

**ESKASONI BAND COUNCIL  
Consolidated Financial Statements**

*March 31, 2020*

## Independent Auditors' Report

To the Members of Eskasoni First Nation

### **Opinion**

We have audited the accompanying consolidated financial statements of Eskasoni Band Council which comprise the consolidated statement of financial position as at March 31, 2020 and the consolidated statements of operations, change in accumulated surplus, 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, these consolidated financial statements present fairly, in all material respects, the financial position of Eskasoni Band Council 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 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 Band Council 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.

### **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 Band Council'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 Band Council or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Band Council'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:

- 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 Band Council'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 Band Council'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 Band Council 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.

*MNP LLP*

Sydney, Nova Scotia

May 26, 2021

Chartered Professional Accountants

**MNP**

# ESKASONI BAND COUNCIL

## Consolidated Financial Statements

Year ended March 31, 2020

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## **MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

The accompanying consolidated financial statements of Eskasoni Band Council 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.

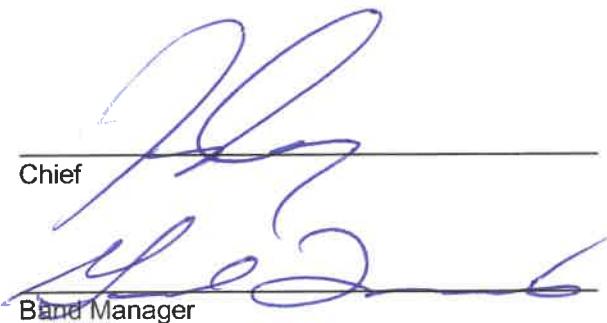
Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

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, 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 Eskasoni Band Council and meet when required.

On behalf of Eskasoni Band Council:



Chief  
Band Manager

# ESKASONI BAND COUNCIL

## Consolidated Statement of Financial Position

March 31, 2020, with comparative figures for 2019

	2020	2019
	(Restated - Note 21)	
<b>FINANCIAL ASSETS</b>		
Cash	\$ 16,252,428	\$ 5,853,804
Restricted cash and deposits (note 2)	4,942,315	5,673,644
Accounts receivable (note 3)	3,269,699	3,554,533
Due from Government of Canada (note 4)	7,158,056	5,456,686
Due from Province of Nova Scotia	552,949	450,529
Inventory held for resale	186,472	51,222
Investment in Crane Cove Seafoods Limited Partnership (note 5)	2,032,818	2,114,697
Investment in incorporated business enterprises (note 6)	487,133	607,367
	34,881,870	23,762,482
<b>FINANCIAL LIABILITIES</b>		
Accounts payable and accrued liabilities (note 7)	7,282,455	8,499,174
Deferred revenue (note 8)	9,550,390	4,911,681
Long-term debt (note 9)	23,465,619	18,182,657
Obligations under capital lease (note 10)	164,287	154,296
	40,462,751	31,747,808
<b>NET DEBT</b>	(5,580,881)	(7,985,326)
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 11)	72,961,578	72,311,086
Fishing licenses	11,510,189	11,510,189
Prepaid expenses (note 12)	434,029	187,659
	84,905,796	84,008,934
<b>ACCUMULATED SURPLUS</b>	\$ 79,324,915	\$ 76,023,608
Accumulated surplus represented by		
Unrestricted		
Operating fund	\$ 703,141	\$ 622,329
Capital fund	59,178,732	58,209,148
Restricted		
Limited partnership fund	2,032,818	2,114,697
Band community investment fund	5,430,993	4,104,621
Fishing license trust fund	4,726,239	4,605,486
Band trust fund	124,886	110,916
Capital asset replacement funds	7,128,106	6,256,411
Contingencies (note 16)	\$ 79,324,915	\$ 76,023,608

See accompanying notes to consolidated financial statements.

On behalf of Eskasoni Band Council:



Chief



Band Manager

# ESKASONI BAND COUNCIL

## Consolidated Statement of Operations

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

		2020	2019
	Budget	Actual	Actual
	(Unaudited)		
<b>REVENUE</b>			
Indigenous Services Canada (Schedule A)	\$ 18,997,567	\$ 20,527,776	\$ 19,595,851
Mi'kmaq Kina'matnewey	18,290,004	19,703,255	19,831,914
Indigenous Services Canada, FNIHB	6,635,312	6,398,836	7,972,050
Mi'kmaq Employment Training Secretariat	1,280,614	1,422,584	1,360,246
Canada Mortgage and Housing Corporation	628,000	734,551	1,077,049
Fisheries and Oceans Canada	285,000	484,701	286,022
Province of Nova Scotia	655,000	873,946	511,562
Other agencies and funds	3,959,732	6,089,284	5,937,133
Unincorporated enterprises revenue	18,106,584	17,773,906	18,286,556
	68,837,813	74,008,839	74,858,383
<b>EXPENDITURE</b>			
Health programs	7,434,547	7,010,513	6,299,664
Education	17,548,918	18,447,443	17,459,189
Social development	15,215,153	15,039,981	14,987,891
Housing and infrastructure	2,192,000	3,257,793	2,383,013
Operations and maintenance	2,627,803	2,583,451	2,506,574
Economic development	2,601,246	2,829,691	2,685,821
Fishery resource development	385,000	582,526	481,412
Band management	2,247,264	2,554,173	2,238,974
Canada Mortgage and Housing Corporation			
Section 95 housing	734,000	982,631	1,124,690
Other programs	2,015,270	1,938,792	2,237,592
Corporate division	335,000	375,012	379,221
Contribution to Eskasoni Supermarket Limited	450,000	456,850	454,675
Eskasoni Tobacco Shop	12,082,580	11,346,674	11,864,023
Eskasoni Gaming Centre	744,137	755,855	734,911
Eskasoni Gaming Commission	1,076,842	1,337,625	1,141,942
Eskasoni Recreation Centre	340,410	348,839	347,150
Sarah Denny Cultural Centre	210,901	221,747	182,231
Eskasoni Fitness Centre	216,698	210,608	235,638
Covid-19 pandemic	–	777,049	–
Amortization of tangible capital assets	3,835,284	5,380,445	4,904,795
	72,293,053	76,437,698	72,649,406
Net revenue (expenditure) before the following	(3,455,240)	(2,428,859)	2,208,977
Other earnings			
Crane Cove Seafoods Limited			
Partnership (note 5)	3,455,240	5,418,121	3,931,424
<b>EXCESS OF REVENUE OVER EXPENDITURE</b>			
	\$ –	\$ 2,989,262	\$ 6,140,401

See accompanying notes to consolidated financial statements.

