



Consolidated Financial Statements

Paqtnkek Mi'kmaw Nation

March 31, 2022

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Management's responsibility for financial reporting

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

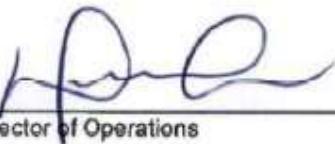
The consolidated financial statements have been prepared by management in accordance with generally accepted accounting principles. Consolidated financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the consolidated financial statements are presented fairly, in all material respects.

The First Nation maintains systems of internal accounting and administrative controls 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 First Nation's assets are appropriately accounted for and adequately safeguarded.

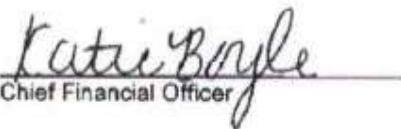
The First Nation is responsible for ensuring that management fulfils its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements.

The 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 have been audited by Grant Thornton LLP in accordance with generally accepted auditing standards on behalf of the members. Grant Thornton LLP has full and free access to the Council.



Director of Operations



Chief Financial Officer

Independent auditor's report

Grant Thornton LLP
Suite 301, Membertou Place
90 San'le'sew Aawti
Membertou, NS
B1S 0A5
T +1 902 562 5581
F +1 902 562 0073

To the Chief and Councillors of the
Paqtnkek Mi'kmaw Nation

Opinion

We have audited the consolidated financial statements of Paqtnkek Mi'kmaw Nation ("the First Nation"), which comprise the consolidated statement of financial position as at March 31, 2022, and the consolidated statements of operations, changes in net financial liabilities and cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly in all material respects, the financial position of Paqtnkek Mi'kmaw Nation as at March 31, 2022, and its results of 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 *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the First Nation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated 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 consolidated financial statements, management is responsible for assessing the First Nation's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the First Nation or to cease operations, or has no realistic alternative but to do so.

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

Independent auditor's report (continued)

Auditor's Responsibilities for the Audit of the Consolidated 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 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 consolidated 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 consolidated 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 First Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the First Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the First Nation and the organizations it controls to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Membertou, Canada
September 22, 2022

Grant Thornton LLP
Chartered Professional Accountants

Paqtnkek Mi'kmaw Nation

Consolidated Statement of Operations

Year ended March 31	Schedule	Budget	2022	2021
Revenue				
Education	B	\$ 1,145,468	\$ 2,944,218	\$ 1,341,415
Social services	C	2,130,559	2,400,709	2,444,704
Capital	D	328,519	751,965	1,140,109
Operations and maintenance	E	279,948	770,808	333,596
Economic development and native employment	F	475,047	681,988	556,076
First Nation financial management	G	346,632	4,852,428	1,918,393
Health Canada programs	H	1,530,350	1,478,932	1,588,043
CMHC subsidized housing				
- 13 537 394	I	13,000	53,348	9,577
- 19 042 894	I	390,000	269,925	279,205
Non-subsidized housing projects	J	-	400,501	190,582
Gaming	K	50,000	52,603	25,132
Paqtnkek Tobacco Fund	L	2,100,000	2,235,934	1,973,022
Paqtnkek Fisheries	M	911,412	1,977,959	1,052,117
Paqtnkek Gas Bar	N	-	-	209,532
Paqtnkek VLT	O	1,430,000	1,177,446	1,428,216
Bayside Development Corporation	P	-	191,668	131,592
Bayside Operations	Q	5,915,000	<u>8,529,322</u>	<u>4,442,752</u>
		<u>\$ 17,045,935</u>	<u>\$ 28,769,754</u>	<u>\$ 19,064,063</u>
Expenditures				
Education	B	1,123,923	1,072,020	855,898
Social services	C	2,143,038	1,869,289	2,796,568
Capital	D	441,001	619,636	544,337
Operations and maintenance	E	42,576	116,124	208,045
Economic development and native employment	F	501,078	873,269	638,136
First Nation financial management	G	1,588,151	2,285,655	1,311,559
Health Canada programs	H	786,127	704,005	704,838
CMHC subsidized housing				
- 13 537 394	I	17,500	4,393	8,304
- 19 042 894	I	468,900	128,215	237,875
Non-subsidized housing projects	J	-	227,228	99,529
Paqtnkek Tobacco Fund	L	2,083,047	2,275,150	1,950,066
Paqtnkek Fisheries	M	1,047,256	1,146,592	816,033
Paqtnkek Gas Bar	N	-	-	185,707
Paqtnkek VLT	O	738,778	553,504	668,258
Bayside Development Corporation	P	140,658	1,082,245	917,538
Bayside Operations	Q	5,450,800	<u>8,039,754</u>	<u>4,087,313</u>
Depreciation		<u>-</u>	<u>1,197,124</u>	<u>1,101,106</u>
		<u>\$ 16,572,833</u>	<u>\$ 22,194,203</u>	<u>\$ 17,131,110</u>
Annual surplus		<u>\$ 473,102</u>	<u>\$ 6,575,551</u>	<u>\$ 1,932,953</u>
Accumulated surplus, beginning of year			13,574,790	11,641,837
Accumulated surplus, end of year			<u>\$ 20,150,341</u>	<u>\$ 13,574,790</u>

