

POTLOTEK FIRST NATION
Consolidated Financial Statements

March 31, 2020

Independent Auditors' Report

To the Members of Potlotek First Nation

Qualified Opinion

We have audited the accompanying consolidated financial statements of Potlotek First Nation which comprise the consolidated statement of financial position as at March 31, 2020 and the consolidated statements of operations, change in fund balances, change in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph of our report, these consolidated financial statements present fairly, in all material respects, the financial position of Potlotek First Nation as at March 31, 2020 and the results of its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the First Nation in accordance with 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.

The statement of financial position includes intangible assets in the amount of \$600,000 relating to fishing licenses purchased by the First Nation. The First Nation's policy for intangible assets is identified in Note 1(i) of these financial statements. The policy is a departure from Canadian public sector accounting standards which requires costs of intangible assets to be expensed in the year of acquisition. Accordingly, both intangible assets and accumulated surplus are overstated by \$600,000 as at March 31, 2020. If intangible assets were to be in compliance with Canadian public sector accounting standards, intangible assets and accumulated surplus would both decrease by \$600,000.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information included on Pages 26 - 28 is presented for purposes of additional information and is not a required part of the consolidated financial statements. Such supplementary information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion on the audit of consolidated financial statements as a whole.

The financial statements of Potlotek First Nation for the year ended March 31, 2019 were audited by MGM & Associates, Chartered Professional Accountants of Sydney, Nova Scotia, Canada, prior to its merger with MNP LLP. MGM & Associates, Chartered Professional Accountants expressed a qualified opinion on those statements on July 25, 2019 for the reasons described in the Basis for Qualified Opinion paragraph.

Responsibility 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 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 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.

Auditors' Responsibility 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 decision 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:

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.

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.



Sydney, Nova Scotia

November 3, 2020

Chartered Professional Accountants



POTLOTEK FIRST NATION

Consolidated Financial Statements

Year ended March 31, 2020

	Page
Management's Responsibility for the Financial Statements.....	1
Consolidated Statement of Financial Position.....	2
Consolidated Statement of Operations	3
Consolidated Statement of Change in Fund Balances.....	4
Consolidated Statement of Change in Net Debt	5
Consolidated Statement of Cash Flows	6
Notes to Consolidated Financial Statements	7
Schedules	
A Schedule of Education.....	24
B Schedule of Health	25
C Schedule of Nova Scotia Gaming Agreement.....	26



12004 Highway 4, RR#1 St. Peters, NS B0E 3B0 Tel: 902-535-3317 Fax: 902-535-3004
www.potlotek.ca

Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of Potlotek First Nation are the responsibility of management and have been approved by the Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards and as such include amounts that are the best estimates and judgments of management.

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

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 the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the external auditor's report.

The external auditors, MNP LLP, Chartered Professional Accountants, 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 Potlotek First Nation and meet when required.

On behalf of Potlotek First Nation:

Crystal Nicholas
Crystal Nicholas
Chief Administrative Officer

POTLOTEK FIRST NATION

Consolidated Statement of Financial Position

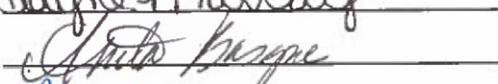
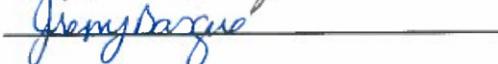
March 31, 2020, with comparative figures for 2019

	2020	2019
FINANCIAL ASSETS		
Restricted cash – CMHC replacement reserve	\$ 380,600	\$ 352,724
Accounts receivable (note 2)	410,795	357,466
Due from federal government (note 3)	2,218,669	3,434,678
Due from provincial government (note 4)	95,573	121,415
Inventories held for resale (note 5)	184,035	149,810
Trust funds – Indigenous Services Canada (note 6)	6,465	6,335
	<u>3,296,137</u>	<u>4,422,428</u>
LIABILITIES		
Cheques issued in excess of funds on deposit	712,366	1,005,133
Operating loans (note 7)	231,500	119,660
Accounts payable and accrued liabilities (note 8)	4,487,892	3,712,718
Payable arrangements with Canada Revenue		
Agency (note 9)	1,049,754	1,049,754
Deferred revenue (note 10)	3,588,575	3,371,911
Long-term debt (note 11)	3,961,848	4,230,557
	<u>14,031,935</u>	<u>13,489,733</u>
NET DEBT	(10,735,798)	(9,067,305)
NON-FINANCIAL ASSETS		
Tangible capital assets (note 12)	14,337,487	14,580,871
Work in progress (note 12)	7,064,596	2,246,860
Intangible assets	600,000	600,000
Inventory, prepaid expenses and other	34,304	38,624
	<u>22,036,387</u>	<u>17,466,355</u>
ACCUMULATED SURPLUS	\$ 11,300,589	\$ 8,399,050

Contingencies (note 18)

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

On behalf of Chief and Council:


Payne Murray

Dots Berger

Jeremy Dargue


[Signature]

