organizations and committees that are accountable to the Band for administration of their financial affairs and resources and which are owned by the Band. Interdepartmental and organizational transactions and balances are eliminated.

Basis of presentation

The consolidated financial statements of Abegweit First Nation are the representations of management prepared in accordance with generally accepted accounting principles for local governments as established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

The focus of PSAB consolidated financial statements is on the consolidated financial position of the Band and the changes thereto. The Consolidated Statement of Financial Position includes all of the assets and liabilities of the Band.

Revenue recognition

Government transfers and rebates are recognized as revenues in the period in which the events giving rise to the transfer and rebates occur, providing the amounts are authorized, any eligibility criteria have been met and reasonable estimates of the amounts can be made. Transfers associated with capital projects are restricted in their use and are recorded as deferred revenue until the qualifying capital project funds have been expended. All other revenues and 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.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor and are recognized as revenue when used for the specific purpose.

Revenue from sales of fish products are recognized when the price is fixed or determinable, collectability is reasonably assured and upon shipment to, and acceptance by, the buyer.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks and term deposits net of any bank overdraft. Bank borrowings are considered to be financing activities.

Inventories for resale

Inventories of supplies and goods available for resale are recorded at the lower of cost and net realizable value. Inventory is tracked using the first in first out method.

Abegweit First Nation

Notes to the consolidated financial statements

March 31, 2020

1. Summary of significant accounting policies (cont'd)

Intangible assets

Fishing licenses have indefinite lives, are not amortized and are tested for impairment annually or more frequently, if events or changes in circumstances indicate that the assets might be impaired. Fishing licenses are determined to have infinite lives as the annual renewal fee is nominal, the Band has both the ability and intent to renew or extend the life of the license and there has been a history of being able to obtain renewals from government. The impairment test compares the fair value of fishing licenses to their carrying values. When the fair value is less than the carrying value then an impairment loss would be recognized in the consolidated statement of earnings and retained earnings.

Tangible capital assets

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development and betterment of the asset. The cost of the tangible capital asset is amortized using the declining balance method at the following rates:

Boats	15%
Buildings	4%
Computer hardware	30%
Computer software	100%
Equipment	20%
Fencing	8%
Furniture and equipment	20%
Headstart renovations	33.3%
Housing – CMHC Section 95	10%
Infrastructure	10%
Landscaping	8%
Office furniture	20%
Parking lot	8%
Sign	20%
Vehicles	30%

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 normal course of operations. The change in non-financial assets during the year, together with the excess of revenue over expenditures, provides the consolidated change in net debt for the year.

Liability for contaminated sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all of the following criteria are met:

- I. an environmental standard exists;
- II. contamination exceeds the environmental standards;
- III. the Municipality is directly responsible or accepts responsibility; and
- IV. a reasonable estimate of the amount can be made.

Management has reviewed potential sites where they feel a material liability may exist and has concluded there is no known liability at this time.

Abegweit First Nation

Notes to the consolidated financial statements

March 31, 2020

1. Summary of significant accounting policies (cont'd)

Use of estimates

The preparation of consolidated financial statements in conformity with Canadian generally accepting account principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the year. Significant items subject to such estimates and assumptions include valuation of accounts receivable and the estimated useful lives of property and equipment. Actual results could differ from these estimates used in these consolidated financial statements.

2. Band employee benefits

The Band matches employee's contributions to a Registered Retirement Savings Plan (RRSP). During the year there was \$96,746 (2019 - \$102,742) contributed to RRSP plans. This represented both the Band's and the employees' portion of the contribution and was included in expenses for the year.