See accompanying notes to the consolidated financial statements.

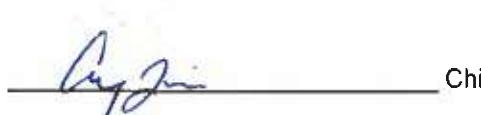
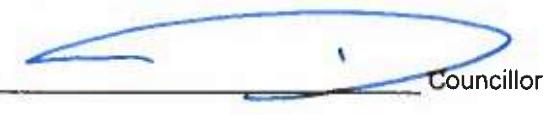
Paqtnkek Mi'kmaw Nation
Consolidated statement of financial position

March 31 2022 2021

Financial assets		
Cash	\$ 8,334,017	\$ 6,941,408
Receivables (Note 2)	3,881,765	1,179,908
Inventory	445,674	479,851
Restricted cash		
Replacement reserve fund (Note 3)	440,445	365,945
Debt reserve fund	2,598,757	2,559,303
Promissory note receivable (Note 4)	<u>35,122,785</u>	<u>35,711,914</u>
	<u>50,823,443</u>	<u>47,238,329</u>
Financial liabilities		
Payables and accruals (Note 5)	1,396,576	1,494,276
Deferred revenue (Note 6)	3,396,559	2,547,680
Long term debt (Note 7)	<u>51,276,602</u>	<u>52,559,410</u>
	<u>56,069,737</u>	<u>56,601,366</u>
Net financial liabilities	<u>(5,246,294)</u>	<u>(9,363,037)</u>
Non-financial assets		
Tangible capital assets (Note 8)	25,394,985	22,931,177
Prepays	1,650	6,650
	<u>25,396,635</u>	<u>22,937,827</u>
Accumulated surplus	<u>\$ 20,150,341</u>	<u>\$ 13,574,790</u>

Contingencies (Note 10)

On behalf of the First Nation

 Chief  Councillor

See accompanying notes to the consolidated financial statements.

Paqtnkek Mi'kmaw Nation
Consolidated statement of changes in net debt

March 31

2022

2021

Annual surplus	\$ 6,575,551	\$ 1,932,953
Depreciation	1,197,124	1,101,106
Purchase of property and equipment, net	<u>(3,660,932)</u>	<u>(2,059,881)</u>
	<u>4,111,743</u>	<u>974,178</u>
Acquisition of prepaid expenses, net of usage	<u>5,000</u>	<u>(2,663)</u>
Change in net financial liabilities	4,116,743	971,515
Net financial liabilities, beginning of year	<u>(9,363,037)</u>	<u>(10,334,552)</u>
Net financial liabilities, end of year	<u>\$ (5,246,294)</u>	<u>\$ (9,363,037)</u>

See accompanying notes to the consolidated financial statements.