## ESKASONI BAND COUNCIL

Consolidated Statement of Change in Accumulated Surplus

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

	Operating Fund	Capital Fund	Limited Partnership Fund	Community Investment Fund	Band Trust Fund	Fisheries Licence Trust Fund	Band Trust Fund	Capital Asset Replacement	2020	2019
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE</b>	\$ 8,369,707	\$ (5,380,445)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,989,262	\$ 6,140,401
<b>FINANCING AND TRANSFERS</b>										
Principal payments on term debt	(1,357,543)	1,357,543	-	-	-	-	-	-	-	-
Principal payments on capital lease	(50,270)	50,270	-	-	1,326,372	-	-	-	-	-
Transfer to Band capital investment funds	(1,326,372)	-	-	-	-	-	-	-	-	-
Transfer to (from) capital replacement funds	(821,910)	-	-	-	-	-	-	-	-	-
Interest earned on Band Trust Funds	-	-	-	-	120,753	-	-	-	-	-
Income earned by Band Trust Fund	(31,780)	-	-	-	-	-	-	-	-	-
Transfer from (to) replacement funds	(2,389)	-	-	-	-	-	-	-	-	-
Transfer from (to) replacement funds	(4,659,165)	4,659,165	-	-	-	-	-	-	-	-
Transfer to capital for asset acquisition	-	107,706	-	-	-	-	-	-	-	-
Contribution for tangible capital assets	-	-	-	-	-	-	-	-	-	-
Prior year additions transfer to tangible capital assets	-	-	-	-	-	-	-	-	-	-
Transfer from (to) housing equity	54,000	-	-	-	-	-	-	-	-	-
Transfer to Limited Partnership Fund	81,879	-	(81,879)	-	-	-	-	-	-	-
Transfer to housing capital – Section 95	(175,345)	175,345	-	-	-	-	-	-	-	-
	(8,288,895)	6,350,029	(81,879)	1,326,372	120,753	13,970	871,695	312,045	146,146	-
<b>ANNUAL SURPLUS (DEFICIT)</b>	80,812	969,584	(81,879)	1,326,372	120,753	13,970	871,695	3,301,307	6,286,547	
<b>BALANCE, BEGINNING OF YEAR</b>										
As previously reported	622,329	46,698,959	2,114,697	4,104,621	4,605,486	110,916	6,256,411	64,513,419	58,226,872	
Restatement – intangible asset (note 21)	-	11,510,189	-	-	-	-	-	11,510,189	11,510,189	
As restated	622,329	58,209,148	2,114,697	4,104,621	4,605,486	110,916	6,256,411	76,023,608	69,737,061	
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	\$ 703,141	\$ 59,178,732	\$ 2,032,818	\$ 5,430,993	\$ 4,726,239	\$ 124,886	\$ 7,128,106	\$ 79,324,915	\$ 76,023,608	
Accumulated surplus (deficit) is as follows										
Eskasoni General Account	\$ 367,997	\$ 37,752,522	\$ 2,032,818	\$ 5,430,993	\$ 4,726,239	\$ 124,886	\$ 317,000	\$ 50,752,455	\$ 47,567,279	
Eskasoni Health Centre	202,637	6,843,686	-	-	-	-	147,542	7,193,865	7,480,893	
Eskasoni School Board	145,919	10,145,349	-	-	-	-	5,425,947	15,717,215	15,565,197	
CMHC Section 95 Projects	-	4,437,175	-	-	-	-	1,237,617	5,674,792	5,449,660	
Eskasoni Gaming Commission	(25,945)	-	-	-	-	-	-	(25,945)	(33,692)	
Eskasoni Tobacco Commission	11,128	-	-	-	-	-	-	11,128	(7,134)	
Other	1,405	-	-	-	-	-	-	1,405	1,405	
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	\$ 703,141	\$ 59,178,732	\$ 2,032,818	\$ 5,430,993	\$ 4,726,239	\$ 124,886	\$ 7,128,106	\$ 79,324,915	\$ 76,023,608	

# ESKASONI BAND COUNCIL

## Consolidated Statement of Change in Net Debt

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

	2020	2019
<b>ANNUAL SURPLUS</b>	\$ 3,301,307	\$ 6,286,547
Tangible capital assets		
Increase in tangible capital assets	(6,030,937)	(13,584,010)
Gain on sale of tangible capital assets	(138,423)	(103,675)
Amortization of tangible capital assets	5,380,445	4,904,795
Proceeds on sale of tangible capital assets	138,423	103,675
	(650,492)	(8,679,215)
Other non-financial assets		
Increase in prepaid expenses	(246,370)	(3,371)
<b>DECREASE (INCREASE) IN NET DEBT</b>	2,404,445	(2,396,039)
<b>NET DEBT, BEGINNING OF YEAR</b>	(7,985,326)	(5,589,287)
<b>NET DEBT, END OF YEAR</b>	\$ (5,580,881)	\$ (7,985,326)

See accompanying notes to consolidated financial statements.

# ESKASONI BAND COUNCIL

## Consolidated Statement of Cash Flows

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

	2020	2019
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenditure	\$ 2,989,262	\$ 6,140,401
Items not involving cash		
Amortization of tangible capital assets	5,380,445	4,904,795
Gain on disposal of tangible capital assets	(138,423)	(103,675)
	8,231,284	10,941,521
Change in non-cash items		
Decrease (increase) in accounts receivable	284,834	(2,355,396)
Increase in due from Government of Canada	(1,701,370)	(3,294,261)
Decrease (increase) in due from Province of Nova Scotia	(102,420)	57,604
Decrease (increase) in inventory held for resale	(135,250)	41,841
Increase in prepaid expenses	(246,370)	(3,371)
Decrease in accounts payable and accrued liabilities	(1,216,719)	(1,566,459)
Increase (decrease) in deferred revenue	4,638,709	(211,259)
	9,752,698	3,610,220
<b>FINANCING ACTIVITIES</b>		
Proceeds of long-term debt	6,719,642	5,596,312
Principal payments on long-term debt	(1,357,543)	(1,208,321)
Repayment in obligation under capital lease	(50,270)	(42,197)
Forgiveness of obligation under capital lease	(18,876)	–
	5,292,953	4,345,794
<b>INVESTING ACTIVITIES</b>		
Additions to tangible capital assets	(6,030,937)	(13,420,737)
Proceeds on disposal of tangible capital assets	138,423	103,675
Contribution for tangible capital asset	107,706	–
Income earned on Band Trust Fund	13,970	75,969
Interest earned on Housing Reserve Replacement Fund	15,616	8,109
Interest earned on Fisheries Trust Fund	120,753	25,903
Decrease (increase) in investment in limited partnership for operations	81,879	(431,424)
Decrease in investment in business enterprises	120,234	96,021
Adjustment of prior year school capital fund	–	90,165
Transfer from (to) housing equity	54,000	(54,000)
	(5,378,356)	(13,506,319)
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	9,667,295	(5,550,305)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	11,527,448	17,077,753
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	\$ 21,194,743	\$ 11,527,448
Cash and cash equivalents consist of		
Cash	\$ 16,252,428	\$ 5,853,804
Restricted cash and deposits	4,942,315	5,673,644
	\$ 21,194,743	\$ 11,527,448
Supplemental cash flow information		
Capital assets acquired through capital lease	\$ 79,137	\$ 163,273

See accompanying notes to consolidated financial statements.

# ESKASONI BAND COUNCIL

Notes to Consolidated Financial Statements

Year ended March 31, 2020

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## NATURE OF OPERATIONS

Eskasoni Band Council is comprised of a Chief and twelve 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 of Eskasoni Band Council have been prepared in accordance with Canadian public sector accounting standards.

#### (b) Principles of consolidation

These consolidated financial statements include the accounts of the Eskasoni Band Council's Operating Fund, Capital Fund, Limited Partnership Fund, School Capital Replacement Fund, Band Community Fund, Fishing License, Trust Fund, Housing Replacement Reserve and Health Moveable Capital Asset Replacement Reserve and Band Trust Fund. The Eskasoni Band Council includes all organizations accountable to the Band Council for the administration of their financial affairs and that are owned or controlled by the Band Council. The interfund accounts and interfund transfers are eliminated in the consolidation.

Incorporated business enterprises which are controlled by the Eskasoni Band Council are included in the consolidated financial statements using the modified equity method. Under the modified equity method, the Band Council records in earnings its share of the earnings of the business enterprise. The accounting principles of the government business enterprises are not adjusted to conform to those of the Band Council.

#### (c) Fund accounting

The resources and operations of Eskasoni Band Council are comprised of the operating, capital and trust funds. Transfers between these 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 changes in the balance of each fund.

#### (d) Cash and cash equivalents

Eskasoni Band Council considers cash on deposit net of outstanding cheques and restricted cash and deposits to be cash and cash equivalents.

#### (e) Inventory for resale

Inventory for resale consists of tobacco products and is stated at the lower of cost and net realizable value. Cost is determined using purchase price and delivery, if applicable. Net realizable value is the estimated selling price in the ordinary course of business.