3. Accounts receivable	2020	2019
Indigenous Services Canada	\$ 62,200	\$ 152,960
ACOA	-	18,677
Department of Fisheries and Oceans	677,328	246,879
Government of Prince Edward Island	410,849	189,654
CMHC	7,223	60,488
Mi'kmaq Confederacy of PEI	282,410	99,722
Health Canada	589,461	222,892
Lennox Island	-	39,472
Miscellaneous	79,396	64,488
Payroll advances	4,025	316
Province of PEI tax rebates	14,158	20,638
Canada Revenue Agency	10,355	-
	<u>\$2,137,400</u>	<u>\$1,116,168</u>

4. Inventory held for resale

Inventory held for resale included in the consolidated statement of financial position are comprised of the following amounts:

	2020	2019
Gas bar inventory	\$ 119,495	\$ 144,011
Redstone Auto and Marine inventory	<u>55,675</u>	<u>57,869</u>
	<u>\$ 175,170</u>	<u>\$ 201,880</u>

Abegweit First Nation

Notes to the consolidated financial statements

March 31, 2020

5. Replacement reserve

Under the terms of an agreement with Canada Mortgage and Housing Corporation, the replacement reserve is being credited annually based on \$1,000 per unit, per year pro rated in the year of acquisition. The funds for this reserve are maintained in accounts that are secured by the Canadian Deposit Insurance Corporation and may be used as approved by Canada Mortgage and Housing Corporation.

6. Trust funds ISC

	March 31, 2019	Additions 2020	Withdrawals 2020	March 31, 2020
Trust funds	\$ 14,054	\$ 276	\$ -	\$ 14,330

The trust funds 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. The management of these funds is primarily governed by Sections 63 to 69 of the *Indian Act*.

7. Prepaids

Prepaid expenses included in the consolidated statement of financial position are comprised of the following amounts:

	2020	2019
Post-secondary education – living allowance	\$ 4,580	\$ 4,228
Workers compensation	14,227	-
Pandemic supplies	19,806	
Social assistance	8,597	3,241
	<u>\$ 47,210</u>	<u>\$ 7,469</u>

8. Bank indebtedness

The Band has access to operating lines of credit with approved borrowing amounts of \$750,000 from January 15 to April 2 and a borrowing limit of \$500,000 for the remainder of the year. The credit facility bears interest at a rate of prime plus 0.90%. As of March 31, 2020, \$750,000 (2019- \$ 730,000) of the line of credit was unused.

Abegweit First Nation

Notes to the consolidated financial statements

March 31, 2020

9. Long-term debt	<u>2020</u>	<u>2019</u>
1.83% demand loan maturing in 2020, repayable in equal monthly instalments of principal and interest of \$497.	\$ 77,274	\$ 81,796
3.05% demand loan maturing in 2020, repayable in equal monthly instalments of principal and interest of \$577.	79,738	84,140
1.44% demand loan maturing in 2022, repayable in equal monthly instalments of principal and interest of \$531.	95,329	100,298
1.43% demand loan maturing in 2022, repayable in equal monthly instalments of principal and interest of \$535.	97,500	102,502
1.43% demand loan maturing in 2022, repayable in equal monthly instalments of principal and interest of \$535.	97,497	102,499
1.43% demand loan maturing in 2022, repayable in equal monthly instalments of principal and interest of \$545.	98,742	103,836
1.14% demand loan maturing in 2021, repayable in equal monthly instalments of principal and interest of \$543.	96,201	101,588
1.14% demand loan maturing in 2021, repayable in equal monthly instalments of principal and interest of \$543.	96,201	101,588
2.44% demand loan maturing in 2022, repayable in equal monthly instalments of principal and interest of \$1,657.	211,267	225,770
2.4% demand loan maturing in 2022, repayable in equal monthly instalments of principal and interest of \$553.	69,935	75,224
2.4% demand loan maturing in 2022, repayable in equal monthly instalments of principal and interest of \$553.	69,935	75,224
2.49% demand loan maturing in 2023, repayable in equal monthly instalments of principal and interest of \$530.	71,432	75,654
Prime plus 1.15% demand loan maturing in 2020, to be repaid as follows: \$35,000 per year, payable on June 1 of each year, from June 1, 2014 to and including June 1, 2020 and \$25,000 on or before June 1, 2020.	25,000	60,000
2.49% term loan maturing in 2023, repayable in equal monthly instalments of principal and interest of \$627.	109,372	114,129

