

**METEPEENAGIAG MIKMAQ NATION
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020**

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of Metepenagiag Mi'kmaq Nation and all the information in this annual report are the responsibility of management and have been approved by Chief and Council.

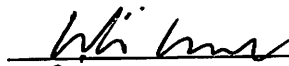



The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Professional Accountants and, where appropriate,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


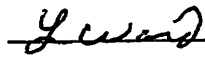
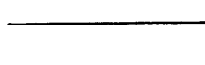
Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The 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.

The Council meets periodically with management, as well as 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 auditor's report.

The external auditors, Teed Saunders Doyle, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Metepenagiag Mi'kmaq Nation and meet when required.

| | |
|---|-----------|
|  | Chief |
|  | Councilor |
|  | Councilor |
|  | Councilor |

| | |
|--|-----------|
|  | Councilor |
|  | Councilor |
|  | Councilor |

INDEPENDENT AUDITOR'S REPORT

To the Chief, Councilors, and Community Members of the Metepenagiag Mi'kmaq Nation

Opinion

We have audited the accompanying consolidated financial statements of Metepenagiag Mi'kmaq Nation (the Organization), which comprise the statement of financial position as at March 31, 2020, and the consolidated statements of operations, changes in net debt, cash flows, and schedules 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 Organization as at March 31, 2020, and the results of its operations and its cash flow 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization 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 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 the 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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. 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 Organization'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 Organization'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 Organization 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.

Fredericton, New Brunswick
March 26, 2021


CHARTERED PROFESSIONAL ACCOUNTANTS

METEPENAGIAG MI'KMAQ NATION


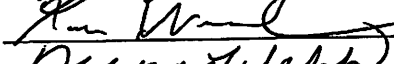
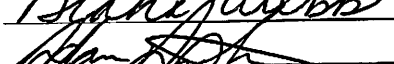

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

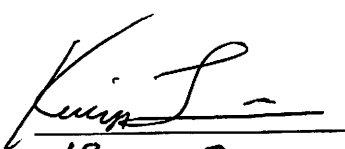


AS AT MARCH 31, 2020

| | <u>2020</u> | <u>2019</u> |
|---|----------------------------|----------------------------|
| FINANCIAL ASSETS | | |
| Accounts receivable (note 5) | \$ 1,494,916 | \$ 1,849,131 |
| Inventories for resale | <u>53,770</u> | <u>53,770</u> |
| Total financial assets | \$ <u>1,548,686</u> | \$ <u>1,902,901</u> |
| LIABILITIES | | |
| Bank advances (note 8) | \$ 2,783,350 | \$ 1,218,840 |
| Accounts payable and accrued liabilities (note 9) | 2,069,021 | 1,610,192 |
| Funds on deposit with INAC (note 6) | 15,282 | 24,978 |
| Deferred revenue (note 10) | 100,000 | 431,421 |
| Promissory notes payable (note 20) | 1,836,550 | 1,836,550 |
| Long term debt (note 11) | <u>15,285,173</u> | <u>16,316,550</u> |
| Total liabilities | \$ <u>22,089,376</u> | \$ <u>21,438,531</u> |
| NET DEBT | \$ <u>(20,540,690)</u> | \$ <u>(19,535,630)</u> |
| NON-FINANCIAL ASSETS | | |
| Tangible capital assets (note 7) | \$ 38,236,828 | \$ 37,524,285 |
| Prepaid expenses (note 13) | 45,973 | 52,319 |
| Long-term investments (note 14) | 28,078 | 28,078 |
| Funds on deposit with INAC (note 6) | 15,282 | 24,978 |
| Restricted funds: | | |
| Operating CMHC (note 12) | 2,344 | 2,404 |
| Reserve CMHC (note 12) | <u>8,572</u> | <u>9,304</u> |
| Total non-financial assets | \$ <u>38,337,077</u> | \$ <u>37,641,368</u> |
| ACCUMULATED SURPLUS | \$ <u>17,796,387</u> | \$ <u>18,105,738</u> |

Contingencies (note 19)

Approved on behalf of the First Nation:

 Chief
 Councilor
 Councilor
 Councilor

 Councilor
 Councilor
 Councilor

METEPENAGIAG MI'KMAQ NATION
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2020

| | 2019 <u>Budget</u> (Unaudited) | 2020 <u>Actual</u> | 2019 <u>Actual</u> |
|---|---|-------------------------------------|-------------------------------------|
| Revenue | | | |
| Federal government transfers for operating/grants (note 17) | \$ 5,565,051 | \$ 7,054,448 | \$ 7,247,305 |
| Federal government transfers for capital (note 17) | - | 608,764 | 54,300 |
| Provincial government transfers for operating (note 17) | 375,000 | 2,273,163 | 2,244,261 |
| Rent | 201,000 | 337,590 | 294,697 |
| Net change in funds on deposit with INAC (note 6) | - | (9,696) | 9,444 |
| Administration fees | 1,100,561 | 1,181,866 | 1,133,438 |
| Other | <u>829,069</u> | <u>15,644,552</u> | <u>14,418,660</u> |
| | <u>8,070,681</u> | <u>27,090,687</u> | <u>25,402,105</u> |
| Expenses | | | |
| Social services | 2,132,860 | 1,887,885 | 1,907,802 |
| Housing | 1,468,890 | 2,334,295 | 2,727,316 |
| Band administration | 1,579,680 | 2,199,765 | 2,058,547 |
| Economic development | 363,568 | 721,287 | 621,645 |
| Lands and trusts | - | 890,541 | 998,877 |
| Health | 699,717 | 1,318,719 | 1,329,531 |
| Education | 2,104,555 | 3,333,735 | 3,009,165 |
| Other | <u>-</u> | <u>14,713,811</u> | <u>13,900,350</u> |
| | <u>8,349,270</u> | <u>27,400,038</u> | <u>26,553,233</u> |
| Annual Surplus (Deficit) | (278,589) | (309,351) | (1,151,128) |
| Accumulated Surplus - Beginning of Year | <u>18,105,738</u> | <u>18,105,738</u> | <u>19,256,866</u> |
| Accumulated Surplus - End of Year | <u>\$ 17,827,149</u> | <u>\$ 17,796,387</u> | <u>\$ 18,105,738</u> |