#### (f) Investment in limited partnerships

Investments in limited partnerships are recorded using the modified equity basis of accounting.

# ESKASONI BAND COUNCIL

Notes to Consolidated Financial Statements

Year ended March 31, 2020

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## 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (g) Investment in incorporated business enterprises

Investments in incorporated business enterprises are recorded using the modified equity basis of accounting.

### (h) Service awards and retirement benefits

Service awards and retirement benefits are recognized as an expenditure in the year in which the awards and benefits are paid to the employee with the exception of those fixed by contract where the policy is to accrue the liability in the year the award or benefit is earned.

### (i) Replacement reserves

In accordance with agreements signed with Canada Mortgage and Housing Corporation (CMHC), the Band Council is required to establish funded replacement reserves on Section 95 housing projects. These reserves are to be increased by transfers from the operating fund in amounts as determined in annual budgets approved by CMHC plus interest earned in the reserve fund bank accounts.

### (j) Tangible capital assets

Tangible capital assets acquired after March 31, 1988 are stated on the Statement of Financial Position at their cost net of accumulated amortization. All tangible capital assets acquired prior to 1988 have been written off. Interest during construction for projects financed with external debt is added to the cost of the asset.

Leases that transfer substantially all the benefits and risks of ownership to the lessee are recorded as capital leases. At the inception of the lease, the tangible capital asset and related lease obligations are recorded at an amount equal to the present value of future lease payments discounted at the lower of the interest rate inherent in the lease contracts and Eskasoni Band Council's incremental cost of borrowing.

Amortization on capital assets is charged against operations of the capital fund using the following methods and annual rates:

Asset	Basis	Rate
Community infrastructure – water, sewer, roads	Straight-line	2.5%
Buildings	Straight-line	4.0%
Housing properties	Straight-line	3.33% - 4.0%
Portable classrooms	Straight-line	6.7%
Fence and parking lots	Straight-line	6.7%
Equipment, furniture and fixtures	Straight-line	14.3%
Fishing vessels and non-fishing vessels	Straight-line	10.0%
Wharf	Straight-line	10.0%

# ESKASONI BAND COUNCIL

Notes to Consolidated Financial Statements

Year ended March 31, 2020

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## 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (k) Fishing licenses

The Band Council recognizes fishing licenses as purchased intangible assets at cost less any allowance for impairment. The Band Council performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

### (l) Reserve funds

Certain amounts are set aside in reserve funds for future operating and capital purposes.

### (m) Revenue recognition

Funding received under the terms of agreements is recognized as revenue when related expenditures are made. Funding received or receivable but not yet used for its intended purpose is included in the consolidated balance sheet as deferred revenue.

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. Government transfers are recorded 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.

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.

All other 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.

### (n) Measurement Uncertainty

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 expenditures in the consolidated financial statements and accompanying notes. Items requiring the use of significant estimates include the valuation of receivables, inventories, investments, tangible capital assets and fishing licenses. Due to the inherent uncertainty in making estimates, actual results could differ from those estimates.

# ESKASONI BAND COUNCIL

Notes to Consolidated Financial Statements

Year ended March 31, 2020

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## 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (o) Financial instruments

#### i) Measurement of financial instruments

The Band Council initially measures its financial assets and financial liabilities at fair value and subsequently measures all its financial assets and financial liabilities at amortized cost.

#### ii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in net earnings. The write-down reflects the difference between the carrying amount and the higher of:

- (a) The present value of the cash flows expected to be generated by the asset or group of assets;
- (b) The amount that could be realized by selling the asset or group of assets;
- (c) The net realizable value of any collateral held to secure repayment of the asset or group of assets.

When events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in net earnings up to the previously recognized impairment.

#### iii) Transaction costs

The Band Council recognizes transaction costs in net earnings in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their originating issuance or assumption.

## 2. RESTRICTED CASH AND DEPOSITS

	2020	2019
Trust funds held by Government of Canada	\$ 124,886	\$ 110,916
CMHC replacement reserve funds	91,190	957,242
Fishing license funds in trust	4,726,239	4,605,486
	<hr/> <b>\$ 4,942,315</b>	<hr/> <b>\$ 5,673,644</b>

# ESKASONI BAND COUNCIL

Notes to Consolidated Financial Statements

Year ended March 31, 2020

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## 3. ACCOUNTS RECEIVABLE

	2020	2019
Mi'kmaw Kina'matnewey	\$ 945,403	\$ 2,150,521
Chief and Council honorariums prepaid	16,450	34,436
Other Band Councils	99,725	82,363
Live Stor Sydney Limited	756,207	313,137
Other sundry receivables	1,451,914	974,076
	<hr/>	<hr/>
	\$ 3,269,699	\$ 3,554,533

## 4. DUE FROM GOVERNMENT OF CANADA

	2020	2019
Indigenous Services Canada	\$ 5,548,179	\$ 2,815,753
Mi'kmaq Employment Training Secretariat	378,906	130,662
Canada Mortgage and Housing Corporation	918,404	784,149
Fisheries and Oceans Canada	47,907	409,000
Indigenous Services Canada - FNIHB	65,272	1,040,262
Harmonized Sales Tax receivable	138,192	172,027
Atlantic Canada Opportunities Agency	61,196	104,833
	<hr/>	<hr/>
	\$ 7,158,056	\$ 5,456,686

## 5. INVESTMENT IN CRANE COVE SEAFOODS LIMITED PARTNERSHIP

The Band Council's investment in Crane Cove Seafoods Limited Partnership is as follows:

	2020	2019
Balance, beginning of year	\$ 2,114,697	\$ 1,683,273
Share of profits of Crane Cove Seafoods Limited Partnership	5,418,121	3,931,424
Transfer to Eskasoni Band Council	(5,500,000)	(3,500,000)
	<hr/>	<hr/>
Balance, end of year	\$ 2,032,818	\$ 2,114,697

The investment in the Limited Partnership consists of a 99.99% share of Crane Cove Seafoods Limited Partnership. The Limited Partnership Agreement became effective April 1, 2007 pursuant to the Limited Partnership Act of the Province of Nova Scotia.

The Crane Cove Seafoods Limited Partnership has as its principal business activity the operation of the Eskasoni commercial fishery carried out by an unincorporated division operating as Crane Cove Seafoods.

# ESKASONI BAND COUNCIL

Notes to Consolidated Financial Statements

Year ended March 31, 2020

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## 5. INVESTMENT IN CRANE COVE SEAFOODS LIMITED PARTNERSHIP (CONTINUED)

Summary audited financial information for Crane Cove Seafoods Limited Partnership as at and for the year ended March 31, 2020 and 2019 is as follows:

### STATEMENT OF FINANCIAL POSITION

	2020	2019
<b>ASSETS</b>		
Current assets	\$ 1,106,226	\$ 944,631
Property, plant and equipment, net book value	3,107,452	3,267,529
	<hr/>	<hr/>
	\$ 4,213,678	\$ 4,212,160
<b>LIABILITIES</b>		
Current liabilities	\$ 450,218	\$ 272,681
<b>DEFERRED GOVERNMENT ASSISTANCE</b>	1,727,037	1,821,719
<b>EQUITY</b>		
Limited partner's equity	2,032,818	2,114,697
General partner's equity	3,605	3,063
	<hr/>	<hr/>
	2,036,423	2,117,760
	<hr/>	<hr/>
	\$ 4,213,678	\$ 4,212,160