Abegweit First Nation

Notes to the consolidated financial statements

March 31, 2020

9. Long term debt (cont'd)	<u>2020</u>	<u>2019</u>
1.98% term loan maturing in 2020, repayable in equal monthly instalments of principal and interest of \$603.	115,658	120,570
2.76% term loan maturing in 2020, repayable in equal monthly instalments of principal and interest of \$544.	114,593	119,462
1.17% demand loan maturing in 2021, repayable in equal monthly instalments of principal and interest of \$546.	121,053	126,163
4.00% term loan maturing in 2021, repayable in equal monthly instalments of principal and interest of \$861.	7,625	17,234
Prime plus 1.1% term loan maturing in 2027, to be repaid as follows: \$21,225 per year, including principal and interest payable on June 1 of each year, from June 1, 2020 to and including June 1, 2026.	126,000	144,000
The terms of the demand loan have not been finalized as of the date of this report.	110,090	110,100
4.20% term loan maturing in 2021, repayable in equal monthly instalments of principal and interest of \$660.	12,087	19,327
Loans repaid during the year	<u>-</u>	<u>45,359</u>
	<u>\$1,902,529</u>	<u>\$2,106,453</u>

Based on these terms the principal repayments in the next five years are due as follows:

2021	\$ 139,002
2022	\$ 106,692
2023	\$ 108,848
2024	\$ 111,064
2025	\$ 113,473
Thereafter	\$ 1,494,047

Demand loans are secured by a general security agreement constituting a first ranking security interest in all property and irrevocable Band Council resolution authorizing borrowings.

Abegweit First Nation

Notes to the consolidated financial statements

March 31, 2020

10. RRAP liability

Canada Mortgage and Housing Corporation ("CMHC") has granted forgivable loans to Abegweit First Nation through the Residential Rehabilitation Assistance Program to finance modifications for the accessibility of disabled members. The loans are only forgivable if the First Nation fulfils a list of conditions proposed by CMHC and must be repaid if these conditions are not met. The loans are forgivable over periods of three to five years and give rise to a liability until the funds are fully forgiven. The liability for the remaining balance of the loans to be forgiven as of March 31, 2020, totals \$113,135 (2019 - \$164,612).

11. CMHC funding

Abegweit First Nation is an eligible recipient under the Section 95 housing program operated by Canada Mortgage and Housing Corporation.

12. Commitments

The Abegweit First Nation has provided a letter of guarantee to Ultramar Ltd. and has a franchise agreement with Merrik Franchising (Maritimes) Limited relating to the gas bar operation.

13. Economic dependence

The Abegweit First Nation receives a major portion of its revenues pursuant to a funding arrangement with Indigenous & Northern Affairs Canada. As this is the major source of revenues, the organization's ability to continue viable operations is dependent upon maintaining this funding source.

14. Contingencies

Abegweit First Nation has entered into contribution agreements with various federal government departments. Funding received under these agreements is subject to repayment if the First Nation fails to comply with the terms and conditions of the agreements.

In addition, in the normal course of its operations, Abegweit First Nation may become involved in legal actions. Some other potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded on the Abegweit First Nation consolidated financial statements.

15. Prior year's figures

Certain prior year's figures have been reclassified to conform with current year financial statement presentation.

Abegweit First Nation

Notes to the consolidated financial statements

March 31, 2020

16. Government transfers

	Operating	2020 Capital	Total	Operating	2019 Capital	Total
Federal Government Transfers:						
Indigenous Services Canada	3,210,063	153,896	3,363,959	2,808,786	153,021	2,961,807
Atlantic Canada Opportunities Agency	60,000	15,815	75,815	80,417		80,417
Canada Mortgage & Housing Corporation	122,041		122,041	181,256		181,256
Department of Fisheries & Oceans	729,808	254,400	984,208	359,587	170,000	529,587
Government of Canada	-		-	34,455		34,455
Health Canada	2,115,131		2,115,131	1,446,011		1,446,011
Heritage Canada	15,300		15,300	11,200		11,200
Total	6,252,345	424,111	6,676,456	4,921,712	323,021	5,244,733
Provincial Government Transfers	774,779	-	774,779	609,812	-	609,812
	<u>\$7,027,124</u>	<u>\$424,111</u>	<u>\$7,451,235</u>	<u>\$5,531,524</u>	<u>\$323,021</u>	<u>\$5,854,545</u>