METEPENAGIAG MI'KMAQ NATION

CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT

FOR THE YEAR ENDED MARCH 31, 2020

| | 2019 Budget (Unaudited) | 2020 Actual | 2019 Actual |
|--|--|------------------------|------------------------|
| Annual Surplus (Deficit) | \$ <u>(278,589)</u> | \$ <u>(309,351)</u> | \$ <u>(1,151,128)</u> |
| Changes in Non-Financial Assets | | | |
| Acquisition of tangible capital assets | - | (2,298,359) | (2,997,132) |
| Amortization of capital assets | - | 1,585,816 | 1,513,213 |
| Decrease (increase) in prepaid expenses | - | 6,346 | (50,813) |
| Use of funds on deposit with INAC | - | 9,696 | (9,444) |
| Withdrawals from restricted funds - CMHC | <u>-</u> | <u>792</u> | <u>92,152</u> |
| | <u>-</u> | <u>(695,709)</u> | <u>(1,452,024)</u> |
| Increase In Net Debt | (278,589) | (1,005,060) | (2,603,152) |
| Net Debt - Beginning Of Year | <u>(19,535,630)</u> | <u>(19,535,630)</u> | <u>(16,932,478)</u> |
| Net Debt - End Of Year | \$ <u>(19,814,219)</u> | \$ <u>(20,540,690)</u> | \$ <u>(19,535,630)</u> |

METEPENAGIAG MI'KMAQ NATION
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2020

| | <u>2020</u> | <u>2019</u> |
|---|-----------------------|----------------------|
| Cash Provided By (Required For): | | |
| Operating Activities | | |
| Annual surplus | \$ (309,351) | \$(1,151,128) |
| Amortization | <u>1,585,816</u> | <u>1,513,213</u> |
| | 1,276,465 | 362,085 |
| Changes in non-cash operating working capital items (note 18) | <u>487,969</u> | <u>128,907</u> |
| | <u>1,764,434</u> | <u>490,992</u> |
| Capital transactions | | |
| Purchase of tangible capital assets | <u>(2,298,359)</u> | <u>(2,997,132)</u> |
| Financing Activities | | |
| Proceeds from long term debt | 176,651 | 3,338,739 |
| Repayment of long term debt | (1,208,028) | (1,137,687) |
| Decrease (Increase) in restricted funds | <u>792</u> | <u>92,152</u> |
| | <u>(1,030,585)</u> | <u>2,293,204</u> |
| Decrease In Cash | (1,564,510) | (212,936) |
| Cash Position at Beginning of Year | <u>(1,218,840)</u> | <u>(1,005,904)</u> |
| Cash Position at End of Year | <u>\$ (2,783,350)</u> | <u>\$(1,218,840)</u> |
| Cash consists of: | | |
| Bank advances | <u>\$ (2,783,350)</u> | <u>\$(1,218,840)</u> |

METEPENAGIAG MI'KMAQ NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

1. Description of Entity

The Metepenagiag Mi'Kmaq Nation operates a First Nations Band in Metepenagiag, New Brunswick for the benefit of its members.

2. Summary of Significant Accounting Policies

Basis Of Accounting

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Professional Accountants Canada.

Reporting Entity

The Metepenagiag Mi'kmaq Nation reporting entity includes all operations of the Metepenagiag Mi'kmaq Nation government including the Metepenagiag Heritage Park Inc., 651738 N.B. Ltd. (Riverside Entertainment Centre), and Metepenagiag Economic Ventures Corporation.

Principles of Consolidation

All entities are fully consolidated on a line-by-line basis. Inter-organizational balances and transactions are eliminated upon consolidation.

The consolidated financial statements include the accounts of the following programs:

Social Assistance, Operations and Maintenance, Housing and Roads, Water and Sanitation, Band Administration, Economic Development, Lands Revenue and Trusts, Community Health, Fisheries, Forestry, and Education.

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 and are not to be consumed in the normal course of operations. Non-financial assets are acquired, constructed or developed assets that do not provide resources to discharge existing liabilities but are employed to deliver services, may be consumed in normal operations and are not for resale. Non-financial assets include tangible capital assets and prepaid expenses.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, balances with banks net of bank overdrafts and term deposits having maturity of three months or less at acquisition which are held for the purpose of meeting short term commitments.

METEPENAGIAG MI'KMAQ NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

2. Significant Accounting Policies (continued)

Accounts Receivable

Accounts receivable arise from trade receivables, loans and advances, and federal and provincial government receivables. An allowance for bad debts has been calculated by management based on an assessment of the circumstances influencing the collectibility of the amount, and by using historical loss experience. Amounts deemed uncollectible are written off and deducted from the carrying value of the receivable. Amounts subsequently recovered from accounts previously written off are credited to the allowance account in the period of recovery.

Inventories For Resale

Inventories of supplies and goods available for resale are recorded at the lower of cost and net realizable value.

Tangible Capital Assets

Tangible capital assets include acquired, built, developed and improved tangible capital assets, whose useful lives extend beyond one year and which are intended to be used on an ongoing basis for producing goods and delivering services.

Tangible capital assets are reported at net book value.

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as tangible capital assets. Assets under construction are not amortized until the asset is available to be put into service.

Amortization is provided annually using the straight line basis as follows:

| | |
|-----------------------|--------|
| Residential buildings | 2-4% |
| Commercial buildings | 4% |
| Roads | 4-8% |
| Water and sanitation | 4% |
| Vehicles | 30% |
| Other equipment | 15-20% |
| Other | 4-7% |

Amortization for Metepenagiag Heritage Park Inc. is recorded using the declining balance basis at the same rates as indicated above.

Assets under construction are not amortized until the asset is available for use.