POTLOTEK FIRST NATION

Consolidated Statement of Operations

Year ended March 31, 2020, with comparative figures for 2019

		2020	2019
	Budget	Actual	Actual
	(unaudited)		
REVENUES			
Transfers from Federal Government			
Indigenous Services Canada	\$ 5,435,495	\$ 9,249,106	\$ 7,061,189
Mi'kmaw Kina'matnewey	2,515,059	2,758,319	2,991,703
Health Canada	850,000	1,043,027	969,232
METS	230,000	230,620	449,210
Fisheries and Oceans Canada	100,000	182,781	237,235
Canada Mortgage and Housing Corporation	200,000	133,130	269,410
Transfers from Provincial Government	—	164,088	447,562
Revenue from own sources	7,530,000	7,945,807	7,746,534
Rental income	230,000	320,850	248,130
Other	200,000	535,823	393,619
	17,290,554	22,563,551	20,813,824
EXPENSES			
Administration and management	925,000	1,346,445	1,466,538
Economic and employment development	50,000	106,571	20,032
Operations and maintenance	600,000	1,162,262	868,137
Social development	1,253,000	1,640,803	1,547,843
Education	2,865,059	3,629,770	3,233,813
Capital, housing and infrastructure	657,000	1,045,028	1,766,591
Health	850,000	1,139,340	1,314,231
Fisheries – Fisheries and Oceans Canada	300,000	318,388	296,699
Fisheries – commercial	1,550,000	1,600,148	1,739,953
Gas bar	3,850,000	4,061,594	3,933,681
METS	320,000	437,937	349,362
Gaming	600,000	1,000,601	998,441
Other	53,000	542,337	159,992
Tobacco	170,000	168,601	140,389
Social housing	200,000	342,681	370,814
Amortization of tangible capital assets	900,000	1,090,550	930,164
	15,143,059	19,633,056	19,136,680
ANNUAL SURPLUS	\$ 2,147,495	\$ 2,930,495	\$ 1,677,144

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

POTLOTEK FIRST NATION

Consolidated Statement of Change in Fund Balances

Year ended March 31, 2020, with comparative figures for 2019

	Operating	Capital	Social Housing	Trust	Replacement Reserve	2020	2019
						Total	Total
BALANCE, BEGINNING OF YEAR	\$(3,859,269)	\$ 11,607,489	\$ 226,816	\$ 6,335	\$ 417,679	\$ 8,399,050	\$ 6,737,736
Annual surplus (deficit)	(1,223,717)	4,385,460	(231,248)	—	—	2,930,495	1,677,144
Current year allocations	—	—	(48,895)	—	48,895	—	—
Withdrawals	—	—	—	—	(29,086)	(29,086)	(15,906)
Interest earned	—	—	—	130	—	130	76
BALANCE, END OF YEAR	\$(5,082,986)	\$ 15,992,949	\$ (53,327)	\$ 6,465	\$ 437,488	\$ 11,300,589	\$ 8,399,050

POTLOTEK FIRST NATION

Consolidated Statement of Change in Net Debt

Year ended March 31, 2020, with comparative figures for 2019

	2020	2019
ANNUAL SURPLUS	\$ 2,930,495	\$ 1,677,144
Tangible capital assets		
Net acquisition of tangible capital assets and work in progress	(5,664,902)	(3,973,199)
Amortization of tangible capital assets	1,090,550	930,164
	<u>(4,574,352)</u>	<u>(3,043,035)</u>
Other non-financial assets		
Decrease in inventory, prepaid expenses and other	4,320	15,142
Other		
Withdrawal from replacement reserve	(29,086)	(15,906)
Interest earned on trust fund	130	76
	<u>(28,956)</u>	<u>(15,830)</u>
INCREASE IN NET DEBT	(1,668,493)	(1,366,579)
NET DEBT, BEGINNING OF YEAR	(9,067,305)	(7,700,726)
NET DEBT, END OF YEAR	\$ (10,735,798)	\$ (9,067,305)

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

POTLOTEK FIRST NATION

Consolidated Statement of Cash Flows

Year ended March 31, 2020, with comparative figures for 2019

	2020	2019
Cash provided by (used in)		
OPERATING ACTIVITIES		
Annual surplus	\$ 2,930,495	\$ 1,677,144
Add amortization of tangible capital assets	1,090,550	930,164
Change in non-cash operating items		
Increase in accounts receivable	(53,329)	(36,740)
Decrease (increase) in due from federal government	1,216,009	(1,666,752)
Decrease in due from provincial government	25,842	93,240
Increase in inventories held for resale	(34,225)	(22,547)
Decrease in inventory, prepaid expenses and other	4,320	15,142
Increase (decrease) in accounts payable and accrued liabilities	775,174	(251,214)
Increase in deferred revenue	216,664	1,808,341
	<u>6,171,500</u>	<u>2,546,778</u>
FINANCING ACTIVITIES		
Proceeds from long-term debt	109,937	1,109,970
Principal payments on long-term debt	(378,646)	(345,003)
Proceeds from operating loans	128,036	103,463
Principal payments on operating loans	(16,196)	(18,489)
Withdrawals from replacement reserve	(29,086)	(15,906)
	<u>(185,955)</u>	<u>834,035</u>
INVESTING ACTIVITIES		
Net additions to tangible capital assets and work in progress	(5,664,902)	(3,973,199)
Interest on trust fund	130	76
	<u>(5,664,772)</u>	<u>(3,973,123)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>320,773</u>	<u>(592,310)</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>(646,074)</u>	<u>(53,764)</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ (325,301)</u>	<u>\$ (646,074)</u>
Cash and cash equivalents is comprised of the following		
Restricted cash – CMHC replacement reserve	\$ 380,600	\$ 352,724
Cheques issued in excess of funds on deposit	(712,366)	(1,005,133)
Trust fund – Indigenous Services Canada	6,465	6,335
	<u>\$ (325,301)</u>	<u>\$ (646,074)</u>

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

POTLOTEK FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2020

NATURE OF OPERATIONS

Potlotek First Nation Council is comprised of a Chief and seven councilors under the Indian Act of Canada. The Council is accountable to the local Mi'kmaq community members for the delivery of programs and services, management of all financial resources and planning to support future community-based self-government.