17. Budgeted figures

Budgeted figures have been provided for comparison purposes and have been derived from the estimates approved by the Band Council.

Abegweit First Nation

Notes to the consolidated financial statements

March 31, 2020

18. Funding reconciliation

Programs	Funding received	Unexpended federal funding beginning of year	Adjustments / Transfers	Total federal funding available	Federal funding expended	Unexpended funding at year end
<u>INAC</u>						
Block - Indian Government Support - Band	\$ 350,687	\$ -	\$ -	\$ 350,687	\$ 350,687	\$ -
Block - LTS Core Funding - Registration and membership	3,906	-	-	3,906	3,906	-
Block - Elementary/Secondary	806,774	-	-	806,774	806,774	-
Block - FN School Formula	55,936	-	-	55,936	55,936	-
Block - Post Secondary education	128,355	-	-	128,355	128,355	-
Block - Income Assistance	421,499	-	-	421,499	421,499	-
Block - Assisted living - block funding	34,401	-	-	34,401	34,401	-
Block - LEDSP Ec Dev Allocations	45,774	-	-	45,774	45,774	-
Block - Other - Capital	153,439	-	-	153,439	153,439	-
Block - Other - Facilities O&M	120,606	-	-	120,606	120,606	-
Fixed - PLN/RISK MGMT	110,000	-	-	110,000	85,000	25,000
Fixed - Case Management Capacity	73,749	-	-	73,749	50,579	23,170
Fixed - Clients supports	62,476	-	-	62,476	-	62,476
Fixed - Services Delivery	43,775	-	-	43,775	34,086	9,689
Fixed - Leadership Gov Cap Dev	25,000	-	-	25,000	25,000	-
Fixed - First Nation and Inuit - Skill Link Prog	101,786	-	-	101,786	101,786	-
Fixed - Family Violence Prevention	20,000	-	-	20,000	20,000	-
Fixed - School Protect formula	47,194	-	-	47,194	47,194	-
Fixed - Pro/Priv Protect Tuition	37,701	-	-	37,701	37,701	-
Fixed - First Nation and Inuit - Summer Work Exp	19,761	-	-	19,761	19,761	-
Fixed - Post Secondary Student Supplement Program	17,907	-	-	17,907	17,907	-
Fixed - Comm Oppor Readiness	17,246	-	-	17,246	17,246	-
Fixed - Comm Oppor Readiness	16,000	-	-	16,000	5,000	11,000
Fixed - Designation	20,000	-	-	20,000	6,380	13,620
Fixed - Water Systems	86,070	-	-	86,070	86,070	-
Fixed - Renovations and additions	50,000	-	-	50,000	50,000	-
Fixed - A&C Water	100,000	-	-	100,000	-	100,000
Flexible - Basic Needs	392,000	-	-	392,000	102,000	290,000
Flexible - Basic Needs	4,725	-	-	4,725	4,725	-
Flexible - Special Neds	23,000	-	-	23,000	23,000	-
Flexible - Service Delivery	145,000	-	-	145,000	145,000	-
Flexible - Roof Project	390,665	-	-	390,665	15,665	375,000
Flexible - Personal loss claims	33,522	-	-	33,522	33,522	-
Flexible - Personal loss claims	52,709	-	-	52,709	52,709	-
Flexible - Response - Dorian	188,471	-	-	188,471	138,471	50,000
Flexible - Storm water study	35,000	-	-	35,000	-	35,000
Flexible Response - Covid	123,781	-	-	123,781	123,781	-
Subtotal ISC	4,358,915	-	-	4,358,915	3,363,959	994,956