METEPENAGIAG MI'KMAQ NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

2. Significant Accounting Policies (continued)

Revenue Recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

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.

Use of Estimates

In preparing the consolidated financial statements for the government of Metepenagiag Mi'kmaq Nation, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

Significant estimates pertaining to these consolidated financial statements include the following:

- determination of amortization rates and residual values of tangible capital assets
- establishment of an allowance for doubtful accounts receivable balances

CMHC Section 95 Housing Projects

Housing projects funded through CMHC and eligible for federal assistance subsidies are accounted for by CMHC as pre-1997 projects and post-1977 projects. Operating surpluses can not be amalgamated between these two groups and accordingly separate sub-totals have been provided in these consolidated financial statements.

Pension Plan

Some employees of the Metepenagiag Mi'kmaq Nation are members of a defined contribution plan to which the band contributes between 5.5% to 9% of the employee's gross salary.

Employee Future Benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, sick leave, annual vacation leave, and defined contributions to employee benefit plans when it is probable that settlement will be required and they are capable of being measured reliably.

METEPENAGIAG MI'KMAQ NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

2. Significant Accounting Policies (continued)

Net Debt

The First Nation's financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt of the First Nation is determined by its liabilities less its financial assets. Net debt is comprised of two components, non-financial assets and accumulated surplus.

Income Taxes

The First Nation is an Indian Band and is not subject to income tax. Accordingly, no provision has been made for income taxes.

Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

3. Financial Instruments

Metepenagiag Mi'kmaq Nation is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the company's risk exposure and concentration as of March 31, 2020.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The First Nation is exposed to this risk mainly in respect of its payment of funds for long-term debt, accounts payable, and government remittances payable.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the entity manages exposure through its normal operating and financing activities. The First Nation is exposed to interest rate risk primarily through floating interest rates on certain bank loans.

4. Economic Dependence

The Metepenagiag Mi'kmaq Nation receives a major portion of its revenues pursuant to a funding agreement with Indigenous and Northern Affairs Canada and Health Canada. The continued operation of the First Nation is dependent on the continuation of these funding arrangements.

METEPENAGIAG MI'KMAQ NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

5. Accounts Receivable

| | <u>2020</u> | <u>2019</u> |
|--|----------------------------|----------------------------|
| Indigenous and Northern Affairs Canada | \$ 695,876 | \$ 730,658 |
| Band members | 245,125 | 175,383 |
| Department of Fisheries and Oceans | 48,790 | 39,790 |
| CMHC | 24,500 | - |
| Province of New Brunswick | 225,084 | - |
| Other receivables | <u>255,541</u> | <u>903,300</u> |
| Total Accounts Receivable | \$ <u>1,494,916</u> | \$ <u>1,849,131</u> |

6. Funds on Deposit with INAC

Trust fund accounts 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.

| | <u>2020</u> | <u>2019</u> |
|--|--------------------------|-------------------------|
| Capital Account | | |
| Balance, Beginning and End of Year | \$ <u>14,760</u> | \$ <u>14,760</u> |
| Revenue Account | | |
| Balance, Beginning of Year | 10,218 | 774 |
| Add: Interest income | 1,886 | 1,284 |
| Riverside land rent | 33,000 | 33,000 |
| Big Hole fish rent | <u>100,418</u> | <u>98,160</u> |
| | <u>145,522</u> | <u>133,218</u> |
| Less: BCR 19-14004 | 110,000 | - |
| BCR 19-14001 | 35,000 | 35,000 |
| BCR 18-14005 | - | 90,000 |
| BCR 18-01407 | <u>-</u> | <u>33,000</u> |
| | <u>145,000</u> | <u>123,000</u> |
| Balance, End of Year | <u>522</u> | <u>10,218</u> |
| Total INAC funds on deposit | \$ <u>15,282</u> | \$ <u>24,978</u> |
| Change in funds on deposit from prior year | \$ <u>(9,696)</u> | \$ <u>9,444</u> |

METEPENAGIAG MIKMAQ NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

7. TANGIBLE CAPITAL ASSETS

| | Cost | | | | Accumulated Amortization | | | | Net Book Value | | |
|--------------------------------|----------------------|---------------------|-------------|---------------------|--------------------------|----------------------|---------------------|------------------------------------|----------------------|----------------------|----------------------|
| | Opening Balance | Additions | Disposals | Transfers of Assets | Closing Balance | Opening Balance | Amortization | Disposals, Write-offs & Other Adj. | Closing Balance | Total 2020 | Total 2019 |
| Tangible Capital Assets | \$ 11,267,910 | \$ 470,166 | \$ - | \$ - | \$ 11,738,076 | \$ - | \$ 313,913 | \$ - | \$ 3,123,461 | \$ 11,738,076 | \$ 11,267,910 |
| Land | 11,423,887 | 801,800 | - | - | 12,225,687 | 2,809,548 | 313,913 | - | 3,123,461 | 9,104,226 | 8,616,339 |
| Residential Buildings | 17,528,172 | 102,260 | - | - | 17,630,433 | 7,222,507 | 580,249 | - | 7,802,756 | 10,305,666 | 10,305,666 |
| Commercial Buildings | 3,504,518 | - | - | - | 3,504,518 | 1,341,169 | 139,953 | - | 1,481,121 | 2,022,397 | 2,163,349 |
| Roads | 6,788,045 | 572,736 | - | 192,983 | 7,553,764 | 2,839,925 | 280,696 | - | 3,130,621 | 4,423,143 | 3,948,120 |
| Water and Sanitation | 486,561 | 5,084 | - | - | 501,645 | 455,368 | 71,164 | - | 526,532 | 25,494 | 41,193 |
| Computer Equipment | 632,568 | - | - | - | 632,568 | 482,711 | 153,857 | - | 526,532 | 98,693 | 169,857 |
| Vehicles | 4,701,588 | 328,386 | - | - | 5,030,174 | 4,220,810 | 167,794 | - | 4,398,604 | 631,569 | 470,777 |
| Other Equipment | 1,104,385 | - | - | - | 1,104,385 | 784,399 | - | - | 784,399 | 319,986 | 319,986 |
| Licenses | 20,462 | - | - | - | 20,462 | 4,656 | 1,265 | - | 5,920 | 14,542 | 15,806 |
| Perfing and Fencing | 205,283 | 17,725 | - | (192,983) | 30,025 | - | - | - | - | 30,025 | 205,283 |
| Assets under construction | - | - | - | - | - | - | - | - | - | - | - |
| Total | \$ 57,695,377 | \$ 2,298,359 | \$ - | \$ - | \$ 59,993,736 | \$ 20,171,092 | \$ 1,585,816 | \$ - | \$ 21,756,908 | \$ 38,226,828 | \$ 37,524,235 |