Paqtnkek First Nation
Consolidated statement of cash flows

Year ended March 31

2022

2021

Increase (decrease) in cash and cash equivalents

Operating		
Annual surplus	\$ 6,575,551	\$ 1,932,953
Depreciation	<u>1,197,124</u>	<u>1,101,106</u>
	<u>7,772,675</u>	<u>3,034,059</u>
Change in non-cash operating working capital		
Receivables	(2,701,857)	(96,073)
Inventory	34,177	(425,365)
Prepays	5,000	(2,663)
Payables and accruals	(97,700)	(1,203,706)
Deferred revenue	<u>848,879</u>	<u>2,102,801</u>
	<u>5,861,174</u>	<u>3,409,053</u>
Financing		
Receipt of long-term debt	83,413	40,225,985
Repayment of long-term debt	<u>(1,366,221)</u>	<u>(404,485)</u>
	<u>(1,282,808)</u>	<u>39,821,500</u>
Investing		
Purchase of property and equipment, net	(3,660,932)	(2,059,881)
Receivable from First Nation Fisheries Interest Group	<u>589,129</u>	<u>(35,711,914)</u>
	<u>(3,071,803)</u>	<u>(37,771,795)</u>
Net increase in cash and cash equivalents	1,506,563	5,458,758
Cash and cash equivalents, beginning of year	<u>9,866,656</u>	<u>4,407,898</u>
Cash and cash equivalents, end of year	<u>\$ 11,373,219</u>	<u>\$ 9,866,656</u>

Cash and cash equivalents, consists of:

Cash	\$ 8,334,017	\$ 6,941,408
Restricted cash		
Replacement reserve fund	440,445	365,945
Debt reserve fund	<u>2,598,757</u>	<u>2,559,303</u>
	<u>\$ 11,373,219</u>	<u>\$ 9,866,656</u>

See accompanying notes to the consolidated financial statements.

Paqtnkek Mi'kmaw Nation

Notes to the Consolidated Financial Statements

March 31, 2022

1. Summary of significant accounting policies

Reporting entity and principles of financial reporting

These financial statements have been prepared in accordance with Canadian public sector accounting standards, which encompass the principles common with First Nations.

The consolidated financial statements of the Paqtnkek Mi'kmaw Nation are the representations of management prepared in accordance with Canadian generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants.

The focus of PSAB financial statements is on the financial position of the First Nation and the changes thereto. The consolidated statement of financial position includes all the assets and liabilities of the First Nation.

The various funds have been amalgamated for the purpose of presentation in the consolidated financial statements. The Paqtnkek Mi'kmaw Nation maintains the following funds and unincorporated entities:

- The Operating Fund which reports the general activities of the First Nation Administration, including social services, band support, education, operations capital, operating and maintenance, economic development, community health and welfare, employment training, and miscellaneous.
- The Paqtnkek Mi'kmaw Nation Canada Mortgage and Housing Projects Fund which reports the social housing assets of the First Nation, together with related activities.
- The Paqtnkek Tobacco Fund which reports the First Nation's tobacco activities.
- The Paqtnkek Fisheries which reports the First Nation's commercial fishing operation.
- The Paqtnkek Gas Bar which reports the First Nation's commercial operations.
- The Paqtnkek VLT which reports the First Nation's gaming operations.
- Bayside Development Corporation reports the assets of the Bayside site.
- Bayside Operations reports the First Nation's operations at the Bayside site.

Significant aspects of the accounting policies adopted by the First Nation are as follows:

Principles of consolidation

The First Nation maintains a separate self-balancing set of accounts for the Operating Fund, the Capital Fund, the Canada Mortgage and Housing Projects Fund and the Bayside Operations and Development Corporation. The Operating Fund includes the following statement of operations:

Social development	Education program
Band government	Economic development
Capital projects	Employment development
Operations and maintenance	Health Canada programs
Band operated school	Gaming
Miscellaneous	

Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks, and term deposits net of bank overdraft.

Paqtnkek Mi'kmaw Nation

Notes to the Consolidated Financial Statements

March 31, 2022

1. Summary of significant accounting policies (continued)

Inventory

The cost of inventories is comprised of directly attributable costs and includes the purchase price plus other costs incurred in bringing the inventories to their present location and condition, such as freight. The cost is reduced by the value of rebates and allowances received from vendors. The First Nation estimates net realizable value as the amount that inventories are expected to be sold. Inventories are written down to net realizable value when the cost of inventories is not estimated to be recoverable due to obsolescence, damage or declining selling prices. When circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in selling price, the amount of the write-down previously recorded is reversed. Costs that do not contribute to bringing inventories to their present location and condition, such as storage and administrative overheads, are specifically excluded from the cost of inventories and are expensed in the period incurred.

The cost of inventory recognized as an expense in these financial statements during fiscal 2022 was \$9,470,461 (2021 - \$5,343,833). There were no write downs of inventory below cost to net realizable value during the year. There were no reversals of inventories written down previously that are no longer estimated to sell below cost.

