

Eskasoni Band Council
Consolidated Financial Statements

March 31, 2022

Independent Auditor's Report

To the Members of Eskasoni Band Council:

Qualified Opinion

We have audited the financial statements of Eskasoni Band Council (the "Band Council"), which comprise the consolidated statement of financial position as at March 31, 2022, and the consolidated statements of operations, accumulated surplus, changes in net debt and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Band Council as at March 31, 2022, and the results of its operations, changes in its net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

The Band Council has control of Eskasoni Supermarket Limited which operates within the community under an operating agreement with a third party. Management has recorded this investment in Eskasoni Supermarket Limited on a modified equity basis. As an other government organization, Eskasoni Supermarket Limited should be included in the financial statements of Eskasoni Band Council on a consolidated basis. Further, management has been unable to provide adequate financial information to provide reasonable assurance that the balances are free from material misstatement. Consequently, we were unable to determine the extent of any adjustments to those amounts.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under Statements section of our report. We are independent of the Band Council in accordance with the ethical requirements that are those standards are further described in the Auditor's Responsibilities for the Audit of the Financial relevant to our audit of the 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 qualified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the 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.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Band Council to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Sydney, Nova Scotia
December 11, 2023

MNP LLP
Chartered Professional Accountants

Eskasoni Band Council
Consolidated Financial Statements
For the year ended March 31, 2022

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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

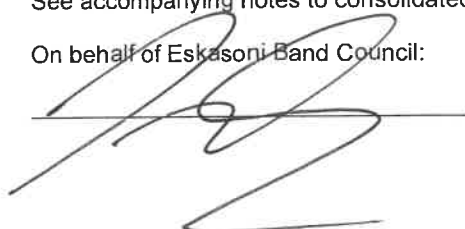

Band Manager

Eskasoni Band Council
Consolidated Statement of Financial Position
As at March 31, 2022

	2022	2021
FINANCIAL ASSETS		
Cash	\$ 47,659,395	\$ 29,487,160
Restricted cash and deposits (note 2)	5,077,249	2,687,593
Accounts receivable (note 3)	3,302,425	1,837,824
Due from Government of Canada (note 4)	15,144,821	5,003,733
Due from Province of Nova Scotia	1,497,238	1,661,260
Inventory held for resale	132,863	65,431
Investment in Crane Cove Seafoods Limited Partnership (note 5)	2,062,647	2,515,573
Investment in incorporated business enterprises (note 6)	557,254	919,425
	75,433,892	44,177,999
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities (note 7)	9,878,980	8,707,085
Deferred revenue (note 8)	27,255,528	14,351,047
Long-term debt (note 9)	22,292,709	22,356,873
Obligations under capital lease (note 10)	125,139	109,964
	59,552,356	45,524,969
NET ASSETS (DEBT)	15,881,536	(1,346,970)
NON-FINANCIAL ASSETS		
Tangible capital assets (note 11)	83,695,315	75,752,298
Fishing licenses	19,052,424	19,052,424
Prepaid expenses (note 12)	1,078,722	978,076
	103,826,461	95,782,798
ACCUMULATED SURPLUS	\$ 119,707,997	\$ 94,435,828
Accumulated surplus represented by		
Unrestricted		
Operating fund	\$ 3,113,911	\$ 1,028,680
Capital fund	77,869,254	69,827,552
Restricted		
Limited partnership fund	2,062,647	2,515,573
Band community investment fund	18,365,496	8,856,782
Fishing license trust fund	1,436,437	1,371,437
Band trust fund	159,994	140,865
Capital asset replacement funds	14,935,507	10,521,326
CMHC operating fund	1,764,751	173,613
Contingencies (note 16)		
	\$ 119,707,997	\$ 94,435,828

See accompanying notes to consolidated financial statements.