METEPENAGIAG MI'KMAQ NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

8. Bank Advances

The First Nation has two operating lines of credit totalling \$2,015,000. One for \$2,000,000 with Canadian Imperial Bank of Commerce, bearing interest at prime plus 1% which is secured by a general security agreement. At March 31, 2020 \$2,768,350 (2019 - \$1,204,840) was outstanding. The second for \$15,000 with Royal Bank of Canada, bearing interest at 7.45%. At March 31, 2020 \$15,000 (2019 - \$14,000) was outstanding.

9. Accounts Payable and Accrued Liabilities

| | <u>2020</u> | <u>2019</u> |
|---|----------------------------|----------------------------|
| Trade payables | \$ 1,560,354 | \$ 1,029,234 |
| Government remittances payable | 507,701 | 580,212 |
| Other accrued liabilities | <u>966</u> | <u>746</u> |
| Total Accounts Payable and Accrued Liabilities | <u>\$ 2,069,021</u> | <u>\$ 1,610,192</u> |

10. Deferred Revenue

| | <u>2020</u> | <u>2019</u> |
|---|--------------------------|--------------------------|
| Association co-operatives des pêcheurs - shrimp revenue | \$ 100,000 | \$ 99,999 |
| Health Canada | - | 21,324 |
| INAC | <u>-</u> | <u>310,098</u> |
| | <u>\$ 100,000</u> | <u>\$ 431,421</u> |

11. Long-Term Debt

| | <u>2020</u> | <u>2019</u> |
|---|------------------|------------------|
| CMHC loan at 1.83%, repayable in monthly instalments of \$1,329, including principal and interest. The loan was repaid during the year. | \$ - | \$ 6,623 |
| CMHC loan at 1.14%, repayable in monthly instalments of \$532, including principal and interest, maturing on January 1, 2021. | 5,300 | 11,594 |
| CMHC loan at 1.43%, repayable in monthly instalments of \$710, including principal and interest, maturing on April 1, 2022. | 17,490 | 25,701 |
| CMHC loan at 1.97%, repayable in monthly instalments of \$264, including principal and interest, maturing on September 1, 2022. | 7,735 | 10,724 |
| CMHC loan at 1.97%, repayable in monthly instalments of \$711, including principal and interest, maturing on December 1, 2022. | <u>22,866</u> | <u>30,879</u> |
| Carried forward | \$ 53,391 | \$ 85,521 |

METEPENAGIAG MI'KMAQ NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

11. Long-Term Debt (continued)

| | <u>2020</u> | <u>2019</u> |
|--|---------------|---------------|
| Carried forward | \$ 53,391 | \$ 85,521 |
| CMHC loan at 1.86%, repayable in monthly instalments of \$190, including principal and interest, maturing on February 1, 2024. | 8,612 | 10,713 |
| CMHC loan at 1.86%, repayable in monthly instalments of \$417, including principal and interest, maturing on March 1, 2024. | 19,322 | 23,933 |
| CMHC loan at 1.39%, repayable in monthly instalments of \$269, including principal and interest, maturing on June 1, 2020. | 15,577 | 18,564 |
| CMHC loan at 1.14%, repayable in monthly instalments of \$291, including principal and interest, maturing on June 1, 2021. | 20,794 | 24,031 |
| CMHC loan at 1.43%, repayable in monthly instalments of \$574, including principal and interest, maturing on April 1, 2022. | 46,401 | 52,580 |
| CMHC loan at 1.05%, repayable in monthly instalments of \$279, including principal and interest, maturing on April 1, 2020. | 31,831 | 34,834 |
| CMHC loan at 2.41%, repayable in monthly instalments of \$292, including principal and interest, maturing on April 1, 2023. | 25,077 | 27,951 |
| CMHC loan at 1.11%, repayable in monthly instalments of \$265, including principal and interest, maturing on April 1, 2021. | 32,946 | 35,746 |
| CMHC loan at 2.41%, repayable in monthly instalments of \$605, including principal and interest, maturing on April 1, 2023. | 106,628 | 111,277 |
| CMHC loan at 1.01%, repayable in monthly instalments of \$460, including principal and interest, maturing on February 1, 2021. | 81,182 | 85,860 |
| CMHC loan at 1.01%, repayable in monthly instalments of \$1,380, including principal and interest, maturing on February 1, 2021. | 243,595 | 257,630 |
| CMHC loan at 0.94%, repayable in monthly instalments of \$529, including principal and interest, maturing on September 1, 2020. | <u>91,527</u> | <u>96,986</u> |
| Carried forward | \$ 776,883 | \$ 865,626 |