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards.

(b) Reporting entity

The Potlotek First Nation reporting entity includes Potlotek First Nation government and all related entities which are accountable to the First Nation.

(c) Principles of consolidation

These consolidated financial statements consolidate the assets, liabilities and results of operations for the following entities which use accounting principles which lend themselves to consolidation:

Potlotek First Nation Operating and Capital Funds

Potlotek First Nation Trust Funds

Canada Mortgage and Housing Corporation Fund

Potlotek Expedition Gas and Convenience

(d) Fund accounting

The resources and operations of the First Nation are comprised of the operating, capital and housing funds. Transfers between funds are recorded as adjustments to the appropriate fund balance. Supporting schedules to the consolidated financial statements are included to show the financial activities and change in the balance of each fund.

(e) Asset classification

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

POTLOTEK FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Cash and cash equivalents

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

(g) Inventories

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

(h) Tangible capital assets

Tangible capital assets acquired since 1987 are reported in the consolidated statement of financial position at cost net of accumulated amortization. All tangible capital assets acquired prior to 1987 have been written off. Additions are amortized on a straight-line basis over their estimated useful lives at the following rates:

Asset	Basis	Rate
Buildings	Straight-line	20-50 years
Equipment	Straight-line	5-10 years
Lagoons and water systems	Straight-line	25 years
Fishing vessels	Straight-line	20 years

A half year's amortization is taken in the year of acquisition.

Tangible capital assets are written down when conditions indicate that they no longer contribute to the First Nation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the consolidated statement of operations.

Contributed tangible capital assets are recorded into revenues at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value. Transfers of tangible capital assets from related parties are recorded at carrying 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.

(i) Intangible assets

Intangible assets consist of purchased fishing licenses and are recorded at cost. They are not amortized as they have an indefinite life.

POTLOTEK FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) 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 liability. Transfer revenue is recognized in the consolidated 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.

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

(j) Financial instruments

Measurement of financial instrument

The First Nation initially measures its financial assets and financial liabilities at fair value and subsequently measures its financial assets and financial liabilities as follows:

Financial instrument	Measurement basis
Cash/cheques issued in excess of funds on deposit	Fair value
Receivables	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Operating loans	Amortized cost
Long-term debt	Amortized cost

Transaction costs related to financial assets are expensed as incurred.

Impairment

Financial assets measured at cost or amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in income. A previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in income.

Unless otherwise noted, the First Nation is not subject to significant credit, market or liquidity risks arising from these instruments.

POTLOTEK FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, the disclosure of contingencies and the reported amounts of revenues and expenses in the consolidated financial statements and accompanying notes. Items requiring the use of significant estimates and assumptions include the valuation of receivables, inventories, capital assets and intangible assets. Due to the inherent uncertainty in making estimates, actual results could differ from those estimates.

2. ACCOUNTS RECEIVABLE

	2020	2019
Members	\$ 92,140	\$ 83,627
Lottery retailers	248,310	240,982
Other	72,319	22,591
Tobacco supplier	—	12,240
	412,769	359,440
Allowance for doubtful accounts	1,974	1,974
	\$ 410,795	\$ 357,466

3. DUE FROM FEDERAL GOVERNMENT

	2020	2019
Indigenous Services Canada	\$ 1,208,700	\$ 1,862,933
Mi'kmaq Employment/Training Secretariat Inc.	3,674	109,111
Mi'kmaw Kina'matnewey	41,986	244,777
Fisheries and Oceans Canada	222,701	357,149
HST	666,505	511,653
Canada Mortgage and Housing Corporation	38,792	165,745
Health Canada	36,310	183,310
	\$ 2,218,669	\$ 3,434,678

POTLOTEK FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020

4. DUE FROM PROVINCIAL GOVERNMENT

	2020	2019
Province of Nova Scotia	\$ 95,573	\$ 121,415

5. INVENTORIES HELD FOR RESALE

	2020	2019
Gas bar	\$ 184,035	\$ 149,810

6. TRUST FUNDS HELD BY FEDERAL GOVERNMENT

Trust fund accounts arise from moneys 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. OPERATING LOANS

	2020	2019
Loan payable to Peace Hills Trust Company with an interest rate of prime + 1.5% with monthly instalments of interest only, principal due on maturity on February 28, 2021	\$ 231,500	\$ 103,463
Loan payable to Peace Hills Trust Company repaid during the year	—	16,197
	<hr/> \$ 231,500	<hr/> \$ 119,660

POTLOTEK FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2020	2019
Trade	\$ 1,659,511	\$ 1,455,899
Accrued salaries and employee benefits payable	2,828,381	2,256,819
	\$ 4,487,892	\$ 3,712,718

9. PAYMENT ARRANGEMENT WITH CANADA REVENUE AGENCY

The First Nation owes Canada Revenue Agency an amount of \$1,049,754 relating to employee remittances due but unpaid for prior years. The First Nation intends to make regular payments on current employee remittances and intends to reduce the amount on prior year balances with HST receivable in the future. The First Nation considers the repayments to be a long-term arrangement.