On behalf of Eskasoni Band Council:


 Chief


 Band Manager

Eskasoni Band Council
Consolidated Statement of Operations
For the year ended March 31, 2022

		2022	2021
	Budget (Unaudited)	Actual	Actual
REVENUE			
Indigenous Services Canada (Schedule A)	\$ 24,932,821	\$ 30,286,487	\$ 26,711,705
Mi'kmaw Kina'matnewey	21,300,032	24,238,020	21,731,230
Indigenous Services Canada, FNIHB	6,662,957	7,761,863	6,751,036
Mi'kmaq Employment Training Secretariat	1,280,614	1,780,092	1,290,407
Canada Mortgage and Housing Corporation	520,000	475,594	534,539
Fisheries and Oceans Canada	410,000	578,061	2,932,300
Infrastructure Canada	—	3,992,536	2,206,596
Province of Nova Scotia	490,000	1,483,257	1,672,934
Other agencies and funds	5,067,523	6,354,404	9,512,163
Unincorporated enterprises revenue	20,259,460	21,656,149	19,878,721
	80,923,407	98,606,463	93,221,631
EXPENDITURE			
Health programs	7,714,227	7,824,655	7,694,290
Education	20,440,000	19,751,102	18,109,416
Social development	15,056,279	13,482,021	14,636,453
Housing and infrastructure	1,150,286	3,671,176	2,992,609
Operations and maintenance	2,870,265	2,523,366	2,680,078
Economic development	4,255,276	3,857,248	3,629,432
Fishery resource development	730,000	804,890	730,205
Band management	2,311,102	2,306,198	1,971,510
Canada Mortgage and Housing Corporation			
Section 95 housing	780,000	665,829	751,411
Other programs	1,852,760	1,437,868	1,302,725
Corporate division	325,000	407,213	378,190
Contribution to Eskasoni Supermarket Limited	360,000	479,983	69,920
Eskasoni Tobacco Shop	13,381,800	13,609,036	12,825,587
Eskasoni Gaming Centre	753,067	789,563	784,622
Eskasoni Gaming Commission	1,014,682	1,387,138	853,876
Eskasoni Recreation Centre	365,717	330,887	329,895
Sarah Denny Cultural Centre	159,627	164,675	160,070
Eskasoni Fitness Centre	230,433	194,173	199,527
Eskasoni Communications	440,000	527,211	—
Eskasoni Leasing Corporation	259,396	383,750	270,312
Covid-19 pandemic	4,000,000	4,693,087	4,881,520
Amortization of tangible capital assets	7,016,230	5,697,106	5,462,145
	85,466,147	84,988,175	80,713,793
Net revenue (expenditure) before the following	(4,542,740)	13,618,288	12,507,838
Other earnings			
Crane Cove Seafoods Limited			
Partnership (note 5)	4,542,740	11,614,108	3,461,988
EXCESS OF REVENUE OVER EXPENDITURE FROM OPERATIONS	\$ —	\$ 25,232,396	\$ 15,969,826

See accompanying notes to consolidated financial statements.

Eskasoni Band Council
Consolidated Statement of Change in Accumulated Surplus
For the year ended March 31, 2022