METEPENAGIAG MI'KMAQ NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

11. Long-Term Debt (continued)

| | <u>2020</u> | <u>2019</u> |
|--|--------------|--------------|
| Carried forward | \$ 776,883 | \$ 865,626 |
| CMHC loan at 1.11%, repayable in monthly instalments of \$293, including principal and interest, maturing on April 1, 2021. | 36,406 | 39,500 |
| CMHC loan at 1.3%, repayable in monthly instalments of \$1,647, including principal and interest, maturing on December 1, 2020. | 281,805 | 297,822 |
| CMHC loan at 1.44%, repayable in monthly instalments of \$997, including principal and interest, maturing on February 1, 2022. | 179,713 | 189,027 |
| CMHC loan at 1.43%, repayable in monthly instalments of \$543, including principal and interest, maturing on April 1, 2022. | 98,377 | 103,452 |
| CMHC loan at 1.43%, repayable in monthly instalments of \$511, including principal and interest, maturing on April 1, 2022. | 92,607 | 97,385 |
| CMHC loan at 1.48%, repayable in monthly instalments of \$1,000, including principal and interest, maturing on January 1, 2022. | 179,068 | 188,366 |
| CMHC loan at 1.43%, repayable in monthly instalments of \$500, including principal and interest, maturing on April 1, 2022. | 90,575 | 95,247 |
| CMHC loan at 2.04%, repayable in monthly instalments of \$2,171, including principal and interest, maturing on May 1, 2019. | 411,016 | 428,546 |
| CMHC loan at 1.37%, repayable in monthly instalments of \$1,433, including principal and interest, maturing on July 1, 2020. | 305,497 | 318,434 |
| CMHC loan at 2.41%, repayable in monthly instalments of \$1,190, including principal and interest, maturing on April 1, 2023. | 209,832 | 218,981 |
| CMHC loan at 0.96%, repayable in monthly instalments of \$2,056, including principal and interest, maturing on September 1, 2021. | 479,619 | 499,604 |
| Royat equipment lease at 8.5%, payable in monthly instalments of \$4,944, including principal and interest. The loan was repaid during the year. | <u>-</u> | <u>744</u> |
| Carried forward | \$ 3,141,398 | \$ 3,342,734 |

METEPENAGIAG MI'KMAQ NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

11. Long-Term Debt (continued)

| | <u>2020</u> | <u>2019</u> |
|--|----------------|----------------|
| Carried forward | \$ 3,141,398 | \$ 3,342,734 |
| BMO loan at 3.39%, repayable in monthly instalments of \$3,806, including principal and interest, maturing in August 1, 2020, guaranteed by INAC. | 440,892 | 455,897 |
| CIBC loan at prime plus 1.5%, repayable in monthly principal instalments of \$6,550 plus interest. Security and obligations includes; first security interest in a 2013 Thomas Saf - T-Liner C2 school bus, first ranking interest in all personal property for Metepenagiag Mi'Kmaq Nation, property insurance and Band Council Resolution requesting that all funds due from Indigenous and Northern Affairs Canada be forwarded to the Bank until such time as all debt due to the Bank is paid in full. The loan was repaid during the year. | - | 39,100 |
| CMHC loan at .69%, repayable in monthly instalments of \$485, including principal and interest, maturing on June 1, 2025. | 67,587 | - |
| CMHC loan at .69%, repayable in monthly instalments of \$464 including principal and interest, maturing on June 1, 2025. | 92,684 | - |
| CMHC loan at 1.50%, repayable in monthly instalments of \$2,827, including principal and interest, maturing on July 1, 2022. | 644,593 | 668,704 |
| CIBC housing loan at 4.69% repayable in monthly instalments of \$584, including principal and interest, maturing on April 1, 2025. | 88,348 | 90,482 |
| CIBC housing loan at 4.69%, repayable in monthly instalments of \$584, including principal and interest, maturing on April 1, 2025. | 88,348 | 90,482 |
| CIBC housing loan at 4.69%, repayable in monthly instalments of \$584, including principal and interest, maturing on April 1, 2025. | 88,348 | 90,482 |
| CIBC housing loan at 4.84%, repayable in monthly instalments of \$593, including principal and interest, maturing on February 1, 2025. | 88,460 | 90,653 |
| CMHC loan at 1.31%, repayable in monthly instalments of \$711, including principal and interest, maturing on December 1, 2021. | <u>161,737</u> | <u>168,136</u> |
| Carried forward | \$ 4,902,395 | \$ 5,036,670 |

METEPENAGIAG MI'KMAQ NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

11. Long-Term Debt (continued)

| | <u>2020</u> | <u>2019</u> |
|---|----------------|----------------|
| Carried forward | \$ 4,902,395 | \$ 5,036,670 |
| CMHC loan at 2.49%, repayable in monthly instalments of \$1,588, including principal and interest, maturing on May 1, 2023. | 336,315 | 346,913 |
| RBC housing loan at 5.0%, repayment in monthly instalments of \$308, including principal and interest, maturing on August 19, 2024. | 14,635 | - |
| Provincial tuition payable, without interest, repayable in monthly principal instalments of \$3,463 maturing in July 2032. | 509,174 | 561,120 |
| BMO housing loan at 4.40%, repayable in monthly instalments of \$3,764, including principal and interest, maturing on February 28, 2038. | 556,864 | 577,195 |
| BMO housing loan at 4.40%, repayable in monthly instalments of \$2,590, including principal and interest, maturing on February 28, 2038. | 378,143 | 399,883 |
| BMO truck loan at prime plus 5.45%, repayable in monthly instalments of \$1,384, including principal and interest, maturing on September 20, 2022. | 39,832 | 53,880 |
| Ford Credit Canada vehicle loan at 6.49%, repayable in monthly instalments of \$694, including principal and interest, maturing on April 30, 2022. | 15,582 | 23,211 |
| CIBC property loan with twelve months of interest only payments followed by 180 regular monthly payments of \$35,556 plus interest. Security and obligations includes: first ranking interest in all personal property present and after acquired for Metepenagiag Mi'Kmaq Nation and Band Council Resolution requesting that all funds due from Aboriginal Affairs and Northern Development Canada be forwarded to the Bank until such time as all debt due to the Bank is paid in full, maturing March 1, 2023. | 5,511,111 | 5,937,778 |
| INAC loan at 0%, repayable in monthly principal instalments of \$5,000, maturing in August 1, 2022. | <u>142,901</u> | <u>202,901</u> |
| Carried forward | \$ 12,406,952 | \$ 13,139,551 |

METEPENAGIAG MI'KMAQ NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

11. Long-Term Debt (continued)

Carried forward

\$ 12,406,952 \$ 13,139,551

CIBC property loan with twelve months of interest only payments followed by 180 regular monthly payments of \$8,889 plus interest. Security and obligations includes: first ranking interest in all personal property present and after acquired for Metepenagiag Mi'Kmaq Nation and Band Council Resolution requesting that all funds due from Aboriginal Affairs and Northern Development Canada be forwarded to the Bank until such time as all debt due to the Bank is paid in full, maturing March 1, 2023.