10. DEFERRED REVENUE

	Balance March 31, 2019	Funding received 2020	Revenue recognized 2020	Balance March 31, 2020
Federal government				
Indigenous Services Canada				
Capacity/Innovation	\$ –	\$ 22,000	\$ –	\$ 22,000
Solid waste	–	131,638	1,000	130,638
Housing renovations	–	613,500	–	613,500
Capacity development	47,550	–	3,000	44,550
Emergency assistance	–	91,464	55,171	36,293
A&C wastewater	38,069	–	38,069	–
Erosion	21,379	–	–	21,379
Recovery	–	1,293,210	962,956	330,254
Economic development	114,986	–	–	114,986
Planning/risk management	50,000	50,000	26,231	73,769
Consulting & policy development	10,000	–	1,800	8,200
Water treatment plant	2,633,368	2,736,500	4,380,787	989,081
	2,915,352	4,938,312	5,469,014	2,384,650
Health Canada	104,254	297,876	–	402,130
Mi'kmaw Kina'matnewey	42,294	–	42,294	–
Provincial government				
Nova Scotia Health Authority	307,562	132,852	–	440,414
Other	2,449	361,381	2,449	361,381
Total	\$ 3,371,911	\$ 5,730,421	\$ 5,513,757	\$ 3,588,575

POTLOTEK FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020

11. LONG-TERM DEBT

	2020	2019
Mortgages (21) payable to CMHC with mortgage rates from 0.94% - 4.965% with monthly instalments of principal and interest from \$216 - \$4,651, maturing from April 2019 – October 2023	\$ 2,536,080	\$ 2,719,957
Section 10 mortgage payable to Royal Bank of Canada with a mortgage rate of 2.30%, repayable in monthly instalments of principal and interest of \$1,450, maturing July 2020 and amortized to June 2025	88,928	102,120
Mortgages (2) payable to Royal Bank of Canada with a mortgage rate of 2.83% with monthly instalments of principal and interest of \$364 - \$673, maturing July 2023	39,609	50,815
Mortgage payable to Peace Hills Trust Company with a mortgage rate of 3.95% with monthly instalments from \$1,081, maturing and amortized to April 1, 2022	26,003	37,746
Loan payable to Peace Hills Trust Company with an interest rate of prime plus 4.95%, with monthly instalments of principal and interest of \$5,101, maturing and amortized to March 1, 2023	167,405	218,937
Loan payable to Peace Hills Trust Company with an interest rate of 4.5%, with quarterly instalments of principal and interest of \$5,420, maturing and amortized to April 1, 2023	65,736	83,946
Loan payable to Peace Hills Trust Company with an interest rate of 3.95%, with monthly instalments of principal and interest of \$383, maturing April 1, 2023, amortized to April 2028	31,941	35,232
Loan payable to Peace Hills Trust Company with an interest rate of 4.25%, with monthly instalments of principal and interest of \$479, maturing July 1, 2023, amortized to July 2028	40,494	44,464
	<hr/> 2,996,196	<hr/> 3,293,217

POTLOTEK FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020

11. LONG-TERM DEBT (CONTINUED)

	2020	2019
Carry forward	\$ 2,996,196	\$ 3,293,217
Loan payable to Peace Hills Trust Company with an interest rate of 5.0%, with monthly payments of principal and interest of \$5,435, maturing and amortized to April 15, 2023	186,399	240,812
Loan payable to Peace Hills Trust Company with an interest rate of prime plus 2.0%, with monthly payments of principal and interest of \$2,988, maturing December 15, 2023 and amortized to December 2043	488,293	420,700
Loan payable to Peace Hills Trust Company with an interest rate of prime plus 1.5%, with monthly payments of principal and interest of \$1,526, maturing and amortized to February 1, 2024	64,208	78,595
Loan payable to Peace Hills Trust Company with an interest rate of prime plus 2.0%, with monthly payments of principal and interest of \$1,131, maturing December 15, 2023 and amortized to December 2043	69,152	78,665
Loan payable to Peace Hills Trust Company with an interest rate of prime plus 2.0%, with monthly payments of principal and interest of \$1,002, maturing December 15, 2023 and amortized to December 2043	157,600	118,568
Total long-term debt	\$ 3,961,848	\$ 4,230,557

Principal repayments for the next four years are as follows. The repayments include the amount outstanding at the maturity date of the debt instruments.

	Total
2021	\$1,167,100
2022	390,300
2023	670,500
2024	1,734,000

The long-term debt in the CMHC Fund is secured by separate Indigenous Services Canada Ministerial guarantees.