	Operating Fund	Capital Fund	Limited Partnership Fund	Band Community Investment Fund	CMHC Operating Reserve Fund	Fisheries Licence Trust Fund	Band Trust Fund	Capital Asset Replacement	2022	2021
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE	\$ 30,929,502	\$ (5,697,106)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,232,396	\$ 15,966,826
FINANCING AND TRANSFERS										
Principal payments on term debt	(1,331,639)	1,331,639	-	-	-	-	-	-	-	-
Principal payments on capital lease	(53,938)	53,938	-	-	-	-	-	-	-	-
Principal payments on capital lease	(19,110)	19,110	-	-	-	-	-	-	-	-
Transfer to capital investment funds	(9,334,714)	-	-	9,334,714	-	-	-	-	-	-
Transfer to (from) capital replacement funds	(4,566,399)	-	-	-	-	-	-	4,566,399	-	-
Transfer to operating fund reserve	(1,587,673)	-	-	-	1,587,673	-	-	-	-	18,266
Other transfers	(4,500)	(103)	-	-	-	-	-	14,648	-	-
Interest earned on Band Trust Funds	-	-	-	-	3,465	-	2,902	7,134	13,501	7,262
Income earned by Band Trust Fund	-	-	-	174,000	-	-	16,227	-	16,227	13,449
Transfer from (to) replacement funds	(65,000)	-	-	-	-	65,000	-	-	-	-
Transfer for fishing licence acquisition	(12,113,232)	12,113,232	-	-	-	-	-	-	-	-
Transfer to capital for asset acquisition	17,365	(17,365)	-	-	-	-	-	-	-	854,841
Net book value of assets sold	452,926	-	(452,926)	-	-	-	-	-	-	(1,752,531)
Transfer to Limited Partnership Fund	(238,357)	238,357	-	-	-	-	-	-	-	-
Transfer to housing capital - Section 95	(28,844,271)	13,738,808	(452,926)	9,508,714	1,591,138	65,000	19,129	4,414,181	39,773	(858,913)
ANNUAL SURPLUS (DEFICIT)	2,065,231	8,041,702	(452,926)	9,508,714	1,591,138	65,000	19,129	4,414,181	25,272,169	15,110,913
BALANCE, BEGINNING OF YEAR	1,028,680	69,827,552	2,515,673	8,856,782	173,613	1,371,437	140,865	10,521,326	94,435,828	79,324,915
ACCUMULATED SURPLUS, END OF YEAR	\$ 3,113,911	\$ 77,869,254	\$ 2,062,647	\$ 18,365,496	\$ 1,764,751	\$ 1,436,437	\$ 159,994	\$ 14,935,507	\$ 119,707,997	\$ 94,435,828
Accumulated surplus (deficit) is as follows:										
Eskasoni General Account	\$ 2,065,089	\$ 59,409,404	\$ 2,062,647	\$ 18,365,496	\$ -	\$ 1,436,437	\$ 159,994	\$ -	\$ 83,502,047	\$ 64,046,304
Eskasoni Health Centre	954,310	6,001,460	-	-	-	-	-	147,542	7,103,312	6,859,117
Eskasoni School Board	145,919	8,336,454	-	-	-	-	-	13,271,587	21,753,960	18,249,827
CMHC Section 95 Projects	(59,456)	4,121,536	-	-	1,764,751	-	-	1,516,378	7,403,065	5,344,189
Eskasoni Gaming Commission	3,664	-	-	-	-	-	-	-	(59,456)	(65,079)
Eskasoni Tobacco Commission	1,405	-	-	-	-	-	-	-	3,664	65
Other	-	-	-	-	-	-	-	-	1,405	1,405
ACCUMULATED SURPLUS, END OF YEAR	\$ 3,113,911	\$ 77,869,254	\$ 2,062,647	\$ 18,365,496	\$ 1,764,751	\$ 1,436,437	\$ 159,994	\$ 14,935,507	\$ 119,707,997	\$ 94,435,828

Eskasoni Band Council
Consolidated Statement of Change in Net Financial Assets (Net Debt)
For the year ended March 31, 2022

	2022	2021
ANNUAL SURPLUS	\$ 25,272,169	\$ 15,110,913
Tangible capital assets		
Increase in tangible capital assets	(13,640,123)	(8,252,865)
Amortization of tangible capital assets	5,697,106	5,462,145
	(7,943,017)	(2,790,720)
Other non-financial assets		
Net increase in fishing licenses	–	(7,542,235)
Net increase in prepaid expenses	(100,646)	(544,047)
	(100,646)	(8,086,282)
DECREASE IN NET DEBT	17,228,506	4,233,911
NET DEBT, BEGINNING OF YEAR	(1,346,970)	(5,580,881)
NET ASSETS (DEBT), END OF YEAR	\$ 15,881,536	\$ (1,346,970)

See accompanying notes to consolidated financial statements.

Eskasoni Band Council
Consolidated Statement of Cash Flows
For the year ended March 31, 2022

	2022	2021
OPERATING ACTIVITIES		
Excess of revenue over expenditure from operations	\$ 25,232,396	\$ 15,969,826
Items not involving cash		
Amortization of tangible capital assets	5,697,106	5,462,145
	30,929,502	21,431,971
Change in non-cash items		
Decrease (increase) in accounts receivable	(1,464,601)	1,431,875
Decrease (increase) in due from Government of Canada	(10,141,088)	2,154,323
Decrease (increase) in due from Province of Nova Scotia	164,022	(1,108,311)
Decrease (increase) in inventory held for resale	(67,432)	121,041
Increase in prepaid expenses	(100,646)	(544,047)
Increase in accounts payable and accrued liabilities	1,171,895	1,424,630
Increase in deferred revenue	12,904,481	4,800,657
	33,396,133	29,712,139
FINANCING ACTIVITIES		
Proceeds of long-term debt	1,267,475	295,551
Principal payments on long-term debt	(1,331,639)	(1,404,297)
Proceeds from capital leases	88,223	—
Repayment in obligation under capital lease	(53,938)	(54,323)
Forgiveness of obligation under capital lease	(19,110)	—
	(48,989)	(1,163,069)
INVESTING ACTIVITIES		
Additions to tangible capital assets	(13,640,123)	(7,408,955)
Income earned on Band Trust Fund	19,129	15,979
Interest earned on Housing Reserve Funds	10,599	4,732
Decrease (increase) in investment in limited partnership for operations	452,926	(482,755)
Decrease (increase) in investment in business enterprises	362,171	(432,292)
Transfer to replacement reserve	14,648	18,266
Other transfers	(4,603)	—
Increase in fishing licenses	—	(9,284,035)
	(12,785,253)	(17,569,060)
INCREASE IN CASH AND CASH EQUIVALENTS	20,561,891	10,980,010
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	32,174,753	21,194,743
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 52,736,644	\$ 32,174,753
Cash and cash equivalents consist of		
Cash	\$ 47,659,395	\$ 29,487,160
Restricted cash and deposits	5,077,249	2,687,593
	\$ 52,736,644	\$ 32,174,753
Supplemental cash flow information		
Capital assets acquired through capital lease	\$ 88,223	\$ —