Tangible capital assets

Tangible capital assets are recorded at cost, which includes all amounts directly attributable to their acquisition, construction or betterment of the asset. Interest on construction is also included in cost. Depreciation, at rates noted below, is expensed in the current year.

Rates and methods of depreciation applied to write off the cost of tangible capital assets over their estimated useful lives are as follows:

Buildings	2.5 - 5% declining balance
Housing properties	25 years, straight line
Infrastructure and roads	4 - 10% declining balance
Equipment	20% declining balance
Motor vehicles	30% declining balance
Vessels	15% declining balance
Radio equipment	5% declining balance

Capital projects under construction

Costs related to specific capital projects under construction and development are identified as capital projects under construction until projects are completed (see Note 8). Once completed, the costs are transferred to tangible capital assets and amortized in accordance with the rates and methods of depreciation as set forth above.

Revenue recognition

Unconditional and conditional transfers from other governments for operating and capital purposes are recognized as revenue in the period in which all eligibility criteria and/or stipulations have been met and the amounts are authorized. Any funding received prior to satisfying these conditions is deferred until the conditions have been met. When revenue is

Paqtnkek Mi'kmaw Nation

Notes to the Consolidated Financial Statements

March 31, 2022

1. Summary of significant accounting policies (continued)

Revenue recognition (continued)

received without eligibility criteria or stipulations, it is recognized when the transfer is authorized.

All non-government contributions or grant revenues that are externally restricted for specified purpose are recognized as revenue in the period in which the resources are used for the purpose or purposes specified. Any externally restricted revenues not yet used for the purpose or purposes specified are reported as deferred revenue.

Unrestricted revenue including commercial sales revenues are recognized when product is sold or when services are provided if the amounts can be reasonably estimated, and collection is reasonably assured.

Revenue from housing is recognized on a monthly basis as rents are received. Rents are based on the First Nation's established market rent for on reserve housing programs.

Gaming revenue from video lottery net of corresponding direct expenses are recognized at the time of play and are recorded net of commissions and credits paid out. Other gaming revenues are recognized as earned when received or receivable as long as collection is reasonably assured.

Use of estimates

In preparing the First Nation's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

Income taxes

The First Nation is exempt from income taxes under Section 149(l)(c) of the *Canadian Income Tax Act*.

RRAP expenditures

Repairs and renovations incurred under the CMHC Residential Renovations Assistance Program (RRAP) are expensed in the Operating Fund in the year incurred.

Net financial liabilities

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.

Trust Funds

The Trust Funds being administered by the First Nation are not considered to be part of the government reporting entity and therefore not consolidated with the accounts of the Nation. Trust Funds administered by the First Nation are disclosed in Note 9 to the consolidated financial statements.

Paqtnkek Mi'kmaw Nation
Notes to the Consolidated Financial Statements

March 31, 2022

2. Receivables	<u>2022</u>	<u>2021</u>
Indigenous Services Canada	\$1,831,666	\$ 520,000
Mi'kmaq Employment Training Secretariat	117,917	-
Canada Mortgage and Housing Corporation	47,400	81,815
Province of Nova Scotia	52,603	176,040
Commodity taxes	200,376	142,701
Trade receivables	256,748	286,961
Interest receivable	<u>1,402,664</u>	<u>-</u>
	<u>3,909,374</u>	<u>1,207,517</u>
Less: allowance for doubtful accounts	<u>(27,609)</u>	<u>(27,609)</u>
	<u>3,881,765</u>	<u>\$ 1,179,908</u>

3. Replacement reserve fund

Under the terms of the agreement with the CMHC, the replacement reserve account is to be increased by annual charges to equity. The charge in the current year is \$37,100 (2021 - \$37,250). These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by the CMHC from time to time. The funds in the account may only be used as approved by the CMHC. Withdrawals are credited to interest first and then principal.

As at March 31, 2022, there was a deficit of \$5,690 in the replacement reserve account.