### STATEMENT OF EARNINGS AND PARTNERS' EQUITY

	2020	2019
<b>REVENUE</b>		
Commercial fishing operations		
Sales	\$ 14,139,789	\$ 11,954,057
Cost of sales	7,401,662	6,751,079
	<hr/>	<hr/>
Other revenue	6,738,127	5,202,978
	<hr/>	<hr/>
	98,350	97,959
	<hr/>	<hr/>
	6,836,477	5,300,937
<b>EXPENSES</b>		
Operating expenses	1,417,814	1,369,120
<b>NET INCOME</b>	5,418,663	3,931,817
Partners' equity, beginning of year	2,117,760	1,685,943
Partners' withdrawals	(5,500,000)	(3,500,000)
<b>PARTNERS' EQUITY, END OF YEAR</b>	\$ 2,036,423	\$ 2,117,760

# ESKASONI BAND COUNCIL

Notes to Consolidated Financial Statements

Year ended March 31, 2020

## 6. INVESTMENT IN INCORPORATED BUSINESS ENTERPRISES

	Investment cost beginning of year	Share of earnings (loss)	Dividends	Additional investment	2020 Total investment
<b>Wholly-owned businesses</b>					
Eskasoni Supermarket Limited	\$ 1	\$ (456,850)	\$ —	\$ 456,850	\$ 1
3312394 Nova Scotia Limited	10	—	—	—	10
<b>Significantly influenced businesses</b>					
Truro Heights Wind LP – 25%	441,739	66,350	(178,347)	—	329,742
Eskasoni Kiptu Security Limited – 51%	15,567	26,763	(35,000)	—	7,330
Eskasoni Cold Logistics Limited – 50%	150,000	—	—	—	150,000
Live Store Sydney Limited – 50%	50	—	—	—	50
	\$ 607,367	\$ (363,737)	\$ (213,347)	\$ 456,850	\$ 487,133

	Investment cost beginning of year	Share of earnings (loss)	Dividends	Additional investment	2019 Total investment
<b>Wholly-owned businesses</b>					
Eskasoni Supermarket Limited	\$ 1	\$ (454,675)	\$ —	\$ 454,675	\$ 1
3312394 Nova Scotia Limited	10	—	—	—	10
<b>Significantly influenced businesses</b>					
Truro Heights Wind LP – 25%	523,921	77,568	(159,750)	—	441,739
Eskasoni Kiptu Security Limited – 51%	29,406	45,161	(59,000)	—	15,567
Eskasoni Cold Logistics Limited – 50%	150,000	—	—	—	150,000
Live Store Sydney Limited – 50%	50	—	—	—	50
	\$ 703,388	\$ (331,946)	\$ (218,750)	\$ 454,675	\$ 607,367

## 7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2020	2019
Administration payables	\$ 3,342,794	\$ 4,280,489
Housing payables	342,153	493,367
Education payables	2,651,437	2,816,635
Health Centre payables	860,820	855,542
Eskasoni Gaming Commission payables	27,816	23,683
Tobacco payables	57,435	29,458
	\$ 7,282,455	\$ 8,499,174

# ESKASONI BAND COUNCIL

Notes to Consolidated Financial Statements

Year ended March 31, 2020

## 8. DEFERRED REVENUE

	2020	2019
Mi'kmaw Kina'matnewey	\$ 92,482	\$ 150,000
Indigenous Services Canada	7,615,074	4,142,811
Indigenous Services Canada, FNIHB	1,413,889	519,374
Province of Nova Scotia	315,263	—
Other	113,682	99,496
	<b>\$ 9,550,390</b>	<b>\$ 4,911,681</b>

## 9. LONG-TERM DEBT

	2020	2019
Canada Mortgage and Housing Corporation (Schedule D) Mortgages payable in total monthly instalments of \$82,459 on account of principal and interest, secured by Indigenous Services Canada Ministerial loan guarantees.	\$ 9,845,390	\$ 10,154,602
Bank of Montreal (Schedule D) Mortgages payable in monthly instalments of \$32,778 on account of principal and interest, secured by Indigenous Services Canada Ministerial loan guarantees.	2,271,303	2,558,201
4.37% loan, repayable in monthly instalments of \$22,769 on account of principal and interest, maturing October 2038, secured by promissory note and resolution of the Council. The rate is fixed to October, 2025	3,472,457	3,590,843
3.89% loan, repayable in monthly instalments of \$9,793 on account of principal and interest, maturing March 2043, secured by promissory note and resolution of the Council. The rate is fixed to April, 2023	1,788,633	1,835,449
Bank of Nova Scotia 4.99% loan, repayable in monthly instalments of \$847 on account of principal and interest, maturing January, 2024, secured by a motor vehicle with a net book value of \$32,063	35,370	43,562
Ford Credit Canada 5.29% loan, repayable in monthly instalments of \$1,293 on account of principal and interest, maturing October, 2024, secured by a motor vehicle with a net book value of \$58,335	63,034	—
	<b>17,476,187</b>	<b>18,182,657</b>

# ESKASONI BAND COUNCIL

Notes to Consolidated Financial Statements

Year ended March 31, 2020

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## 9. LONG-TERM DEBT (CONTINUED)

	2020	2019
Carry forward	\$ 17,476,187	\$ 18,182,657
RBC Royal Bank		
4.56% loan, repayable in monthly instalments of \$34,104 on account of principal and interest, maturing May, 2044, secured by promissory note and resolution of the Council.		
The rate is fixed to May 2029	5,989,432	—
	\$ 23,465,619	\$ 18,182,657

The aggregate maturities of long-term debt for each of the next five years subsequent to March 31, 2020, assuming maturing debt is renewed under the same terms and conditions currently in effect, are as follows:

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2021	\$ 3,763,656
2022	2,145,304
2023	2,317,244
2024	5,681,661
2025	4,339,887

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## 10. OBLIGATIONS UNDER CAPITAL LEASE

	2020	2019
Two photocopier leases, Xerox Canada Ltd., bearing interest at 5.0%, each payable in blended quarterly amounts of \$1,044 to maturity in May, 2022	\$ 17,677	\$ 24,921
Photocopier lease, Xerox Canada Ltd., bearing interest at 5.0%, payable in blended quarterly amounts of \$1,929 to maturity in May, 2022	16,322	23,011
Photocopier lease, Xerox Canada Ltd., bearing interest at 5.0%, payable in blended quarterly amounts of \$1,926 to maturity in May, 2022	16,294	22,972
Photocopier lease, Xerox Canada Ltd., bearing interest at 5.0%, payable in blended quarterly amounts of \$949 to maturity in May, 2022	8,029	11,319
	58,322	82,223

# ESKASONI BAND COUNCIL

Notes to Consolidated Financial Statements

Year ended March 31, 2020

## 10. OBLIGATIONS UNDER CAPITAL LEASE (CONTINUED)

	2020	2019
Carry forward	\$ 58,322	\$ 82,223
Photocopier lease, Xerox Canada Ltd., bearing interest at 5.0%, payable in blended quarterly amounts of \$1,842 to maturity in May, 2022	15,584	21,970
Photocopier lease, Xerox Canada Ltd., bearing interest at 5.0%, payable in blended quarterly amounts of \$520 to maturity in June, 2022	4,403	6,207
Photocopier lease, Xerox Canada Ltd., bearing interest at 5.0%, payable in blended quarterly amounts of \$1,929 to maturity in June, 2022	16,322	23,011
Photocopier lease, Xerox Canada Ltd., bearing interest at 5.0%, payable in blended quarterly amounts of \$587 to maturity in October, 2024	9,864	—
Photocopier lease, Xerox Canada Ltd., bearing interest at 5.0%, payable in blended quarterly amounts of \$1,077 to maturity in December, 2024	18,133	—
Photocopier lease, Xerox Canada Ltd., bearing interest at 5.0%, payable in blended quarterly amounts of \$1,967 to maturity in December, 2024	33,082	—
Photocopier lease, Xerox Canada Ltd., bearing interest at 5.0%, payable in blended quarterly amounts of \$510 to maturity in December, 2024	8,577	—
Repaid during the year	—	20,885
Current portion of obligation under capital lease	164,287	154,296
	54,100	51,900
	<hr/>	<hr/>
	\$ 110,187	\$ 102,396