See accompanying notes to consolidated financial statements.

Eskasoni Band Council
Notes to Consolidated Financial Statements
For the year ended March 31, 2022

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
For the year ended March 31, 2022

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
For the year ended March 31, 2022

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, investments, tangible capital assets and fishing licenses. Due to the inherent uncertainty in making estimates, actual results could differ from those estimates.

(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.

Eskasoni Band Council
Notes to Consolidated Financial Statements
For the year ended March 31, 2022

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

(p) Segments

The Band Council conducts its business through eleven reportable segments: Social Development, Housing and Capital, Operations and Maintenance, Economic Development, Band Management, Fishery Resource Development, Education, Health, Band Business Enterprises, Corporate Division, and Other Programs. These operating segments are established by senior management to facilitate the achievement of the Band Council's long-term objectives to aid in resource allocation decisions and to assess operational performance.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements. Inter-segment transfers are recorded at their exchange amount.

2. RESTRICTED CASH AND DEPOSITS

	2022	2021
Trust funds held by Government of Canada	\$ 159,994	\$ 140,865
CMHC reserve funds	3,480,818	1,175,291
Fishing license funds in trust	1,436,437	1,371,437
	\$ 5,077,249	\$ 2,687,593

Eskasoni Band Council
Notes to Consolidated Financial Statements
For the year ended March 31, 2022

3. ACCOUNTS RECEIVABLE

	2022	2021
Mi'kmaw Kina'matnewey	\$ 1,377,414	\$ 84,389
Chief and Council honorariums prepaid	11,114	40,490
Other Band Councils	49,495	71,325
Live Stor Sydney Limited	890,834	787,679
Other sundry receivables	973,568	853,941
	\$ 3,302,425	\$ 1,837,824

4. DUE FROM GOVERNMENT OF CANADA

	2022	2021
Indigenous Services Canada	\$ 9,271,477	\$ 3,851,343
Mi'kmaq Employment Training Secretariat	428,545	93,859
Canada Mortgage and Housing Corporation	99,634	83,199
Fisheries and Oceans Canada	324,614	122,300
Indigenous Services Canada - FNIHB	131,226	74,570
Harmonized Sales Tax receivable	137,409	158,843
Atlantic Canada Opportunities Agency	228,250	58,250
Infrastructure Canada	4,523,666	561,369
	\$ 15,144,821	\$ 5,003,733

5. INVESTMENT IN CRANE COVE SEAFOODS LIMITED PARTNERSHIP

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

	2022	2021
Balance, beginning of year	\$ 2,515,573	\$ 2,032,818
Share of profits of Crane Cove Seafoods Limited Partnership	11,614,108	3,461,988
Transfer to Eskasoni Band Council	(12,067,034)	(2,979,233)
Balance, end of year	\$ 2,062,647	\$ 2,515,573

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
For the year ended March 31, 2022

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, 2022 and 2021 is as follows:

STATEMENT OF FINANCIAL POSITION

	2022	2021
ASSETS		
Current assets	\$ 1,246,945	\$ 1,734,125
Property, plant and equipment, net book value	2,982,166	3,086,752
	\$ 4,229,111	\$ 4,820,877
LIABILITIES		
Current liabilities	\$ 607,199	\$ 663,531
DEFERRED GOVERNMENT ASSISTANCE	1,554,498	1,638,168
EQUITY		
Limited partner's equity	2,062,647	2,515,573
General partner's equity	4,767	3,605
	2,067,414	2,519,178
	\$ 4,229,111	\$ 4,820,877