POTLOTEK FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020

12. TANGIBLE CAPITAL ASSETS

	Cost						Closing Balance
	Opening Balance	Additions	Disposals/ Adjustments	Transfer of assets			
Land	\$ 331,371	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 331,371
Buildings							
Fire Hall	94,374	—	—	—	—	—	94,374
Island church	39,578	—	—	—	—	—	39,578
Band office	106,912	—	—	—	—	—	106,912
Daycare	71,588	—	—	—	—	—	71,588
Gas bar	1,309,702	—	—	—	—	—	1,309,702
Fishery Complex	650,087	—	—	—	—	—	650,087
Housing demo	199,683	—	—	—	—	—	199,683
Police station	222,849	—	—	—	—	—	222,849
Youth centre	121,098	—	—	—	—	—	121,098
School (original)	3,118,499	—	—	—	—	—	3,118,499
High school	369,775	—	—	—	—	—	369,775
Medical centre	535,722	—	—	—	—	—	535,722
School Board admin	219,445	—	—	—	—	—	219,445
Mobile homes	136,347	—	—	—	—	—	136,347
Old store	193,298	—	—	—	—	—	193,298
Investment in housing	430,699	—	—	—	—	—	430,699
Co-op	30,210	—	—	—	—	—	30,210
Elementary school	288,478	50,000	—	—	—	—	338,478
Social housing	11,142,005	756,164	—	223,691	—	—	12,121,860
Equipment							
Garbage trucks	72,060	—	—	—	—	—	72,060
Snow plow	113,845	—	—	—	—	—	113,845
Medical	24,299	—	—	—	—	—	24,299
Fire trucks	180,983	—	—	—	—	—	180,983
Old store	10,700	—	—	—	—	—	10,700
Co-op	130,784	—	—	—	—	—	130,784
Trucks	86,507	—	—	—	—	—	86,507
School bus	87,950	—	—	—	—	—	87,950
Computers	10,265	—	—	—	—	—	10,265
Backhoe	122,250	—	—	—	—	—	122,250
Minibus	72,500	—	—	—	—	—	72,500
Dump truck	288,500	—	—	—	—	—	288,500
Utility vehicle	26,800	—	—	—	—	—	26,800
Floating docks	10,169	—	—	—	—	—	10,169
Portable restrooms	29,727	—	—	—	—	—	29,727
Generator (education)	192,206	—	—	—	—	—	192,206
Floor buffer	6,500	—	—	—	—	—	6,500
Generator (gas bar)	93,600	—	—	—	—	—	93,600
Other							
Fishing vessels	1,449,975	—	—	—	—	—	1,449,975
Sewer and water	4,087,307	22,769	—	—	—	—	4,110,076
Tennis courts	40,605	—	—	—	—	—	40,605
Ball fields	51,210	—	—	—	—	—	51,210
Co-op	48,786	—	—	—	—	—	48,786
Expedition Gas and Convenience	143,552	—	—	—	—	—	143,552
Roads	4,039,043	—	(205,458)	—	—	—	3,833,585
	31,031,843	828,933	(205,458)	223,691	—	—	31,879,009

POTLOTEK FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020

12. TANGIBLE CAPITAL ASSETS (CONTINUED)

	Cost					
	Opening Balance	Additions	Disposals/ Adjustments	Transfer of assets	Closing Balance	
Carry forward	\$ 31,031,843	\$ 828,933	\$ (205,458)	\$ 223,691	\$ 31,879,009	
Work in progress						
Wharf	–	50,170	–	–	50,170	
Land improvements	131,961	–	–	–	131,961	
Social housing	223,691	454,174	–	(223,691)	454,174	
Roads, sewer and water	1,666,632	4,380,787	–	–	6,047,419	
RV Park	224,576	156,296	–	–	380,872	
	2,246,860	5,041,427	–	(223,691)	7,064,596	
Total	\$ 33,278,703	\$ 5,870,360	\$ (205,458)	\$ –	\$ 38,943,605	

	Accumulated amortization				Net book value	
	Opening Balance	Amortization	Disposals, write-offs	Closing Balance	Total 2020	Total 2019
			and other adjustments			
Tangible assets						
Land	\$ –	\$ –	\$ –	\$ 331,371	\$ 331,371	
Buildings						
Fire Hall	93,336	1,038	–	94,374	–	1,038
Island church	23,745	1,583	–	25,328	14,250	15,833
Band office	106,912	–	–	106,912	–	–
Daycare	71,588	–	–	71,588	–	–
Gas bar	785,822	65,485	–	851,307	458,395	523,880
Fishery Complex	478,473	24,516	–	502,989	147,098	171,614
Housing demo	175,716	7,987	–	183,703	15,980	23,967
Police station	151,778	8,914	–	160,692	62,157	71,071
Youth centre	72,660	4,844	–	77,504	43,594	48,438
School (original)	2,613,250	124,740	–	2,737,990	380,509	505,249
High school	65,582	18,489	–	84,071	285,704	304,193
Medical centre	405,752	21,429	–	427,181	108,541	129,970
School Board admin	127,472	10,972	–	138,444	81,001	91,973
Mobile homes	67,848	5,454	–	73,302	63,045	68,499
Old store	193,298	–	–	193,298	–	–
Investment in housing	338,022	17,228	–	355,250	75,449	92,677
Co-op	20,368	1,208	–	21,576	8,634	9,842
Elementary school	14,424	15,674	–	30,098	308,380	274,054
Social housing	6,092,589	313,161	–	6,405,750	5,716,110	5,049,416
	11,898,635	642,722	–	12,541,357	8,100,218	7,713,085