Minimum lease payments required in the next five years are as follows:

Year ended March 31

2021	\$ 54,100
2022	56,900
2023	25,800
2024	15,500
2025	11,987
	<hr/>
	\$ 164,287

# ESKASONI BAND COUNCIL

Notes to Consolidated Financial Statements

Year ended March 31, 2020

## 11. TANGIBLE CAPITAL ASSETS

			2020	2019
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 407,765	\$ -	\$ 407,765	\$ 407,765
Community infrastructure	18,195,790	6,187,274	12,008,516	10,690,650
Buildings				
Band administration	1,418,089	1,418,089	-	-
Sewer treatment plant	3,031,146	2,676,456	354,690	476,412
Health Centre Complex	10,192,120	606,486	9,585,634	9,741,262
Family Services Office	6,207,706	493,191	5,714,515	5,877,197
Health Centre	1,883,800	1,505,040	378,760	454,112
Police Station	2,351,587	1,332,942	1,018,645	1,106,774
Recreation Centre	2,960,224	1,614,571	1,345,653	1,431,734
Cultural Centre	1,884,805	1,221,997	662,808	738,200
Ambulance Station	220,338	114,582	105,756	114,570
Strip mall	1,629,558	672,376	957,182	978,047
Youth at Risk	200,638	103,627	97,011	105,037
Elder Centre	160,550	102,560	57,990	64,412
Fire station	1,660,514	242,824	1,417,690	1,484,111
Senior High School	7,878,500	6,073,406	1,805,094	2,120,233
Junior High School	7,911,167	7,363,319	547,848	853,489
Immersion School	3,580,142	1,473,317	2,106,825	2,237,453
Training Education Centre	134,130	123,399	10,731	16,096
School Administration	1,134,518	214,868	919,650	960,026
Other school building	39,195	15,743	23,452	25,019
School Gym	4,397,234	1,055,334	3,341,900	3,517,788
Health trailers	256,084	189,732	66,352	91,961
Other Community buildings	1,427,170	188,249	1,238,921	389,704
	60,559,215	28,802,108	31,757,107	32,783,637
Housing properties				
Section 95	23,832,517	8,256,902	15,575,615	15,376,219
Section 10	9,035,048	3,789,216	5,245,832	5,615,854
Multi-unit apartment	1,781,995	544,821	1,237,174	827,694
Other housing	11,464,452	9,539,473	1,924,979	2,374,139
	46,114,012	22,130,412	23,983,600	24,193,906
Motor vessels	243,870	153,667	90,203	53,170
Fishing vessels	7,045,310	6,435,443	609,867	873,303
Equipment and furniture	6,577,418	3,972,550	2,604,868	2,506,960
Fencing and paving	1,080,338	334,221	746,117	288,150
Wharfs	112,500	78,750	33,750	45,000
Motor vehicles	4,227,852	3,508,067	719,785	468,545
	19,287,288	14,482,698	4,804,590	4,235,128
	\$ 144,564,070	\$ 71,602,492	\$ 72,961,578	\$ 72,311,086

# ESKASONI BAND COUNCIL

Notes to Consolidated Financial Statements

Year ended March 31, 2020

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## 12. PREPAID EXPENSES

	2020	2019
Social development costs	\$ 319,656	\$ 61,586
Insurance	17,845	—
Student tuitions and other	96,528	126,073
	<hr/>	<hr/>
	\$ 434,029	\$ 187,659

## 13. REPLACEMENT RESERVE FUNDS

### a) Housing Replacement Reserve

Under the terms of agreements with Canada Mortgage and Housing Corporation (CMHC), the Replacement Reserves account is to be increased by annual charges against equity. 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 CMHC from time to time. The funds in the account may only be used as approved by CMHC. As at March 31, 2020, the balance of the reserve is \$1,237,617 (2019 - \$1,179,721) and the Band Council has set aside \$91,190 (2019 - \$957,242) in separate bank deposits.

From time to time the Band Council will transfer funds to the Replacement Reserves for non-CMHC housing. As at March 31, 2020 the balance of the reserve is \$317,000 (2019 - \$317,000).

### b) Moveable Capital Asset Reserve

Under the terms of the funding agreement with Health Canada, the Band can create a replacement reserve for moveable equipment. The balance in the replacement reserve as at March 31, 2020 is \$147,542 (2019 - \$147,542).

## 14. RELATED PARTY TRANSACTIONS

- a) During the year, the Band Council expensed Chief and Council honorariums totaling \$737,000 (2019 - \$737,000). The Band Council also expensed Council pension and group insurance contributions of \$74,940 (2019 - \$102,084). The honorariums and Council pension and group insurance are included in Band management expenditure.
- b) The Band Council has, in the current year, provided prepaid honorariums to some Councillors. No interest is charged on the balances. At March 31, 2020, the balance owed by Councillors totaled \$16,450 (2019 - \$34,436) for prepaid honorariums.

# ESKASONI BAND COUNCIL

Notes to Consolidated Financial Statements

Year ended March 31, 2020

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## 14. RELATED PARTY TRANSACTIONS (Continued)

- c) During the year, the Band Council provided fishing vessels and fishing licenses owned by the Band Council to Crane Cove Seafoods Limited Partnership who carried out the commercial fishing activities of the Band Council. The vessels and licenses were provided with no financial remuneration.
- d) During the year, the Band Council sold tobacco products under a quota system to certain members of the Band Council. The total sales were \$1,045,206 (2019 - \$942,037) and sales were made under the same terms and conditions as sales to other customers.
- e) During the year, the Band Council social development paid rental fees to certain members and family members of the Band Council in the amount of \$166,577 (2019 - \$153,998). These fees were for accommodations for Band members and under the same terms and conditions as rental fees to other landlords.
- f) During the year, the Band Council paid \$131,279 (2019 - \$130,036) to a contractor who was a member of the Band Council. These fees were under the same terms and conditions as payments to other contractors.

## 15. RETIREMENT PLAN

Eskasoni Band Council provides a defined contribution registered pension plan (RPP) for eligible employees. Eskasoni Band Council matches employee contributions to the plan. The employer contribution to the plan was \$876,808 in 2020 (2019 - \$843,907).

## 16. CONTINGENCIES

- a) Eskasoni Band Council has entered into contribution agreements with the Government of Canada. This funding is subject to repayment if the Band Council fails to comply with the terms and conditions of the agreement.
- b) Eskasoni Band Council, in prior years, participated in a Gifting Initiative Donation Program with a company external to the Band. Such gifting programs are under review by the Canada Revenue Agency and the allowable deductibility of donations by taxpayers. The Band has discontinued their relationship with the company. They are not in a position to assess any further potential claims that may arise from past transactions. The management of the Band Council will defend any legal action taken. Any claims that may arise pertaining to its involvement in the donation program could have a material effect on its consolidated financial position.
- c) The Band Council has been named a defendant in a legal matter. The outcome of the matter is not determinable and settlement, if any, will be accounted for as a charge to operations in the period of settlement.