STATEMENT OF EARNINGS AND PARTNERS' EQUITY

	2022	2021
REVENUE		
Commercial fishing operations		
Sales	\$ 25,495,751	\$ 8,472,408
Cost of sales	12,196,585	4,300,344
	13,299,166	4,172,064
Other revenue	94,680	811,814
	13,393,846	4,983,878
EXPENSES		
Operating expenses	1,778,576	1,521,890
NET INCOME	11,615,270	3,461,988
Partners' equity, beginning of year	2,519,178	2,036,423
Partners' withdrawals	(12,067,034)	(2,979,233)
PARTNERS' EQUITY, END OF YEAR	\$ 2,067,414	\$ 2,519,178

Eskasoni Band Council
Notes to Consolidated Financial Statements
For the year ended March 31, 2022

6. INVESTMENT IN INCORPORATED BUSINESS ENTERPRISES

	Investment cost beginning of year	Share of earnings (loss)	Dividends	Additional investment	2022 Total investment
Wholly-owned businesses					
Eskasoni Supermarket Limited	\$ 1	\$ (479,983)	\$ –	\$ 479,983	\$ 1
Eskasoni Leasing Corporation	10	–	–	–	10
3312394 Nova Scotia Limited	10	–	–	–	10
Live Store Sydney Limited	50	–	–	–	50
Significantly influenced businesses					
Truro Heights Wind LP – 25%	154,879	79,904	(133,816)	–	100,967
Eskasoni Kiptu Security Limited – 51%	23,566	3,481	–	–	27,047
Eskasoni Cold Logistics Limited – 50%	150,000	–	–	–	150,000
Other businesses					
E'sukutim Kewey Limited Partnership – 7.7%	497,031	235,691	(497,031)	–	235,691
Mi'Kmaq Resource Development Partnership – 7.7%	93,878	(50,400)	–	–	43,478
	\$ 919,425	\$ (211,307)	\$ (630,847)	\$ 479,983	\$ 557,254

	Investment cost beginning of year	Share of earnings (loss)	Dividends	Additional investment	2021 Total investment
Wholly-owned businesses					
Eskasoni Supermarket Limited	\$ 1	\$ (69,920)	\$ –	\$ 69,920	\$ 1
Eskasoni Leasing Corporation	–	–	–	10	10
3312394 Nova Scotia Limited	10	–	–	–	10
Live Store Sydney Limited – 50%	50	–	–	–	50
Significantly influenced businesses					
Truro Heights Wind LP – 25%	329,742	103,967	(278,830)	–	154,879
Eskasoni Kiptu Security Limited – 51%	7,330	16,236	–	–	23,566
Eskasoni Cold Logistics Limited – 50%	150,000	–	–	–	150,000
Other businesses					
E'sukutim Kewey Limited Partnership – 7.7%	–	497,031	–	–	497,031
Mi'Kmaq Resource Development Partnership – 7.7%	–	93,878	–	–	93,878
	\$ 487,133	\$ 641,192	\$ (278,830)	\$ 69,930	\$ 919,425

Eskasoni Band Council
Notes to Consolidated Financial Statements
For the year ended March 31, 2022

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2022	2021
Administration payables	\$ 4,708,241	\$ 4,595,745
Housing payables	581,224	253,582
Education payables	3,640,640	2,669,574
Health Centre payables	891,906	1,064,794
Eskasoni Gaming Commission payables	19,969	31,298
Tobacco payables	37,000	92,092
	\$ 9,878,980	\$ 8,707,085

8. DEFERRED REVENUE

	2022	2021
Mi'kmaw Kina'matnewey	\$ 429,947	\$ 78,435
Indigenous Services Canada	19,770,958	11,086,046
Indigenous Services Canada, FNIHB	3,632,936	2,511,904
Canada Mortgage and Housing Corporation	2,301,843	—
Infrastructure Canada	264,082	—
Province of Nova Scotia	162,335	224,198
Other	693,427	450,464
	\$ 27,255,528	\$ 14,351,047

9. LONG-TERM DEBT

	2022	2021
Canada Mortgage and Housing Corporation (Schedule D) Mortgages payable in total monthly instalments of \$68,363 on account of principal and interest, secured by Indigenous Services Canada Ministerial loan guarantees.	\$ 9,975,839	\$ 9,372,100
Bank of Montreal (Schedule D) Mortgages payable in monthly instalments of \$31,889 on account of principal and interest, secured by Indigenous Services Canada Ministerial loan guarantees.	1,649,479	1,969,315
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	3,218,638	3,348,156
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	1,688,918	1,739,670
	16,532,874	16,429,241