POTLOTEK FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020

12. TANGIBLE CAPITAL ASSETS (CONTINUED)

	Accumulated amortization				Net book value		
	Opening Balance	Amortization	Disposals, write-offs and other adjustments	Closing Balance	Total 2020	Total 2019	
Carry forward	\$ 11,898,635	\$ 642,722	\$ –	\$ 12,541,357	\$ 8,100,218	\$ 7,713,085	
Equipment							
Garbage trucks	72,060	–	–	72,060	–	–	
Snowplow	113,845	–	–	113,845	–	–	
Medical	24,299	–	–	24,299	–	–	
Fire trucks	180,983	–	–	180,983	–	–	
Old store	10,700	–	–	10,700	–	–	
Co-op	129,751	1,033	–	130,784	–	1,033	
Truck	86,507	–	–	86,507	–	–	
School bus	40,457	8,795	–	49,252	38,698	47,493	
Computers	10,265	–	–	10,265	–	–	
Backhoe	30,563	12,225	–	42,788	79,462	91,687	
Minibus	18,125	7,250	–	25,375	47,125	54,375	
Dump truck	43,275	28,850	–	72,125	216,375	245,225	
Utility vehicle	4,020	2,680	–	6,700	20,100	22,780	
Floating docks	3,051	2,034	–	5,085	5,084	7,118	
Portable restrooms	7,237	5,945	–	13,182	16,545	22,490	
Generator (education)	19,221	19,221	–	38,442	153,764	172,985	
Floor buffer	650	650	–	1,300	5,200	5,850	
Generator (gas bar)	–	9,360	–	9,360	84,240	93,600	
Other							
Fishing vessels	1,303,005	72,499	–	1,375,504	74,471	146,970	
Sewer and water	2,013,269	163,948	–	2,177,217	1,932,859	2,074,038	
Tennis courts	40,605	–	–	40,605	–	–	
Ball fields	50,632	578	–	51,210	–	578	
Co-op	48,786	–	–	48,786	–	–	
Expedition Gas and							
Convenience	87,836	14,355	–	102,191	41,361	55,716	
Roads	213,195	98,405	–	311,600	3,521,985	3,825,848	
	16,450,972	1,090,550	–	17,541,522	14,337,487	14,580,871	
Work in progress							
Wharf	–	–	–	–	50,170	–	
Land improvements	–	–	–	–	131,961	131,961	
Social housing	–	–	–	–	454,174	223,691	
Roads, sewer and water	–	–	–	–	6,047,419	1,666,632	
RV park	–	–	–	–	380,872	224,576	
	–	–	–	–	7,064,596	2,246,860	
Total	\$ 16,450,972	\$ 1,090,550	\$ –	\$ 17,541,522	\$ 21,402,083	\$ 16,827,731	

POTLOTEK FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020

13. CMHC REPLACEMENT RESERVE

Under the terms of housing agreements with CMHC to construct new housing units pursuant to Section 95, certain housing account reserves are to be maintained.

A replacement reserve account is to be funded annually for each housing project in an amount determined by CMHC and these funds along with accumulated interest must be held in a separate bank account and its use restricted to expenses approved by CMHC. A subsidy reserve account may be funded to a specified maximum per housing unit out of excess federal subsidy assistance payments with the funds and accumulated interest to be held in a separate bank account with the use of these funds restricted to expenses approved by CMHC.

At March 31, 2020, funds along with interest held in these housing reserve bank savings accounts are \$380,600.

14. GOVERNMENT TRANSFERS

	2020			2019		
	Operating	Capital	Total	Operating	Capital	Total
Federal government transfers						
Indigenous Services						
Canada	\$ 3,472,443	\$ 5,776,663	\$ 9,249,106	\$ 3,213,532	\$ 3,847,657	\$ 7,061,189
Mi'kmaq Kina'matnewey	2,662,915	95,404	2,758,319	2,631,253	360,450	2,991,703
Health Canada	1,036,723	6,304	1,043,027	960,151	9,081	969,232
METS	230,620	—	230,620	449,210	—	449,210
Fisheries and Oceans						
Canada	182,781	—	182,781	135,000	102,235	237,235
Canada Mortgage and Housing Corporation	133,130	—	133,130	269,410	—	269,410
Total	7,718,612	5,878,371	13,596,983	7,658,556	4,319,423	11,977,979
Provincial government transfers	164,088	—	164,088	447,562	—	447,562
	\$ 7,882,700	\$ 5,878,371	\$ 13,761,071	\$ 8,106,118	\$ 4,319,423	\$ 12,425,541

POTLOTEK FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020

15. EXPENSES BY OBJECT

The following is a summary of expenses by object.

		2020	2019
	Budget	Actual	Actual
	(unaudited)		
Salaries, wages and employee benefits	\$ 6,950,000	\$ 7,977,992	\$ 6,884,065
Professional development and travel	245,000	250,392	256,148
Supplies and services	125,000	115,393	136,380
Interest	88,000	127,876	97,264
Professional services	525,000	435,762	569,699
Fees and contract services	160,000	320,837	162,485
Utilities	300,000	231,619	302,768
Expedition Gas and Convenience purchases	3,250,000	3,570,931	3,449,809
Other	2,600,059	5,511,704	6,347,898
Amortization	900,000	1,090,550	930,164
	\$ 15,143,059	\$ 19,633,056	\$ 19,136,680

16. SEGMENT DISCLOSURE

	Education			Health		
	Budget	2020	2019	Budget	2020	2019
		Actual	Actual		Actual	Actual
(unaudited)						
REVENUES						
Federal government						
Operating	\$ 2,515,059	\$ 2,662,916	\$ 2,631,253	\$ 850,000	\$ 1,036,723	\$ 960,151
Capital	–	95,404	360,450	–	6,304	9,081
Provincial government						
Operating	–	45,763	55,885	–	–	250,614
Other	–	270,408	106,562	–	59,521	42,826
	2,515,059	3,074,491	3,154,150	850,000	1,102,548	1,262,672
EXPENSES						
Salaries and benefits	2,000,000	2,343,889	2,009,084	550,000	656,976	711,112
Debt servicing	5,000	3,471	4,268	–	–	–
Other	860,059	1,282,410	1,220,461	300,000	482,364	603,119
Amortization	–	–	–	–	–	–
	2,865,059	3,629,770	3,233,813	850,000	1,139,340	1,314,231
ANNUAL SURPLUS (DEFICIT)	\$ (350,000)	\$ (555,279)	\$ (79,663)	\$ –	\$ (36,792)	\$ (51,559)