# ESKASONI BAND COUNCIL

Notes to Consolidated Financial Statements

Year ended March 31, 2020

## 17. GOVERNMENT TRANSFERS

	Operating	Capital	2020 Total	2019 Total
Federal government				
Indigenous Services Canada	\$ 16,835,687	\$ 3,692,089	\$ 20,527,776	\$ 19,595,851
Mi'kmaq Kina'matnewey	19,703,255	–	19,703,255	19,831,914
Indigenous Services Canada -				
FNIHB	5,905,562	493,274	6,398,836	7,972,050
Mi'kmaq Employment				
Training Secretariat	1,422,584	–	1,422,584	1,360,246
Canada Mortgage and				
Housing Corporation	734,551	–	734,551	1,077,049
Fisheries and Oceans				
Canada	348,201	136,500	484,701	286,022
Atlantic Canada Opportunities				
Agency	–	69,408	69,408	374,767
Total federal government	44,949,840	4,391,271	49,341,111	50,497,899
Provincial government				
Province of Nova Scotia	773,946	100,000	873,946	511,562
	<b>\$ 45,723,786</b>	<b>\$ 4,491,271</b>	<b>\$ 50,215,057</b>	<b>\$ 51,009,461</b>

## 18. EXPENDITURES BY OBJECT

	2020	2019
Salaries and employee benefits	\$ 22,120,555	\$ 21,037,982
Interest on long-term debt	753,231	427,297
Administrative costs	3,000,165	2,984,459
Direct program costs	45,183,302	43,294,873
Amortization of capital assets	5,380,445	4,904,795
	<b>\$ 76,437,698</b>	<b>\$ 72,649,406</b>

## 19. FINANCIAL INSTRUMENTS

The Band Council is exposed to various risks through its financial instruments. The following analysis provides a measure of the Band Council's risk exposure and concentrations at the statement of financial position date March 31, 2020.

# ESKASONI BAND COUNCIL

Notes to Consolidated Financial Statements

Year ended March 31, 2020

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## 19. FINANCIAL INSTRUMENTS (Continued)

### a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Band Council's main credit risk is related to accounts receivable. The Band Council monitors the components of accounts receivable on an ongoing basis and records an allowance for doubtful accounts based on its assessment of individual accounts and their eventual collectability.

### b) Liquidity risk

Liquidity risk is the risk that the Band Council will encounter difficulty in meeting obligations associated with financial liabilities. The Band Council manages its liquidity risk by constantly monitoring forecasted and actual cash flow and expenditures and maintains a credit facility that can be drawn upon if unforeseen circumstances were to develop.

### c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

#### i) Currency rate risk

Currency risk is the risk that the fair value of a financial instrument or related future cash flow will fluctuate because of change in foreign exchange rates. The Band Council is not exposed to currency risk.

#### ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Band Council's exposure to interest rate risk is reduced as the majority of its debt is at fixed rates with varying maturity dates.

#### iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual financial instruments or its issuer, or factors affecting all similar financial instruments traded in the market. The Band Council is not exposed to other price risk.

## 20. COMPARATIVE FIGURES

Certain of the 2020 comparative figures have been reclassified to conform with the financial statement presentation adopted for 2019.

# **ESKASONI BAND COUNCIL**

Notes to Consolidated Financial Statements

Year ended March 31, 2020

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## **21. RESTATEMENT**

During the year, the Band Council determined that, based on the accounting guideline for purchased intangibles as contained in the CPA Canada Public Sector Accounting Handbook, it should recognize its fishing licenses as non-financial assets. The assets have been recognized retrospectively, and as a result fishing licenses have been recognized of \$11,510,189 with a corresponding increase to accumulated surplus.

## **22. 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 Eskasoni Band Council in future fiscal years.

## ESKASONI BAND COUNCIL

Notes to Consolidated Financial Statements

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

### 23. SEGMENT DISCLOSURE

	Social Development			Housing and Capital			Operations and Maintenance		
	Budget 2020 (unaudited)	2020 2019	Budget 2020 (unaudited)	2020 2019	Budget 2020 (unaudited)	2020 2019	Budget 2020 (unaudited)	2020 2019	
<b>REVENUE</b>									
Indigenous Services Canada	\$ 13,278,922	\$ 13,378,397	\$ 13,210,914	\$ 2,992,400	\$ 3,712,870	\$ 3,377,821	\$ 863,845	\$ 886,826	\$ 870,685
Mi'kmaq Kina'matnewey	—	—	—	—	—	—	—	—	—
Mi'kmaq Employment Training Secretariat	—	—	—	—	—	—	—	—	—
Indigenous Services Canada - FNIHB	—	—	—	—	—	—	—	—	—
Atlantic Canada Opportunities Agency	—	—	—	—	—	—	—	—	—
Province of Nova Scotia	—	—	—	—	—	—	4,800	—	—
Fisheries and Oceans Canada	—	—	—	—	—	—	—	—	—
Canada Mortgage and Housing Corp.	250,000	310,000	250,000	880,000	700,823	1,062,049	—	—	—
Net earnings of limited partnership	—	—	—	—	1,348,000	747,124	100,000	100,000	100,000
Unincorporated enterprises revenue	—	—	—	—	—	—	—	—	—
Other revenue	—	—	—	—	1,221,200	1,845,413	1,702,665	38,190	149,143
	13,528,922	13,688,397	13,460,914	5,701,600	7,611,906	6,889,659	1,002,035	1,135,969	99,994
									1,070,679
<b>EXPENDITURE</b>									
Salaries and employee benefits	417,153	440,315	465,920	—	—	—	616,203	576,242	574,942
Direct program costs	14,750,000	14,554,386	14,463,027	2,272,000	3,576,668	2,876,199	2,011,600	2,007,209	1,931,345
Interest on long-term debt	—	—	—	380,000	358,918	361,583	—	—	287
Administrative costs	48,000	45,280	58,944	274,000	304,838	269,921	—	—	—
Amortization of capital assets	—	—	—	—	—	—	—	—	—
	15,215,153	15,039,981	14,987,891	2,926,000	4,240,424	3,507,703	2,627,803	2,583,451	2,506,574
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE</b>									
	\$ (1,686,231)	\$ (1,351,584)	\$ (1,526,977)	\$ (1,625,768)	\$ 3,371,482	\$ 3,381,956	\$ (1,625,768)	\$ (1,447,482)	\$ (1,435,895)

## ESKASONI BAND COUNCIL

Notes to Consolidated Financial Statements

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

### 23. SEGMENT DISCLOSURE (Continued)

REVENUE	Economic Development			Band Management			Fishery Resource Development		
	Budget 2020		2019	Budget 2020		2019	Budget 2020		2019
	(unaudited)		(unaudited)	(unaudited)		(unaudited)	(unaudited)		(unaudited)
Indigenous Services Canada	\$ 618,600	\$ 618,939	\$ 818,197	\$ 1,243,800	\$ 1,153,695	\$ 1,318,234	\$ -	\$ -	\$ -
Mi'kmaq Kina'matnewey	6,000	6,040	45,133	295,200	293,051	290,310	-	-	-
Mi'kmaq Employment Training Secretariat	1,030,646	1,172,616	1,110,278	-	-	-	-	-	-
Indigenous Services Canada - FNIHB	-	-	-	49,870	-	-	-	-	-
Atlantic Canada Opportunities Agency	-	-	2,820	-	-	-	-	-	-
Province of Nova Scotia	-	-	-	-	-	-	-	-	68,022
Fisheries and Oceans Canada	-	-	-	-	-	-	285,000	484,701	286,022
Canada Mortgage and Housing Corp.	20,000	33,728	15,000	-	-	-	-	-	-
Net earnings of limited partnership	-	27,000	7,500	-	142,000	9,900	100,000	100,000	100,000
Unincorporated enterprises revenue	-	-	-	-	-	-	-	-	-
Other revenue	926,000	952,239	885,467	120,000	635,979	353,222	-	138,423	94,340
	2,601,246	2,813,382	2,931,445	1,659,000	2,224,725	1,971,666	385,000	791,146	480,362
<b>EXPENDITURE</b>									
Salaries and employee benefits	211,950	206,542	206,440	2,068,464	2,192,109	2,030,280	305,446	347,626	345,693
Direct program costs	2,313,696	2,525,467	2,402,592	-	-	-	79,554	234,900	135,719
Interest on long-term debt	-	-	-	-	230,596	-	-	-	-
Administrative costs	75,600	97,682	76,789	178,800	131,468	208,694	-	-	-
Amortization of capital assets	-	-	-	-	-	-	-	-	-
	2,601,246	2,829,691	2,685,821	2,247,264	2,554,173	2,238,974	385,000	582,526	481,412
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE</b>									
	\$ -	\$ (16,309)	\$ 245,624	\$ (588,264)	\$ (329,448)	\$ (267,308)	\$ -	\$ 208,620	\$ (1,050)