Eskasoni Band Council
Notes to Consolidated Financial Statements
For the year ended March 31, 2022

9. LONG-TERM DEBT (CONTINUED)

	2022	2021
Carry forward	\$ 16,532,874	\$ 16,429,241
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 \$19,238	17,722	26,764
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 \$45,262	37,333	50,520
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	5,704,780	5,850,348
	\$ 22,292,709	\$ 22,356,873

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

2023	\$ 2,670,393
2024	6,097,827
2025	2,033,822
2026	4,529,640
2027	825,434

Eskasoni Band Council
Notes to Consolidated Financial Statements
For the year ended March 31, 2022

10. OBLIGATIONS UNDER CAPITAL LEASE

	2022	2021
Photocopier leases (6), Xerox Canada Ltd., bearing interest at 5.0%, together payable in a blended quarterly amount of \$6,042 to maturity in November, 2025	\$ 75,164	\$ –
Photocopier leases (3), Xerox Canada Ltd., bearing interest at 5.0%, together payable in blended quarterly amounts of \$1,077 to maturity in December, 2024	36,313	48,334
Photocopier lease, Xerox Canada Ltd., bearing interest at 5.0%, payable in blended quarterly amounts of \$587 to maturity in October, 2024	5,992	7,753
Photocopier lease, Xerox Canada Ltd., bearing interest at 5.0%, payable in blended quarterly amounts of \$520 to maturity in June, 2022	1,012	2,507
Photocopier leases (3), Xerox Canada Ltd., bearing interest at 5.0%, payable in blended quarterly amounts of \$4,717 to maturity in May, 2022	6,658	22,720
Leases repaid during the year	–	28,650
	\$ 125,139	\$ 109,964

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

Year ended March 31	
2023	\$ 41,100
2024	37,200
2025	35,000
2026	11,839
	\$ 125,139

Eskasoni Band Council
Notes to Consolidated Financial Statements
For the year ended March 31, 2022

11. TANGIBLE CAPITAL ASSETS

			2022	2021
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 920,560	\$ —	\$ 920,560	\$ 407,765
Community infrastructure	21,106,077	7,201,989	13,904,088	12,251,877
Buildings	67,785,847	34,821,727	32,964,120	31,654,494
Housing properties				
Section 95	22,157,227	7,062,505	15,094,722	14,713,698
Section 10	9,035,048	4,577,291	4,457,757	4,860,718
Other housing properties	17,402,818	13,702,524	3,700,294	3,680,537
	48,595,093	25,342,320	23,252,773	23,254,953
Fishing vessels	7,190,050	6,991,770	198,280	476,697
Marine vessels	243,870	189,603	54,267	72,235
Equipment and furniture	7,973,652	5,695,137	2,278,515	2,284,273
Fencing and paving	1,089,937	455,271	634,666	685,911
Wharfs	112,500	101,250	11,250	22,500
Motor vehicles	4,983,557	4,107,297	876,260	859,228
Fibre Network	3,853,923	192,696	3,661,227	2,947,925
Construction in progress				
Long-term care building	4,939,309	—	4,939,309	834,440
	\$ 168,794,375	\$ 85,099,060	\$ 83,695,315	\$ 75,752,298

Eskasoni Band Council
Notes to Consolidated Financial Statements
For the year ended March 31, 2022

12. PREPAID EXPENSES

	2022	2021
Social development costs	\$ 243,861	\$ 257,471
Insurance	352,109	582,229
Student tuitions and other	482,752	138,376
	<u>\$ 1,078,722</u>	<u>\$ 978,076</u>

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, 2022, the balance of the reserve is \$1,516,378 (2021 - \$1,286,896) and the Band Council has set aside \$1,516,378 (2021 - \$1,175,291) in separate bank deposits.

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, 2022 is \$147,542 (2021 - \$147,542).

14. RELATED PARTY TRANSACTIONS

- a) During the year, the Band Council expensed Chief and Council honorariums totaling \$899,264 (2021 - \$868,500). The Band Council also expensed Council pension and group insurance contributions of \$134,351 (2021 - \$94,259). 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, 2022, the balance owed by Councillors totaled \$11,114 (2021 - \$40,490) for prepaid honorariums.