Abegweit First Nation

Notes to the consolidated financial statements

March 31, 2020

18. Funding reconciliation (cont'd)

Programs	Funding received	Unexpended federal funding beginning of year	Adjustments / Transfers	Total federal funding available	Federal funding expended	Unexpended funding at year end
<u>Health Canada</u>						
Block - KA01 - Prenatal	8,753	-	-	8,753	8,753	-
Block - KA03 - Maternal Child Health	27,927	-	-	27,927	14,984	12,943
Block - KA04 - Health - COHI	6,543	-	-	6,543	6,543	-
Block - KA05 - Headstart	93,415	-	-	93,415	93,415	-
Block - Capital	27,000	-	-	27,000	27,000	-
Block - KB01 - Building Healthy Communities	34,166	-	-	34,166	34,166	-
Block - KB02 - Brighter Futures	40,731	-	-	40,731	40,731	-
Block - KB03 - Suicide Prevention	5,681	-	-	5,681	5,681	-
Block - KB05 - Mental Well. Team	150,000	-	-	150,000	150,000	-
Block - KB10 - National Native Alcohol and Drug Abuse	113,872	-	-	113,872	113,872	-
Block - KB12 - YSAP	7,069	-	-	7,069	7,069	-
Block - KC01 - Aboriginal Diabetes Initiatives	50,249	-	-	50,249	50,249	-
Block - KC99 - HL Pub Hlth & Chr	136,307	-	-	136,307	136,307	-
Block - KE02 - Drinking Water	23,486	-	-	23,486	23,486	-
Block - KG01 - HCC Service Del	84,287	-	-	84,287	84,287	-
Block - Q23R - Imm Prev Promo & Education	1,200	-	-	1,200	1,200	-
Block - Q23Z - HIV/AIDS Prev Promo & Education	1,435	-	-	1,435	1,435	-
Block - KJ00 - Health Planning and Management	105,764	-	-	105,764	105,764	-
Block - K100 - MAR funds	-	158,237	-	158,237	-	158,237
Block - KJ10 - Accreditation	37,520	-	-	37,520	37,520	-
Block - KM10 - Operations and Maintenance programs	53,460	-	-	53,460	53,460	-
Flexible - KM00 - Capital Investment	354,490	55,528	-	410,018	55,528	354,490
Flexible - KB99 Public Health NS & CHR (MW)	94,710	-	-	94,710	49,200	45,510
Flexible - Jordan's Principle	744,348	71,800	-	816,148	541,148	275,000
Fixed - KB32 - IRS	127,364	-	-	127,364	139,732	-
Fixed - KH30 - MT Client Ins.	39,371	-	-	39,371	43,067	-
Fixed - KH44 - MT-CA Admin	3,937	-	-	3,937	3,937	-
Fixed - MT CA Vans	57,539	-	-	57,539	58,561	-
Fixed - Mental Health Care	60,000	-	-	60,000	61,610	-
Fixed - Mental Health Care - Admin	19,000	-	-	19,000	19,000	-
Fixed - MHC Traditional healer	7,350	-	-	7,350	7,668	-
Set - KB32 - IRS	55,000	-	-	55,000	55,000	-
Set - KH60 - Victims of Family Violence	81,000	-	-	81,000	81,000	-
Set - KP31 - Telehealth-Maint	6,177	-	-	6,177	6,177	-
Total Health Canada	2,659,151	285,565	-	2,944,716	2,117,550	846,180
<u>Department of Fisheries and Oceans (DFO)</u>						
AICFI Component 2.3	40,000	-	-	40,000	40,000	-
AICFI Component 2.4	5,350	-	-	5,350	5,350	-
AICFI Component 4.0	172,000	-	-	172,000	172,000	-
AFS	194,270	-	-	194,270	194,270	-
FPB60-191077	35,300	-	-	35,300	35,300	-
CNFASAR	15,000	-	-	15,000	15,000	-
AFSAR Midgell	95,888	-	-	95,888	95,888	-
CNF 19-20	284,500	-	-	284,500	284,500	-
FACTAP	40,000	-	-	40,000	40,000	-
AICFI 4.0 Outdoor tanks	84,400	-	-	84,400	84,400	-
AICFI 4.0 Solar Panels	-	17,500	-	17,500	17,500	-
Subtotal DFO	966,708	17,500	-	984,208	984,208	-
Headstart EYC	107,497	31,707	-	139,204	102,770	36,434
Total funding	\$ 8,092,271	\$ 334,772	\$ -	\$ 8,427,043	\$ 6,568,487	\$ 1,877,570