1,582,222 1,600,000

CIBC loan with sixty months of interest only payments combined with 5 regular annual payments of \$240,000. Security and obligations includes: first ranking interest in all personal property present and after acquired for Metepenagiag Mi'Kmaq Nation and Band Council Resolution requesting that all funds due from Aboriginal Affairs and Northern Development Canada be forwarded to the Bank until such time as all debt due to the Bank is paid in full.

960,000 1,200,000

CIBC loan with one hundred and twenty months of interest only payments combined with 10 regular annual payments of \$30,000. Security and obligations includes: first ranking interest in all personal property present and after acquired for Metepenagiag Mi'Kmaq Nation and Band Council Resolution requesting that all funds due from Aboriginal Affairs and Northern Development Canada be forwarded to the Bank until such time as all debt due to the Bank is paid in full.

270,000 300,000

CIBC equipment loan at prime plus 1%, repayable in monthly instalments of \$917, including principal and interest, maturing on March 1, 2026.

65,999 76,999
\$ 15,285,173 \$ 16,316,550

METEPENAGIAG MI'KMAQ NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

Anticipated annual principal repayments over the next five years and thereafter are as follows:

| | |
|------------|----------------------|
| 2021 | \$ 3,057,466 |
| 2022 | 2,138,597 |
| 2023 | 2,702,677 |
| 2024 | 1,482,158 |
| 2025 | 5,357,862 |
| Thereafter | <u>546,413</u> |
| | <u>\$ 15,285,173</u> |

12. Restricted Funds

Operating Reserve

Under the terms of the agreement with CMHC, any surplus for post 1997 projects, after payment of all costs and expenses including the allocation to the replacement reserve, will be retained by the First Nation within an operating reserve. This reserve will be available to offset future year post 1997 project deficits. The Metepenagiag Mi'Kmaq Nation has agreed to maintain operating reserve funds and accumulating interest in a separate bank and investment accounts which are insured by CDIC.

Replacement Reserve

Under the terms of agreements with Canada Mortgage and Housing Corporation, the replacement reserve account is to be credited in the total amount of \$52,185 annually to fund future asset replacement. These funds, along with accumulated interest, must be held in separate bank or investment accounts which are insured by the Canada Deposit Insurance Corporation (CDIC) or as may otherwise be approved by CMHC. Expenditures made by the replacement reserve fund require advance approval by CMHC.

Subsidy Reserve

Under the terms of the agreement with CMHC, surpluses related to pre 1998 projects may be retained in a Subsidy Surplus Reserve up to a maximum of \$500 per unit plus interest. The reserve is to be comprised of monies deposited in separate bank or investment accounts which are insured by the CDIC or as may otherwise be approved by CMHC. The funds in this account may only be used to meet future subsidy requirements of income-tested occupants over and above the maximum federal assistance. When the fund has attained the maximum of \$500 per unit, up to 10% of the excess funds during a year may be transferred to other projects owned by the borrower requiring additional assistance if they are within the same area and are assisted under the same program. There was no balance in the subsidy surplus reserve fund as at March 31, 2020.

| | <u>2020</u> | <u>2019</u> |
|---------------------|------------------|------------------|
| Operating reserve | \$ 2,344 | \$ 2,404 |
| Replacement reserve | 8,572 | 9,304 |
| Subsidy reserve | <u>-</u> | <u>-</u> |
| | <u>\$ 10,916</u> | <u>\$ 11,708</u> |

METEPENAGIAG MI'KMAQ NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

13. Prepaid Expenses

| | <u>2020</u> | <u>2019</u> |
|------------------------|------------------|------------------|
| Insurance | \$ 45,973 | \$ 15,874 |
| Fire services | - | 8,945 |
| Deposit on boat | <u>-</u> | <u>27,500</u> |
| Total Prepaid Expenses | <u>\$ 45,973</u> | <u>\$ 52,319</u> |

14. Long Term Investments

| | <u>2020</u> | <u>2019</u> |
|---------------------|------------------|------------------|
| Investments in land | \$ 13,078 | \$ 13,078 |
| Other investments | <u>15,000</u> | <u>15,000</u> |
| | <u>\$ 28,078</u> | <u>\$ 28,078</u> |

15. Reconciliation Of Indigenous and Northern Affairs Canada (INAC) Funding

| | |
|--|---------------------|
| Social Assistance | \$ 1,956,040 |
| Operations and Maintenance | 255,724 |
| Housing and Roads | 440,091 |
| Water and Sanitation | 820,432 |
| Band Administration | 664,238 |
| Economic Development | 30,528 |
| Community Health | 135,560 |
| Education | <u>1,727,219</u> |
| Total INAC funding per consolidated financial statements | \$ 6,029,832 |
| Less: Prior year deferred INAC funding | <u>(310,098)</u> |
| | <u>\$ 5,719,734</u> |
| Funding per INAC revenue confirmation | <u>\$ 5,719,734</u> |