Eskasoni Band Council
Notes to Consolidated Financial Statements
For the year ended March 31, 2022

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 \$986,651 (2021 - \$1,082,133) 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 \$55,817 (2021 - \$172,313). 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 \$175,589 (2021 - \$135,173) 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 \$944,574 in 2022 (2021 - \$937,418).

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.

Eskasoni Band Council
Notes to Consolidated Financial Statements
For the year ended March 31, 2022

17. GOVERNMENT TRANSFERS

			2022	2021
	Operating	Capital	Total	Total
Federal government				
Indigenous Services Canada	\$ 29,055,015	\$ 1,231,472	\$ 30,286,487	\$ 26,711,705
Mi'kmaq Kina'matnewey	24,238,020	—	24,238,020	21,731,230
Indigenous Services Canada - FNIHB	7,761,863	—	7,761,863	6,751,036
Mi'kmaq Employment Training Secretariat	1,780,092	—	1,780,092	1,290,407
Canada Mortgage and Housing Corporation	475,594	—	475,594	534,539
Fisheries and Oceans Canada	578,061	—	578,061	2,932,300
Infrastructure Canada	—	3,992,536	3,992,536	2,206,596
Heritage Canada	37,500	—	37,500	38,500
Environment Canada	75,318	—	75,318	51,298
Atlantic Canada Opportunities Agency	—	267,204	267,204	386,046
Service Canada	21,850	—	21,850	—
Public Health Agency of Canada	150,000	—	150,000	—
National Research Council	10,100	—	10,100	—
Total federal government	64,183,413	5,491,212	69,674,625	62,633,657
Provincial government				
Province of Nova Scotia	1,321,349	161,908	1,483,257	1,672,934
	\$ 65,504,762	\$ 5,653,120	\$ 71,157,882	\$ 64,306,591

18. EXPENDITURES BY OBJECT

	2022	2021
Salaries and employee benefits	\$ 25,207,168	\$ 23,152,920
Interest on long-term debt	696,941	751,897
Administrative costs	2,978,103	2,083,366
Direct program costs	50,408,857	49,263,465
Amortization of capital assets	5,697,106	5,462,145
	\$ 84,988,175	\$ 80,713,793

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, 2022.

Eskasoni Band Council
Notes to Consolidated Financial Statements
For the year ended March 31, 2022

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

Eskasoni Band Council
Notes to Consolidated Financial Statements
For the year ended March 31, 2022

12. PREPAID EXPENSES

	2022	2021
Social development costs	\$ 243,861	\$ 257,471
Insurance	352,109	582,229
Student tuitions and other	482,752	138,376
	\$ 1,078,722	\$ 978,076

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, 2022, the balance of the reserve is \$1,516,378 (2021 - \$1,286,896) and the Band Council has set aside \$1,516,378 (2021 - \$1,175,291) in separate bank deposits.

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, 2022 is \$147,542 (2021 - \$147,542).

14. RELATED PARTY TRANSACTIONS

- a) During the year, the Band Council expensed Chief and Council honorariums totaling \$899,264 (2021 - \$868,500). The Band Council also expensed Council pension and group insurance contributions of \$134,351 (2021 - \$94,259). 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, 2022, the balance owed by Councillors totaled \$11,114 (2021 - \$40,490) for prepaid honorariums.

Eskasoni Band Council
Notes to Consolidated Financial Statements
For the year ended March 31, 2022

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 \$986,651 (2021 - \$1,082,133) 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 \$55,817 (2021 - \$172,313). 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 \$175,589 (2021 - \$135,173) 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 \$944,574 in 2022 (2021 - \$937,418).

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.

Eskasoni Band Council
Notes to Consolidated Financial Statements
For the year ended March 31, 2022