## ESKASONI BAND COUNCIL

Notes to Consolidated Financial Statements

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

### 23. SEGMENT DISCLOSURE (Continued)

REVENUE	Education			Health			Band Business Enterprises		
	Budget 2020		2019	Budget 2020		2019	Budget 2020		2019
	(unaudited)		(unaudited)	(unaudited)		(unaudited)	(unaudited)		(unaudited)
Indigenous Services Canada	\$ 17,988,804	\$ 19,404,164	\$ 19,441,971	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Mi'kmaq Kina'matnewey	249,968	249,968	249,968	—	6,635,312	6,398,836	7,972,050	—	—
Mi'kmaq Employment Training Secretariat	—	—	—	—	180,000	329,532	—	—	36,400
Indigenous Services Canada - FNIHB	—	—	—	—	—	—	—	—	—
Atlantic Canada Opportunities Agency	—	—	—	—	—	—	—	—	—
Province of Nova Scotia	—	—	—	—	—	—	—	—	—
Fisheries and Oceans Canada	—	—	—	—	—	—	—	—	—
Canada Mortgage and Housing Corp.	—	—	—	—	—	—	—	—	—
Net earnings of limited partnership	—	—	—	—	—	—	—	—	—
Unincorporated enterprises revenue	232,283	337,342	373,338	979,235	1,300,405	1,047,234	18,106,584	17,773,906	18,286,556
Other revenue	18,471,055	19,991,474	20,065,277	7,794,547	8,028,773	9,019,284	18,106,584	17,810,306	18,286,556
 <b>EXPENDITURE</b>									
Salaries and employee benefits	12,086,230	13,575,958	12,752,749	3,440,608	3,545,602	3,407,976	915,620	939,328	890,800
Direct program costs	4,809,039	4,444,039	4,225,620	3,310,509	2,684,080	2,311,638	12,844,122	12,362,533	12,695,102
Interest on long-term debt	—	8,872	—	153,230	154,845	65,427	—	—	—
Administrative costs	653,649	418,574	480,820	530,200	625,986	514,623	1,361,826	1,376,337	1,374,668
Amortization of capital assets	—	—	—	—	—	—	—	—	—
	17,548,918	18,447,443	17,459,189	7,434,547	7,010,513	6,299,664	15,121,568	14,678,198	14,960,570
 <b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE</b>	\$ 922,137	\$ 1,544,031	\$ 2,606,088	\$ 360,000	\$ 1,018,260	\$ 2,719,620	\$ 2,985,016	\$ 3,132,108	\$ 3,325,986

## ESKASONI BAND COUNCIL

Notes to Consolidated Financial Statements

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

### 23. SEGMENT DISCLOSURE (Continued)

	Corporate Division			Other Programs			Budget 2020 (unaudited)	Budget 2020 (unaudited)	Total
	Budget 2020		2019	Budget 2020		2019			
		(unaudited)		(unaudited)					
<b>REVENUE</b>									
Indigenous Services Canada	\$	—	\$	—	\$	—	\$	777,049	\$ 19,595,851
Mikmaq Kina'matnewey	—	—	—	—	—	—	\$	54,500	\$ 19,703,255
Mikmaq Employment Training Secretariat	—	—	—	—	—	—		—	19,831,914
Indigenous Services Canada - FNIB	—	—	—	—	—	—		1,280,614	1,422,584
Atlantic Canada Opportunities Agency	—	—	324,897	—	—	—		6,635,312	7,972,050
Province of Nova Scotia	—	15,000	—	475,000	—	—		—	374,767
Fisheries and Oceans Canada	—	—	—	—	—	—		69,408	511,562
Canada Mortgage and Housing Corporation	—	—	—	—	—	—		873,946	873,946
Net earnings of limited partnership	335,000	342,000	325,000	1,790,240	3,049,121	2,391,900		285,000	286,022
Unincorporated enterprises revenue	—	—	—	—	—	—		628,000	734,551
Other revenue	—	93,115	377,266	442,824	567,817	628,840		3,455,240	1,077,049
	335,000	519,523	1,027,163	2,708,064	4,811,359	3,586,802		18,106,584	5,418,121
								17,773,906	3,931,424
								18,286,556	18,286,556
<b>EXPENDITURE</b>									
Salaries and employee benefits	221,700	228,133	237,994	115,610	68,700	125,188	\$	20,398,984	\$ 22,120,555
113,300	146,879	141,227	1,899,660	2,647,141	2,112,404	—		44,403,480	21,037,982
Direct program costs	—	—	—	—	—	—		533,230	43,294,873
Interest on long-term debt	—	—	—	—	—	—		753,231	427,297
Administrative costs	—	—	—	—	—	—		3,122,075	2,984,459
Amortization of capital assets	—	—	—	3,835,284	5,380,445	4,904,795		3,835,284	5,380,445
	335,000	375,012	379,221	5,850,554	8,096,286	7,142,387		72,293,053	4,904,795
								76,437,698	72,649,406
								78,789,807	78,789,807
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE</b>									
	\$	—	\$	144,511	\$ 647,942	\$ (3,142,490)	\$ (3,284,927)	\$ (3,555,585)	\$ 6,140,401
								—	\$ 2,989,262
									\$ 6,140,401

# ESKASONI BAND COUNCIL

Schedule A – Indigenous Services Canada Contributions

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

		2020	2019
	Budget	Actual	Actual
	(Unaudited)		
<b>REVENUE</b>			
Social development (Schedule D)			
Income assistance	\$ 12,759,322	\$ 12,818,253	\$ 12,658,233
Assisted living	519,600	522,144	515,626
Family violence prevention	–	38,000	37,055
Community infrastructure (Schedule E)			
Core funding	1,412,400	1,416,410	1,398,728
Pumphouse and well	–	87,213	150,000
Emergency measures	900,000	1,602,812	640,155
Lot service and mini homes	300,000	326,341	222,638
Generators	–	–	205,000
Construction of multi-units	60,000	65,080	433,495
Renovations and addition	300,000	155,843	164,909
Strip Mall design	–	38,400	–
Jordan's Principal fences	–	–	118,315
Roads and bridges	20,000	20,771	44,581
Operations and maintenance (Schedule F)			
Core funding	773,180	779,762	770,028
Sewer and water systems	90,665	91,572	90,665
Engineering study	–	15,492	9,992
Economic development (Schedule G)			
Planning and operations	273,600	276,589	271,337
Skills Link program	300,000	299,277	327,587
Tourism development	–	–	30,532
Economic development opportunities	–	–	53,845
Solid waste education	45,000	43,073	84,896
Community plan	–	–	50,000
Band management (Schedule I)			
Band government support	1,149,600	1,084,497	1,138,456
Registration and membership	48,000	47,542	47,542
Lands management	22,200	21,656	21,656
Housing capacity development	24,000	–	110,580
Other			
Covid-19 response	–	472,961	–
Covid-19 basic needs	–	304,088	–
<b>TOTAL REVENUE</b>	<b>\$ 18,997,567</b>	<b>\$ 20,527,776</b>	<b>\$ 19,595,851</b>