Abegweit First Nation

Notes to the consolidated financial statements

March 31, 2020

19. Segmented reporting

The presentation by segment is based on the same accounting policies as described in the summary of significant accounting policies as described in Note 1. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations. Band services are provided by departments and their activity is reported in these funds. The services provided by these departments are as follows:

Administrative

This segment includes departments that are responsible for the overall financial and local government administration. The tasks include, but are not limited to, daily accounting functions, preparation and coordination of the annual audited financial statements, coordination of the development of the annual budget, human resource functions for the entire municipal unit, economic development initiatives and maintenance of bylaws and policies. This would also include administrative and policy support for the Chief and all members of the Council.

Capital/Housing

This segment is responsible for providing housing and capital infrastructure for the Band's residents. This includes the operation of water and sewer utilities.

Social Services

This segment is responsible for providing social assistance to band members in need. This includes the basic needs and social needs programs.

Education Services

This segment is responsible for providing education funding. This includes tuition agreements, student's costs and supplies as required.

Health Services

Services provided by the Health department are included in this segment. The following tasks are delivered by this department: Aboriginal diabetes initiatives, adult care, brighter futures program, the early learning centre, health planning and various other programs depending on the funding obtained.

Epikwik Gas Bar

The Band operates a gas station on the reserve. The revenues and expenses associated with the operations of the gas station are included in this segment.

Fisheries/Fisheries AFS

This segment is responsible for the commercial fishing of lobster, snow crab, etc. and other related fishing projects such as the hatchery.

Redstone Auto & Marine

The Band operates an auto and marine mechanic shop on the reserve. The revenues and expenses associated with the operations of the mechanic shop are included in this segment.

Economic Development

The Band is involved in activities to promote economic development that benefits its community and members.

Abegweit Conservation Society

This segment is a registered charity, with the purpose of protecting the environment of Prince Edward Island by saving, supporting, protecting and assisting stressed and endangered fish, plant and animal species as well as cleaning, remediating and protecting streams, rivers, watersheds and forests.

Abegweit First Nation Schedule of segmented disclosure

March 31, 2020

The following table presents the expenses incurred and the revenue generated by main object of expense and by major revenue type. The segment results for the period are as follows:

	Admin	Capital/ Housing	Social Services	Education Services	Health Services	Epekwitk Gas Bar	Fisheries	Hatchery	Fisheries AFS	Redstone Auto & Marine	Economic Developm ent	Abegweit Conservat ion Society	Total	Less Intercompany Eliminations	2020
Revenues															
Indigenous & Northern Affairs Canada	\$ 671,043	\$ 774,263	\$ 730,625	\$ 1,113,629	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 74,400	\$ -	\$ 3,363,959	\$ -	\$ 3,363,959
Other Federal government	15,300	122,041	-	-	2,115,131	-	-	84,400	194,270	35,300	60,000	468,704	3,312,495	-	3,312,495
Provincial government	125,392	272,988	-	-	192,301	-	-	88,510	-	-	-	83,100	808,289	-	808,289
Mikmaq Confederacy of PEI	347,172	35,812	-	-	240,518	-	-	-	-	6,600	34,820	-	672,125	-	672,125
Economic activities	-	-	-	-	13,317	5,805,646	2,110,115	-	-	400,503	49,976	2,552	8,382,109	(269,134)	8,112,975
Fuel & tobacco rebates	-	-	-	-	-	907,400	-	-	-	-	-	-	907,400	-	907,400
Other revenue	93,267	89,905	-	5,207	233,460	-	1,000	-	-	9,452	214,549	154,141	800,980	(136,703)	664,277
	\$ 1,252,173	\$ 1,295,008	\$ 730,625	\$ 1,118,836	\$ 2,794,728	\$ 6,713,046	\$ 2,335,668	\$ 172,910	\$ 194,270	\$ 451,855	\$ 479,745	\$ 708,496	\$ 18,247,359	\$ (405,837)	\$ 17,841,522
Expenditures															
Salaries & benefits	\$ 935,509	\$ 307,862	\$ 144,188	\$ 151,454	\$ 1,421,389	\$ 486,798	\$ 1,021,775	\$ 98,543	\$ 98,524	\$ 163,996	\$ 75,783	\$ 299,495	\$ 5,205,316	\$ -	\$ 5,205,316
Goods & services	1,295,995	1,045,925	378,620	1,051,309	1,185,620	5,150,799	835,126	29,422	62,342	325,569	332,771	293,164	11,986,661	(405,837)	11,580,824
Amortization	-	537,755	-	5,230	36,551	45,672	252,315	-	-	31,319	-	93,846	1,002,687	-	1,002,687
Interest	12,728	33,541	-	681	355	29,919	14,669	-	-	2,318	-	2,292	96,502	-	96,502
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	2,244,232	1,925,082	522,808	1,208,673	2,643,915	5,713,188	2,123,884	127,964	160,866	523,202	408,554	688,798	18,291,166	(405,837)	17,885,329
Net revenues (expenditures)	\$ (992,058)	\$ (630,074)	\$ 207,817	\$ (89,837)	\$ 150,813	\$ 999,858	\$ 211,784	\$ 44,946	\$ 33,404	\$ (71,347)	\$ 71,191	\$ 19,697	\$ (43,807)	\$ -	\$ (43,807)

Abegweit First Nation Schedule of segmented disclosure

March 31, 2019

Revenues	Admin	Capital/ Housing	Social Services	Education Services	Health Services	Early Childhood Center	Epekwitk Gas Bar	Fisheries	Hatchery	Fisheries AFS	Redstone Auto & Marine	Economic Developm ent	Abegweit Conservat ion Society	Total	Less Intercomp any Eliminatio ns	2019
Indigenous & Northern Affairs Canada	\$ 634,082	\$ 727,702	\$ 454,658	\$ 1,099,821	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,545	\$ -	\$ 2,961,807	\$ -	\$ 2,961,807
Other Federal government	92,817	181,256	-	-	1,341,177	104,835	-	-	50,000	110,000	100,000	-	256,992	2,282,927	-	2,282,927
Provincial government	219,057	100,000	-	-	9,500	123,054	-	-	110,080	-	-	24,000	56,941	642,632	-	642,632
Mikmaq Confederacy of PEI	263,640	-	-	-	82,969	85,707	-	-	-	-	-	-	-	493,712	-	493,712
Economic activities	-	-	-	-	-	17,942	5,547,317	1,731,239	-	-	417,571	39,580	6,760	7,760,409	(248,511)	7,511,899
Fuel & tobacco rebates	-	-	-	-	-	-	907,400	-	-	-	-	-	-	907,400	-	907,400
Other revenue	75,164	3,179	-	-	44,223	1,374	-	7,906	-	-	8,252	8,749	187,400	336,247	(141,948)	194,299
	\$ 1,284,760	\$ 1,012,137	\$ 454,658	\$ 1,099,821	\$ 1,477,869	\$ 332,912	\$ 6,454,717	\$ 1,846,391	\$ 160,080	\$ 110,000	\$ 525,872	\$ 117,874	\$ 508,094	\$ 15,385,135	\$ (390,459)	\$ 14,994,676

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