POTLOTEK FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020

16. SEGMENT DISCLOSURE (CONTINUED)

	Operations and Maintenance			Capital Housing and Infrastructure		
	Budget	2020 Actual	2019 Actual	Budget	2020 Actual	2019 Actual
	(unaudited)			(unaudited)		
REVENUES						
Federal government						
Operating	\$ 2,144,700	\$ 716,893	\$ 328,924	\$ —	\$ —	\$ 21,470
Capital	500,000	—	75,504	200,000	5,776,663	3,772,153
Provincial government						
Operating	—	—	—	—	—	—
Other	—	—	—	—	—	—
	2,644,700	716,893	404,428	200,000	5,776,663	3,793,623
EXPENSES						
Salaries and benefits	450,000	262,950	244,316	450,000	618,210	290,135
Debt servicing	—	—	—	7,000	1,310	1,433
Other	150,000	899,312	623,821	200,000	425,508	1,475,023
Amortization	—	—	—	—	—	—
	600,000	1,162,262	868,137	657,000	1,045,028	1,766,591
ANNUAL SURPLUS (DEFICIT)						
	\$ 2,044,700	\$ (445,369)	\$ (463,709)	\$ (457,000)	\$ 4,731,635	\$ 2,027,032
 Social Development						
	Social Development			Band Government		
	Budget	2020 Actual	2019 Actual	Budget	2020 Actual	2019 Actual
	(unaudited)			(unaudited)		
REVENUES						
Federal government						
Operating	\$ 2,252,400	\$ 2,009,867	\$ 1,989,565	\$ 538,395	\$ 540,232	\$ 527,969
Capital	—	—	—	—	—	—
Provincial government						
Operating	—	—	—	—	—	—
Other	—	—	—	—	—	—
	2,252,400	2,009,867	1,989,565	538,395	540,232	527,969
EXPENSES						
Salaries and benefits	250,000	359,674	294,769	700,000	829,658	823,198
Debt servicing	—	—	—	12,000	36,004	29,097
Other	1,003,000	1,281,129	1,253,074	213,000	480,783	614,243
Amortization	—	—	—	—	—	—
	1,253,000	1,640,803	1,547,843	925,000	1,346,445	1,466,538
ANNUAL SURPLUS (DEFICIT)						
	\$ 999,400	\$ 369,064	\$ 441,722	\$ (386,605)	\$ (806,213)	\$ (938,569)

POTLOTEK FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020

16. SEGMENT DISCLOSURE (CONTINUED)

	Other			Total		
	Budget	2020 Actual	2019 Actual	Budget	2020 Actual	2019 Actual
	(unaudited)			(unaudited)		
REVENUES						
Federal government						
Operating	\$ 330,000	\$ 751,981	\$ 1,199,224	\$ 8,630,554	\$ 7,718,612	\$ 7,658,556
Capital	–	–	102,235	700,000	5,878,371	4,319,423
Provincial government						
Operating	–	118,325	141,063	–	164,088	447,562
Other	7,960,000	8,472,551	8,238,895	7,960,000	8,802,480	8,388,283
	8,290,000	9,342,857	9,681,417	17,290,554	22,563,551	20,813,824
EXPENSES						
Salaries and benefits	2,550,000	2,906,635	2,511,451	6,950,000	7,977,992	6,884,065
Debt servicing	64,000	87,091	62,466	88,000	127,876	97,264
Other	4,479,000	5,585,132	5,435,446	7,205,059	10,436,638	11,225,187
Amortization	900,000	1,090,550	930,164	900,000	1,090,550	930,164
	7,993,000	9,669,408	8,939,527	15,143,059	19,633,056	19,136,680
ANNUAL SURPLUS (DEFICIT)						
	\$ 297,000	\$ (326,551)	\$ 741,890	\$ 2,147,495	\$ 2,930,495	\$ 1,677,144

17. PENSION PLAN

The First Nation maintains a defined contribution pension plan for its current employees. The total expense recognized in the statement of operations for the defined contribution pension plan is \$237,227 (2019 - \$213,507), which represents the total cash amount paid or payable by the First Nation to the plan during the year.

18. CONTINGENCIES

Potlotek First 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.

POTLOTEK FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020

19. INVESTMENT IN LIMITED PARTNERSHIPS

Investments in limited partnerships that are not controlled by the First Nation and not dependent on the First Nation for their continuing operations are recorded at cost and any earnings are reported as they are distributed. As at March 31, 2020, no distributions have taken place for the investments, which include:

Mi'kmaq Resource Development Partnership ("MRDP")

MRDP holds investments in two limited partnerships, Beaubassin Mi'kmaq Wind LP and Whynott's Mi'kmaq Wind LP. As at March 31, 2020, the financial statements of MRDP have not been audited and the capital account included in internal financial reporting of the First Nation was \$70,841 (2019 - \$25,462).

E'sukutimkewey Limited Partnership ("ELP")

ELP earns revenue from the surf clam industry. As at March 31, 2020, the financial statements of ELP have not been audited and the capital account of the First Nation has not been provided to management.

ANSMC Cannabis Holdings Partnership ("ANSMC")

ANSMC holds a 100% interest in ANSMC Cannabis GP Ltd. which holds a 41% interest in Growforce AC Holdings Inc. which holds a 100% interest in Atlanticann Medical Inc. As at March 31, 2020 the financial statement of ANSMC have not been audited and the capital account of the First Nation has not been provided to management.