# ESKASONI BAND COUNCIL

## Schedule B – Health Programs

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

		2020	2019
	Budget (Unaudited)	Actual	Actual
<b>REVENUE</b>			
Indigenous Services Canada - Health	\$ 6,635,312	\$ 6,398,836	\$ 7,972,050
Province of Nova Scotia	180,000	329,532	–
Nova Scotia Health Authority	–	160,175	–
Eskasoni Band Council	250,000	250,000	250,000
Canadian Institute for Health Research and Graham Boeckh Foundation	278,625	279,650	278,625
Union of Nova Scotia Indians	71,886	49,886	130,446
Rent	166,200	201,185	153,500
Other revenue and recoveries	212,524	359,509	234,663
	7,794,547	8,028,773	9,019,284
<b>EXPENDITURE</b>			
Mental Health programs	1,111,390	1,159,463	1,182,595
Youth Crisis Centre	402,692	391,500	385,200
Nursing program	283,066	312,457	276,196
Home care nursing program	1,007,908	1,011,151	986,357
Prenatal and other nutrition	24,720	20,327	24,712
Maternal Child Health	162,206	167,653	158,276
Health administration and building costs	893,044	987,920	869,107
Interest on long-term debt	153,230	154,845	65,427
Renovations and capital	480,000	–	–
Jordan's Principal	900,000	648,390	330,153
Health information technology	99,072	103,434	107,372
Out of country insurance	30,000	30,000	30,000
Health liaison worker	35,676	38,448	35,804
Diabetes nursing and activities	101,564	101,213	106,125
Primary care	328,356	333,099	303,714
Head Start program	240,891	233,695	236,918
Early intervention (FASD)	23,455	59,962	59,875
Medical transportation	945,420	947,239	939,210
Immunization and disease control	76,283	48,579	71,638
Other Health projects	135,574	261,138	130,985
	7,434,547	7,010,513	6,299,664
Net revenue before the following	360,000	1,018,260	2,719,620
<b>FINANCING AND TRANSFERS</b>			
Principal payment on bank loan	(120,000)	(118,385)	(48,418)
Transfer to infrastructure program	–	(493,274)	–
Transfer for capital assets	(240,000)	(370,136)	(2,589,376)
	(360,000)	(981,795)	(2,637,794)
<b>EXCESS OF REVENUE OVER EXPENDITURE</b>	\$ –	\$ 36,465	\$ 81,826

# ESKASONI BAND COUNCIL

Schedule C – Eskasoni Gaming Commission

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

	2020	2019
<b>REVENUE</b>		
Wager	\$ 13,527,282	\$ 13,319,860
<b>COST OF SALES</b>		
Atlantic Lottery Corporation	320,680	446,316
Prizes	10,888,456	10,687,342
Siteholder commission	1,122,775	1,093,101
	<u>12,331,911</u>	<u>12,226,759</u>
Net revenue before expenditures	1,195,371	1,093,101
<b>EXPENDITURE</b>		
Wages and benefits	91,843	89,441
Travel and training	11,637	10,802
Office and telephone	11,389	9,741
Rent	12,000	12,000
Interest and bank charges	–	446
Band member support		
Comfort allowance and other donations	881,133	664,246
Youth programs	296,547	319,778
Police liaison program	30,000	30,000
Advertising and promotion	3,076	5,488
	<u>1,337,625</u>	<u>1,141,942</u>
Net revenue (expenditure) before transfers	(142,254)	(48,841)
<b>FINANCING AND TRANSFERS</b>		
Transfer from Eskasoni Gaming Centre	150,000	75,000
<b>EXCESS OF REVENUE OVER EXPENDITURE</b>	<u>\$ 7,746</u>	<u>\$ 26,159</u>

## ESKASONI BAND COUNCIL

### Schedule D – Mortgages Payable

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

	Loan Type	Interest Rate	Monthly Payment	Maturity Date	Rate Fixed to Date	2020	2019
<b>Canada Mortgage and Housing Corporation</b>							
Mortgage	3.89%	\$ 3,192	December 2020	December 2020	\$ 25,170	\$ 61,723	
Mortgage	1.11%	\$ 6,637	November 2020	November 2020	\$ 52,874	\$ 131,457	
Mortgage	1.05%	\$ 1,997	February 2025	April 2020	\$ 114,788	137,417	
Mortgage	1.03%	\$ 1,333	July 2026	October 2021	\$ 98,055	112,960	
Mortgage	1.30%	\$ 1,270	June 2027	June 2022	\$ 105,388	119,159	
Mortgage	1.30%	\$ 742	May 2027	June 2022	\$ 60,943	69,003	
Mortgage	2.22%	\$ 1,254	November 2028	January 2024	\$ 118,584	130,857	
Mortgage	1.86%	\$ 2,530	May 2029	April 2024	\$ 255,725	281,067	
Mortgage	1.14%	\$ 4,014	May 2031	June 2021	\$ 504,929	547,083	
Mortgage	1.44%	\$ 2,635	January 2032	February 2022	\$ 343,871	370,333	
Mortgage	1.44%	\$ 310	January 2032	February 2022	\$ 40,397	43,506	
Mortgage	2.49%	\$ 3,045	July 2022	July 2022	\$ 82,762	116,790	
Mortgage	2.58%	\$ 751	September 2022	July 2022	\$ 20,401	28,775	
Mortgage	2.68%	\$ 2,270	July 2023	July 2023	\$ 86,780	111,341	
Mortgage	1.97%	\$ 5,008	October 2032	December 2022	\$ 669,569	715,998	
Mortgage	2.52%	\$ 4,026	July 2033	September 2023	\$ 547,037	581,135	
Mortgage	2.14%	\$ 1,140	January 2034	March 2024	\$ 163,740	173,802	
Mortgage	1.69%	\$ 2,511	July 2034	September 2024	\$ 383,512	406,808	
Mortgage	1.17%	\$ 4,627	October 2035	January 2021	\$ 790,663	836,640	
Mortgage	1.08%	\$ 2,671	August 2035	August 2020	\$ 455,060	482,037	
Mortgage	1.03%	\$ 689	September 2036	October 2021	\$ 125,400	132,336	
Mortgage	1.43%	\$ 2,148	March 2037	April 2022	\$ 388,982	409,046	
Mortgage	2.39%	\$ 776	February 2038	February 2023	\$ 135,736	141,735	
Mortgage	2.50%	\$ 5,359	April 2038	June 2023	\$ 935,803	976,233	
Mortgage	1.12%	\$ 4,664	May 2021	December 2020	\$ 41,787	96,951	
Mortgage	2.70%	\$ 786	September 2023	September 2023	\$ 31,459	39,916	
Mortgage	2.22%	\$ 3,707	December 2038	January 2024	\$ 682,376	711,399	
Mortgage	2.52%	\$ 976	September 2038	September 2023	\$ 173,286	180,549	
Mortgage	1.08%	\$ 1,727	August 2040	August 2020	\$ 379,692	396,220	
Mortgage	0.94%	\$ 644	September 2040	September 2020	\$ 144,012	150,351	
Mortgage	1.03%	\$ 651	November 2041	November 2021	\$ 151,612	157,824	
Mortgage	1.43%	\$ 1,400	April 2042	April 2022	\$ 318,382	330,545	
Mortgage	2.41%	\$ 2,593	April 2043	April 2023	\$ 494,155	511,792	
Mortgage Advances		\$ 4,376	September 2044	September 2024	\$ 922,460	–	
						\$ 461,814	
						\$ 9,845,390	\$ 10,154,602

## **ESKASONI BAND COUNCIL**

Schedule D – Mortgages Payable (Continued)

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

	Loan Type	Interest Rate	Monthly Payment	Maturity Date	Rate Fixed to Date	2020	2019
<b>Bank of Montreal</b>	Mortgage	4.02%	\$ 13,263	April 2030	August 2023	\$ 1,319,550	\$ 1,423,704
	Mortgage	3.76%	\$ 7,562	December 2022	January 2024	243,531	323,531
	Mortgage	5.41%	\$ 11,953	December 2025	December 2020	708,222	810,966
			\$ 32,778			\$ 2,271,303	\$ 2,558,201