METEPENAGIAG MI'KMAQ NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

16. Expenses by Object

The following is a summary of expenses by object:

| | <u>2020</u> | <u>2019</u> |
|------------------------------|----------------------|----------------------|
| Amortization | \$ 1,585,815 | \$ 1,513,213 |
| Consulting | 118,686 | 136,784 |
| Financial administration | 1,181,866 | 1,133,438 |
| Insurance | 283,369 | 231,065 |
| Interest and bank charges | 266,213 | 150,420 |
| Interest on long term debt | 236,128 | 234,159 |
| Miscellaneous | 460,531 | 502,649 |
| Office supplies | 93,736 | 117,935 |
| Other | 15,448,055 | 14,432,043 |
| Professional fees | 156,836 | 183,447 |
| Repairs and maintenance | 689,373 | 1,218,601 |
| Salaries and benefits | 5,858,049 | 5,693,686 |
| Supplies | 164,374 | 213,949 |
| Travel and staff development | 437,674 | 356,974 |
| Utilities | <u>419,333</u> | <u>434,870</u> |
| | <u>\$ 27,400,038</u> | <u>\$ 26,553,233</u> |

METEPENAGIAG MI'KMAQ NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

17. Government Transfers

| | <u>Operating /Grants</u> | <u>Capital</u> | <u>2020 Total</u> |
|---|------------------------------|-------------------|-----------------------|
| Federal government transfers: | | | |
| Indigenous and Northern Affairs Canada | \$ 5,421,068 | \$ 608,764 | \$ 6,029,832 |
| Health Canada | 945,780 | - | 945,780 |
| Canada Mortgage and Housing Corporation | 192,720 | - | 192,720 |
| Other | <u>494,880</u> | <u>-</u> | <u>494,880</u> |
| | 7,054,448 | 608,764 | 7,663,212 |
| Provincial government transfers: | <u>2,273,163</u> | <u>-</u> | <u>2,273,163</u> |
| | <u>\$ 9,327,611</u> | <u>\$ 608,764</u> | <u>\$ 9,936,375</u> |
| | <u>Operating</u> | <u>Capital</u> | <u>2019 Total</u> |
| Federal government transfers: | | | |
| Indigenous and Northern Affairs Canada | \$ 5,449,305 | \$ - | \$ 5,449,305 |
| Health Canada | 779,044 | 54,300 | 833,344 |
| Canada Mortgage and Housing Corporation | 316,181 | - | 316,181 |
| Other | <u>702,775</u> | <u>-</u> | <u>702,775</u> |
| | 7,247,305 | 54,300 | 7,301,605 |
| Provincial government transfers: | <u>2,244,261</u> | <u>-</u> | <u>2,244,261</u> |
| | <u>\$ 9,491,566</u> | <u>\$ 54,300</u> | <u>\$ 9,545,866</u> |

18. Changes in Non-Cash Operating Working Capital Items

| | <u>2020</u> | <u>2019</u> |
|--|-------------------|-------------------|
| Accounts receivable | 354,215 | (353,607) |
| Prepaid expenses | 6,345 | (50,814) |
| Inventory | - | (9,117) |
| Accounts payable and accrued liabilities | 458,830 | 221,024 |
| Deferred revenue | <u>(331,421)</u> | <u>321,421</u> |
| | <u>\$ 487,969</u> | <u>\$ 128,907</u> |

METEPEENAGIAG MI'IKMAQ NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2020

19. Contingencies

Metepenagiag Mi'ikmaq Nation has entered into contribution agreements with various federal government departments. Funding received under these contribution 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, Metepenagiag Mi'ikmaq 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 Metepenagiag Mi'ikmaq Nation's consolidated financial statements.

Subsequent to year end Metepenagiag Mi'ikmaq Nation has settled two lawsuits and has accrued the settlement amount of \$248,797 which is included in other expenses.

20. Promissory Notes Payable

| | 2020 | 2019 |
|--|------------------|------------------|
| Promissory note payable to G.M.& H. Holdings Inc. without interest repayable in 120 instalments of \$6,770, due July 2029. | \$ 811,550 | \$ 811,550 |
| Promissory note payable to G.M.& H. Holdings Inc. without interest repayable in 120 instalments of \$8,542, due July 2029. | <u>1,025,000</u> | <u>1,025,000</u> |
| | \$ 1,836,550 | \$ 1,836,550 |

21. Comparative Figures

Certain comparative figures have been reclassified to conform with the presentation used in the current year.

22. Budget Figures

Unaudited budgeted figures have been provided for comparison purposes and have been derived from the estimates approved by the chief and councilors of Metepenagiag Mi'ikmaq Nation.

METEPENAGIAG MITKMAQ NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

23. Segment Disclosure

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. 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:

| | Education | | Health | | Economic Development | | |
|--|-------------------|---------------------|---------------------|--------------------|----------------------|---------------------|---------------------|
| | Budget 2020 | 2020 | 2019 | Budget 2020 | 2019 | Budget 2020 | 2019 |
| Revenues | | | | | | | |
| Federal Government Operating/Grant Transfers | \$ 1,674,251 | \$ 1,777,219 | \$ 1,761,018 | \$ 659,987 | \$ 1,081,340 | \$ 900,351 | \$ 25,375 |
| Federal Government Capital Transfers | - | - | - | - | - | 54,300 | - |
| Provincial Government Operating Transfers | - | 132,484 | 165,767 | - | - | - | - |
| Provincial Government Capital Transfers | - | - | - | - | - | - | - |
| Rent | - | - | (18,233) | - | - | (21,324) | - |
| Less: Deferred revenue, end of year | - | - | - | - | - | - | - |
| Held in Trust by Federal Government | - | - | - | - | - | - | - |
| Administration Fees | - | - | - | - | - | - | - |
| Other | 575,000 | 678,651 | 622,094 | - | 7,340 | 7,001 | 204,069 |
| | | | | | | | 671,291 |
| | | | | | | | 570,202 |
| Total Revenues | 2,249,251 | 2,538,354 | 2,530,646 | 659,987 | 1,088,680 | 940,328 | 229,444 |
| | | | | | | | 701,819 |
| | | | | | | | 596,202 |
| Expenses | | | | | | | |
| Salaries and benefits | 965,480 | 1,752,522 | 1,657,846 | 142,410 | 249,660 | 230,209 | 124,900 |
| Debt Servicing | - | - | - | - | - | - | - |
| Amortization | - | - | - | - | - | - | 54,000 |
| Other Expenses | 1,139,075 | 1,581,213 | 1,351,320 | 557,307 | 1,069,059 | 1,099,322 | 184,668 |
| | | | | | | | 367,440 |
| | | | | | | | 316,680 |
| Total Expenses | 2,104,555 | 3,333,735 | 3,009,166 | 699,717 | 1,318,719 | 1,329,531 | 363,568 |
| | | | | | | | 721,287 |
| | | | | | | | 621,645 |
| Annual Surplus (Deficit) | \$ 144,696 | \$ (795,381) | \$ (478,520) | \$ (39,730) | \$ (230,039) | \$ (389,203) | \$ (134,124) |
| | | | | | | | \$ (19,468) |
| | | | | | | | \$ (25,443) |