20. FINANCIAL INSTRUMENTS

The First Nation is exposed to various risks through its financial instruments and includes the following significant risks at March 31, 2020.

Credit risk

The First Nation's credit risk results from trade accounts receivable and receivables from other levels of government.

The First Nation extends credit to members and also receives rebates from various sources. When required, the First Nation records an allowance for doubtful accounts for items where collection is no longer assured.

Amounts owing from other levels of government are based on funding agreements and subject to review by the applicable government body.

The First Nation is not exposed to significant concentration risk.

POTLOTEK FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2020

20. FINANCIAL INSTRUMENTS (CONTINUED)

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The First Nation's interest rate risk arises from long-term borrowings at a fixed rate that creates fair value interest rate risk. Changes in market interest rates cause the fair value of long-term debt with fixed interest rates to fluctuate but do not affect the statement of operations, as the First Nation's debt is carried at amortized cost and the carrying value does not change as interest rates change.

Liquidity risk

Liquidity risk is the risk that the First Nation will encounter difficulty in meeting obligations associated with financial liabilities. The First Nation manages this risk through the preparation of budgets and by monitoring forecasted and actual cash flows.

The First Nation's future obligations with respect to debt repayments are disclosed in note 7 and 11.

21. COVID-19

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic, which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus, including the announcement of a state of emergency in the Province of Nova Scotia on March 22, 2020. As of the date of issuing the financial statements, the ongoing duration and impact of COVID-19 is unknown and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the Potlotek First Nation in future fiscal years.

22. ECONOMIC DEPENDENCE

The Potlotek First Nation receives a major portion of its revenues pursuant to funding arrangements with Indigenous Services Canada, Mi'kmaw Kina'matnewey and Health Canada. The continued operation of the First Nation is dependent on the continuation of this funding arrangement.

23. BUDGETED FIGURES

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

POTLOTEK FIRST NATION

Schedule A – Non-Consolidated Schedule of Education
(Unaudited)

Year ended March 31, 2020, with comparative figures for 2019

		2020	2019
		Budget	Actual
REVENUES			
Mi'kmaw Kina'matnewey	\$ 2,515,059	\$ 2,758,319	\$ 2,991,703
Province of Nova Scotia	–	45,763	55,885
Other	–	270,409	106,562
	2,515,059	3,074,491	3,154,150
EXPENSES			
Band operated school	1,408,090	1,966,526	1,654,479
Counselling	35,765	36,502	34,174
Daily transportation	159,937	302,747	265,120
Governance	185,792	197,149	139,135
MK language initiative costs	63,487	34,528	68,599
Operating and maintenance	240,227	267,836	279,055
Post-secondary	532,486	571,836	520,985
School supplies	7,059	24,788	26,675
Service delivery	37,877	46,887	42,494
Special education	194,339	180,970	203,097
	2,865,059	3,629,769	3,233,813
Deficiency of revenues over expenses before the following	(350,000)	(555,278)	(79,663)
Financing and transfers			
Transfer to capital fund	–	(50,000)	(294,978)
Transfer from Band – Administration and Management	350,000	350,000	200,000
	350,000	300,000	(94,978)
DEFICIENCY OF REVENUES OVER EXPENSES	\$ –	\$ (255,278)	\$ (174,641)

POTLOTEK FIRST NATION

Schedule B – Non-Consolidated Schedule of Health
(Unaudited)

Year ended March 31, 2020, with comparative figures for 2019

		2020	2019
		Budget	Actual
REVENUES			
Health Canada			
Transitional funding	\$ 533,500	\$ 1,007,780	\$ 629,115
Set funding	316,500	465,974	444,371
	850,000	1,473,754	1,073,486
Other	–	59,521	158,440
Deferred – current year	–	(430,727)	(104,254)
Deferred – prior year	–	–	135,000
	850,000	1,102,548	1,262,672
EXPENSES			
Children and Youth	84,000	104,526	109,171
Mental Health and Addictions	199,500	233,265	250,628
Chronic Disease and Injury Prevention	160,000	204,957	238,239
Health protection communicable disease	1,000	7,709	2,708
Home and Community Care	120,000	188,094	162,674
Oral Health Strategy	5,000	9,636	9,749
Health Governance & Infrastructure Support	192,500	216,019	314,579
Medical Transportation	88,000	140,446	149,346
Other	–	34,688	77,137
	850,000	1,139,340	1,314,231
DEFICIENCY OF REVENUES OVER EXPENSES	\$ –	\$ (36,792)	\$ (51,559)

POTLOTEK FIRST NATION

Schedule C – Non-Consolidated Schedule of Nova Scotia Gaming Agreement
(Unaudited)

Year ended March 31, 2020, with comparative figures for 2019

		2020	2019
		Budget	Actual
REVENUES			
Machine revenue gaming	\$ 1,360,000	\$ 1,296,036	\$ 1,486,208
Casino profits	90,000	83,285	93,656
	1,450,000	1,379,321	1,579,864
EXPENSES			
Atlantic Lotto share of proceeds	145,000	157,488	166,752
Site holders share of proceeds	175,000	148,787	182,870
Administration	5,000	7,526	7,188
Youth centre expenses	5,000	6,677	5,466
Mission expenses	20,000	35,601	82,170
Assistance to band members	–	11,475	11,050
Community events	–	15,321	2,400
Works projects	250,000	577,294	514,254
Other	–	40,432	26,291
	600,000	1,000,601	998,441
EXCESS OF REVENUES OVER EXPENSES	\$ 850,000	\$ 378,720	\$ 581,423