4. Promissory note receivable

	<u>2022</u>	<u>2021</u>
6.14% loan to First Nations Fisheries Interest Group Partnership, repayable in equal annual blended instalments of principal plus interest in the amount of \$2,607,176 payable quarterly on each of March 1, June 1, September 1, December 1, maturing in fiscal 2051	<u>\$ 35,122,785</u>	<u>\$ 35,711,914</u>

Repayments in each of the next five (5) years are as follows:

2023	\$ 2,607,176
2024	\$ 2,607,176
2025	\$ 2,607,176
2026	\$ 2,607,176
2027	\$ 2,607,176

Paqtnkek Mi'kmaw Nation
Notes to the Consolidated Financial Statements

March 31, 2022

5. Payables and accruals	<u>2022</u>	<u>2021</u>
Indigenous Services Canada	\$ 109,050	\$ 109,050
Mi'kmaw Kina'matnewey	-	22,600
Trade payables and accruals	<u>1,287,526</u>	<u>1,362,626</u>
	<u>\$ 1,396,576</u>	<u>\$ 1,494,276</u>

6. Deferred revenue	<u>2022</u>	<u>2021</u>
Indigenous Services Canada	\$ 3,000,719	\$ 2,102,360
Husky	<u>395,840</u>	<u>445,320</u>
	<u>\$ 3,396,559</u>	<u>\$ 2,547,680</u>

7. Long term debt	<u>2022</u>	<u>2021</u>
Canada Mortgage and Housing Corporation		
Housing mortgages, maturing in 2023 to 2043, bearing interest at 1.01% to 2.50%, repayable under various terms	\$1,704,661	\$ 1,848,815
Bank of Nova Scotia		
4.25% mortgages maturing in February 2028, payable in equal monthly instalments of principal and interest of \$508	94,971	108,816
4.25% mortgages maturing in February 2029, payable in equal monthly instalments of principal and interest of \$327	158,340	178,486
4.99% forklift financing maturing in August 2024, payable in equal monthly instalments of principal and interest of \$778	18,470	28,075
First Nations Finance Authority		
2.72% loan, payable in equal annual instalments of principal and interest of \$457,267, maturing June 2028	8,662,670	8,878,724
3.41% loan, payable in equal annual instalments principal and interest of \$85,700 maturing June 2028	1,420,566	1,456,161

Paqtnkek Mi'kmaw Nation
Notes to the Consolidated Financial Statements

March 31, 2022

7. Long term debt (continued)	<u>2022</u>	<u>2021</u>
2.15% loan, payable in equal annual instalments of principal and interest of \$116,539, maturing June 2030	2,525,904	2,587,037
1.90% loan, payable in equal annual instalments of principal and interest of \$1,570,588, maturing June 2030	36,610,320	37,473,296
Ulnooweg Development Group Inc.		
4.00% term loan, maturing in August 2031 repayable in blended monthly instalments of \$867	80,700	<u>-</u>
	<u>\$ 51,276,602</u>	<u>\$ 52,559,410</u>

As security, the Band has provided a Band Council Resolution providing an irrevocable authorization to the Indigenous Services Canada to assign all funding until all loans are repaid to the bank and a floating charge on the assets of the Band Council.

The aggregate maturities of long-term debt, assuming mortgages are renewed under the same terms and conditions currently in effect, for each of the next five years subsequent to March 31, 2022, are as follows:

2023	\$ 1,372,114
2024	\$ 1,365,868
2025	\$ 1,360,948
2026	\$ 1,361,320
2027	\$ 1,356,206

Paqtnkek Mi'kmaw Nation
Notes to the consolidated financial statements
March 31, 2022