teed saunders
doyle

accountants
& advisors

METEPENAGIAG MIKMAQ NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

23. Segment Disclosure (continued)

| | Housing | | Social Services | | Band Government Budget | | |
|--|---------------------|---------------------|-----------------------|---------------------|------------------------|------------------|---------------------|
| | Budget 2020 | 2020 | 2019 | Budget 2020 | 2020 | 2019 | Budget 2020 |
| Revenues | | | | | | | |
| Federal Government Operating/Grant Transfers | \$ 628,415 | \$ 1,100,204 | \$ 1,536,628 | \$ 2,013,364 | \$ 1,956,040 | \$ 1,924,461 | \$ 563,659 |
| Federal Government Capital Transfers | - | 608,764 | - | - | - | - | 375,000 |
| Provincial Government Operating Transfers | - | - | - | - | - | - | 1,869,959 |
| Provincial Government Capital Transfers | - | - | - | - | - | - | - |
| Rent | 192,000 | 265,998 | 264,917 | (250,000) | - | - | 9,000 |
| Less: Deferred revenue, end of year | - | - | - | - | - | - | - |
| Held in Trust by Federal Government | - | - | - | - | - | - | - |
| Administration Fees | - | - | - | - | - | - | 1,100,561 |
| Other | - | - | 129,000 | - | - | - | 50,000 |
| Total Revenues | 820,415 | 1,974,966 | 1,680,545 | 2,013,364 | 1,956,040 | 1,924,461 | 2,098,220 |
| | | | | | | | 4,038,781 |
| | | | | | | | 3,859,553 |
| Expenses | | | | | | | |
| Salaries and benefits | 253,253 | 355,661 | 308,387 | 178,502 | 158,515 | 155,681 | 452,680 |
| Debt Servicing | 72,000 | 67,737 | 70,288 | - | - | - | 132,000 |
| Amortization | 432,000 | 964,665 | 860,487 | - | - | - | 21,600 |
| Other Expenses | 711,637 | 946,231 | 1,488,154 | 1,954,358 | 1,729,370 | 1,752,121 | 973,400 |
| | | | | | | | 1,293,384 |
| | | | | | | | 1,105,005 |
| Total Expenses | 1,468,890 | 2,334,295 | 2,727,316 | 2,132,860 | 1,887,885 | 1,907,802 | 1,579,680 |
| | | | | | | | 2,199,765 |
| | | | | | | | 2,061,747 |
| Annual Surplus (Deficit) | \$ (648,475) | \$ (359,329) | \$ (1,046,771) | \$ (119,496) | \$ 68,155 | \$ 16,659 | \$ 518,540 |
| | | | | | | | \$ 1,839,016 |
| | | | | | | | \$ 1,797,806 |

METEPENAGIAG MI'KMAQ NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 20

23. Segment Disclosure (continued)

| | Lands and Trusts | | Other | | Budget | | Consolidated Totals | |
|--|------------------|--------------|------------|-------------|--------------|--------------|---------------------|----------------|
| | Budget 2020 | 2020 | 2020 | 2020 | 2020 | 2020 | 2020 | 2020 |
| Revenues | | | | | | | | |
| Federal Government Operating/Grant Transfers | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Federal Government Capital Transfers | - | - | - | - | - | - | - | - |
| Provincial Government Operating Transfers | - | - | 270,719 | 247,829 | 375,000 | 2,273,163 | 2,244,261 | 2,244,261 |
| Provincial Government Capital Transfers | - | - | - | - | - | - | - | - |
| Rent | - | - | 650 | - | 201,000 | 337,590 | 387,917 | (331,421) |
| Less: Deferred revenue, end of year | - | - | - | - | - | - | - | - |
| Held in Trust by Federal Government | - | - | - | - | 1,100,561 | 1,181,866 | 1,133,438 | 1,133,438 |
| Administration Fees | - | - | 14,025,797 | 12,919,857 | 829,069 | 15,634,856 | 14,334,884 | 14,334,884 |
| Other | - | - | - | - | - | - | - | - |
| Total Revenues | - | - | 14,792,047 | 13,870,370 | 8,070,681 | 27,090,687 | 25,402,105 | 25,402,105 |
| Expenses | | | | | | | | |
| Salaries and benefits | - | - | 2,373,004 | 2,489,849 | 2,117,225 | 5,858,049 | 5,693,686 | 5,693,686 |
| Debt Servicing | - | - | - | 25,987 | 204,000 | 236,128 | 384,577 | 384,577 |
| Amortization | - | - | 497,999 | 531,035 | 507,600 | 1,585,815 | 1,513,213 | 1,513,213 |
| Other Expenses | - | 890,541 | 11,842,808 | 10,850,278 | 5,520,445 | 19,720,046 | 18,961,757 | 18,961,757 |
| Total Expenses | - | 890,541 | 14,713,811 | 13,897,149 | 8,349,270 | 27,400,038 | 26,553,233 | 26,553,233 |
| Annual Surplus (Deficit) | \$ - | \$ (890,541) | \$ 78,236 | \$ (26,779) | \$ (278,589) | \$ (309,351) | \$ (1,151,128) | \$ (1,151,128) |