8. Tangible capital assets

	<u>Opening Cost</u>	<u>Additions</u>	<u>Disposals</u>	<u>Closing Cost</u>	<u>Opening Accumulated Depreciation</u>	<u>Depreciation</u>	<u>Accumulated Depreciation on Disposals</u>	<u>Closing Accumulated Depreciation</u>	<u>2022 Net Book Value</u>	<u>2021 Net Book Value</u>
Land	\$ 1,647,057	\$ 61,426	\$ -	\$ 1,708,483	\$ -	\$ -	\$ -	\$ -	\$ 1,708,483	\$ 1,647,057
Buildings										
Band office	2,586,686	-	-	2,586,686	1,284,528	52,086	-	1,336,614	\$ 1,250,072	1,302,159
Bayside Operations	11,063,016	19,510	-	11,082,526	414,963	426,312	-	841,275	\$ 10,241,251	10,648,053
Community housing	650,859	-	-	650,859	81,959	22,756	-	104,715	\$ 546,144	568,900
Entertainment centre	59,937	-	-	59,937	20,212	1,986	-	22,198	\$ 37,739	39,725
Fisheries	351,232	-	-	351,232	75,274	6,899	-	82,173	\$ 269,059	275,958
Gas bar	87,270	-	-	87,270	28,550	1,468	-	30,018	\$ 57,252	58,720
Non-subsidized housing	1,632,786	18,160	-	1,650,946	656,332	39,421	-	655,753	\$ 955,193	976,455
School	-	1,636,156	-	1,636,156	-	32,723	-	32,723	\$ 1,603,433	-
Seniors complex	1,068,160	-	-	1,068,160	156,389	37,271	-	153,660	\$ 894,500	931,771
Sheds	2,501	18,136	-	20,637	153	421	-	574	\$ 20,063	2,348
Tiny homes	-	1,267,855	-	1,267,855	-	25,357	-	25,357	\$ 1,242,498	-
Computer	-	6,668	-	6,668	-	667	-	667	\$ 6,001	-
Construction in Progress	365,881	50,994	-	416,875	-	-	-	-	\$ 416,875	365,881
Equipment	605,585	107,970	-	713,555	274,892	61,100	-	335,992	\$ 377,563	330,691
Fishing equipment	295,367	53,650	-	349,217	134,758	35,912	-	170,670	\$ 178,547	160,810
Fishing vessels	1,141,759	-	-	1,141,759	747,130	61,337	-	808,467	\$ 333,292	394,629
Housing properties	6,467,221	61,362	-	6,528,583	4,103,613	144,981	-	4,248,594	\$ 2,279,989	2,363,608
Infrastructure & roads	4,551,648	278,725	-	4,830,373	2,144,929	182,168	-	2,327,097	\$ 2,503,276	2,406,719
Radio equipment	4,124,416	-	-	4,124,416	60,570	17,552	-	78,162	\$ 334,254	351,846
Vehicles	823,125	80,320	-	903,445	717,277	46,667	-	763,944	\$ 139,501	105,848
	\$ 33,832,706	\$ 3,680,932	\$ -	\$ 37,493,638	\$ 10,901,529	\$ 1,197,124	\$ -	\$ 12,098,653	\$ 25,394,985	\$ 22,931,177

Paqtnkek Mi'kmaw Nation

Notes to the consolidated financial statements

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9. Funds held in trust

The Trust Fund arises from monies derived from capital or revenue sources as outlined in Section 62 of the *Indian Act*. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the *Indian Act*.

	<u>2022</u>	<u>2021</u>
Assets		
Indigenous Services Canada	<u>\$ 538,350</u>	<u>\$ 538,350</u>
Equity		
Trust Equity	<u>\$ 538,350</u>	<u>\$ 538,350</u>

The changes in net assets of the Trust Fund during the year are as follows:

	<u>2022</u>	<u>2021</u>
Net assets, beginning of year	<u>\$ 538,350</u>	<u>\$ 538,350</u>
Contributions	-	-
Interest earned	-	-
Net assets, end of year	<u>\$ 538,350</u>	<u>\$ 538,350</u>

10. Contingencies

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

11. Standby letter of credit

The First Nation has a \$350,000 and \$100,000 standby letter of credit with Bank of Nova Scotia at a 1% commission rate. The balance of the standby letter of credit's as at March 31, 2022, was nil (2021 – nil).

12. Pension costs and obligations

The First Nation is required to match contributions to a group registered retirement savings plan for certain full-time employees. Total contributions during the year amounted to \$109,459 (2021 - \$79,934).

Paqtnkek Mi'kmaw Nation

Notes to the consolidated financial statements

March 31, 2022

13. Expenditures by object	<u>2022</u>	<u>2021</u>
Business development and promotion	9,102	10,974
Cash shortages (overage)	(1,792)	(1,268)
Community support	1,119,582	879,037
Contracted services	668,445	936,564
Depreciation	1,197,124	1,101,106
Dues and fees	177,387	211,704
Education and training	86,596	274,006
Fuel, bait, and boat maintenance	227,065	72,509
Health programs	709	8,062
Infrastructure	802,663	708,771
Insurance	229,812	283,768
Interest	1,169,828	104,187
Purchases	9,470,461	5,343,833
Repairs and maintenance	506,116	306,352
Salaries, wages, and benefits	4,762,893	3,932,910
Social	1,327,022	2,464,152
Supplies	309,095	372,506
Travel	<u>132,095</u>	<u>121,937</u>
	<u>\$ 22,194,203</u>	<u>\$ 17,131,110</u>

14. Government transfers

	2022			2021		
	Operating	Capital	Total	Operating	Capital	Total
Federal government transfers						
Indigenous Services Canada	\$ 5,949,421	\$ 1,293,642	\$ 7,243,063	\$ 6,117,472	\$ 120,109	\$ 6,237,581
Canada Mortgage and Housing Corporation	135,173	-	135,173	156,931	1,020,000	1,176,931
Confederacy of Mainland Mi'kmaw	112,532	-	112,532	60,518	-	60,518
Department of Fisheries and Oceans	245,924	-	245,924	315,764	-	315,764
Employment and Social Development	270,000	-	270,000	225,000	-	225,000
Mi'kmaw Kina'matnewey	2,742,876	-	2,742,876	1,313,174	-	1,313,174
Mi'kmaw Employment Training Secretariat	271,268	-	271,268	163,995	-	163,995
KMKNO	123,000	-	123,000	72,434	-	72,434
Subtotal	9,850,194	1,293,642	11,143,836	8,425,288	1,140,109	9,565,397
Provincial government transfers						
Province of Nova Scotia	82,210	-	82,210	77,118	-	77,118
Provincial School Board	34,327	-	34,327	12,003	-	12,003
Subtotal	116,537	-	116,537	89,121	-	89,121
Total	\$ 9,966,731	\$ 1,293,642	\$ 11,260,373	\$ 8,514,409	\$ 1,140,109	\$ 9,654,518

15. Comparative figures

Certain of the 2021 figures have been reclassified to conform with financial statement presentation adopted for 2022.

Paqtnkek Mi'kmaw Nation
Notes to the consolidated financial statements

March 31, 2022

16. Accumulated surplus

The First Nation segregates its accumulated surplus into the following categories:

	<u>2022</u>	<u>2021</u>
Unallocated	\$ 5,018,351	\$ 2,309,939
Operating Reserve	32,518	32,518
Replacement Reserve	403,055	365,945
Tangible Capital Asset Reserve	<u>14,696,417</u>	<u>10,866,388</u>
	<u>\$ 20,150,341</u>	<u>\$ 13,574,790</u>

The funds on deposits have been set aside to be spent on specific projects.

17. Investments

	<u>2022</u>	<u>2021</u>
E'sukutimkewey Limited Partnership	\$ 1	\$ 1
Mi'kmaq Resource Development Partnership	<u>1</u>	<u>1</u>
	<u>\$ 2</u>	<u>\$ 2</u>

The First Nation, together with 12 other First Nation entities in the Province of Nova Scotia, has entered into the above limited partnerships. No First Nation within the group controls the Partnerships, as such the investments are accounted for as portfolio investments and are carried at cost in these financial statements. Revenue is recorded only to the extent that distributions are received or receivable. During the year, the First Nation received \$145,281 from E'sukutimkewey Limited Partnership which has been included in other revenue of the First Nation financial management department.

Paqtnkek Mi'kmaw Nation

Notes to the Consolidated Financial Statements

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18. Segmented information

Paqtnkek Mi'kmaw Nation provides a wide range of services to its members, including training, education, social, health care and housing. For management reporting purposes Paqtnkek Mi'kmaw Nation's operations and activities are organized and reported by divisions. The divisions were created for the purpose of recording activities to comply with specific regulations and requirements.

Divisions that have been separately disclosed in the consolidated schedules of revenues and expenditures on the following pages are:

- Social Development - social assistance provided to qualifying members.
- Band Government – all associated with the administration of the First Nation operations.
- Capital Projects – provides capital construction projects for the community.
- Operations and Maintenance – repairs and maintenance carried out during the year to the community building.
- Economic Development – specified development projects undertaken by the First Nation.
- Education – providing elementary, secondary and post-secondary tuition for qualifying members along with related programs and support.
- Gaming – Monies received from the Province of Nova Scotia from casino profits.
- Health Canada –activity of Health Centre which provides a variety of health care programs.
- Housing Fund – Section 95 and non-subsidized operations.
- Fisheries – management of the DFO fisheries operations.
- Gas Bar – operating results from commercial enterprise.
- Tobacco – operating results from commercial enterprise.
- VLT – operating results from commercial enterprise.
- Bayside Development – operating results from commercial enterprise.
- Bayside Operations – operating results from commercial enterprise.

See the Schedule of Segment Disclosure for current year details.