17. GOVERNMENT TRANSFERS

			2022	2021
	Operating	Capital	Total	Total
Federal government				
Indigenous Services Canada	\$ 29,055,015	\$ 1,231,472	\$ 30,286,487	\$ 26,711,705
Mi'kmaq Kina'matnewey	24,238,020	—	24,238,020	21,731,230
Indigenous Services Canada - FNIHB	7,761,863	—	7,761,863	6,751,036
Mi'kmaq Employment Training Secretariat	1,780,092	—	1,780,092	1,290,407
Canada Mortgage and Housing Corporation	475,594	—	475,594	534,539
Fisheries and Oceans Canada	578,061	—	578,061	2,932,300
Infrastructure Canada	—	3,992,536	3,992,536	2,206,596
Heritage Canada	37,500	—	37,500	38,500
Environment Canada	75,318	—	75,318	51,298
Atlantic Canada Opportunities Agency	—	267,204	267,204	386,046
Service Canada	21,850	—	21,850	—
Public Health Agency of Canada	150,000	—	150,000	—
National Research Council	10,100	—	10,100	—
Total federal government	64,183,413	5,491,212	69,674,625	62,633,657
Provincial government				
Province of Nova Scotia	1,321,349	161,908	1,483,257	1,672,934
	\$ 65,504,762	\$ 5,653,120	\$ 71,157,882	\$ 64,306,591

18. EXPENDITURES BY OBJECT

	2022	2021
Salaries and employee benefits	\$ 25,207,168	\$ 23,152,920
Interest on long-term debt	696,941	751,897
Administrative costs	2,978,103	2,083,366
Direct program costs	50,408,857	49,263,465
Amortization of capital assets	5,697,106	5,462,145
	\$ 84,988,175	\$ 80,713,793

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, 2022.

Eskasoni Band Council
Notes to Consolidated Financial Statements
For the year ended March 31, 2022

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

Eskasoni Band Council
Notes to Consolidated Financial Statements
For the year ended March 31, 2022

21. SEGMENT DISCLOSURE

	Social Development			Housing and Capital			Operations and Maintenance		
	Budget	2022	2021	Budget	2022	2021	Budget	2022	2021
	(unaudited)			(unaudited)			(unaudited)		
REVENUE									
Indigenous Services Canada	\$ 13,560,967	\$ 13,627,543	\$ 13,503,866	\$ 4,108,404	\$ 4,238,829	\$ 3,570,789	\$ 909,720	\$ 1,977,813	\$ 2,111,110
Mik'maw Kinamathewey	-	-	-	-	-	-	-	-	-
Mik'maq Employment Training Secretariat	-	-	-	-	-	-	-	-	-
Indigenous Services Canada - FNIHB	-	-	-	-	-	-	-	-	-
Infrastructure Canada	-	-	-	-	-	-	-	-	-
Atlantic Canada Opportunities Agency	-	-	-	-	189,624	352,796	-	-	-
Province of Nova Scotia	-	-	-	-	71,940	-	-	-	-
Fisheries and Oceans Canada	-	-	-	-	-	-	-	-	-
Canada Mortgage and Housing Corp.	-	-	-	520,000	475,594	534,539	-	-	-
Net earnings of limited partnership	240,000	-	-	1,914,000	3,170,000	669,800	90,000	40,000	98,000
Unincorporated enterprises revenue	-	-	-	-	-	-	-	-	-
Other revenue	-	-	-	1,399,600	1,985,307	1,729,754	40,000	38,595	57,233
	13,800,967	13,627,543	13,503,866	7,942,004	10,131,294	6,857,678	1,039,720	2,056,408	2,266,343
EXPENDITURE									
Salaries and employee benefits	509,479	472,932	496,705	-	-	-	593,342	548,395	625,097
Direct program costs	14,510,800	12,983,399	14,098,447	1,268,100	3,710,560	2,959,139	2,276,923	1,974,971	2,054,981
Interest on long-term debt	-	-	-	308,186	283,183	323,890	-	-	-
Administrative costs	36,000	25,700	41,301	354,000	343,262	460,992	-	-	-
Amortization of capital assets	-	-	-	-	-	-	-	-	-
	15,056,279	13,482,021	14,636,453	1,930,286	4,337,005	3,744,020	2,870,265	2,523,366	2,680,078
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE FROM OPERATIONS	\$ (1,255,312)	\$ 145,522	\$ (1,132,587)	\$ 6,011,718	\$ 5,794,289	\$ 3,113,658	\$ (1,830,545)	\$ (466,958)	\$ (413,735)

Eskasoni Band Council
Notes to Consolidated Financial Statements
For the year ended March 31, 2022

21. SEGMENT DISCLOSURE (Continued)

	Economic Development			Band Management			Fishery Resource Development		
	Budget	2022	2022	Budget	2022	2021	Budget	2022	2021
	(unaudited)			(unaudited)			(unaudited)		
REVENUE									
Indigenous Services Canada	\$ 1,179,630	\$ 1,194,966	\$ 1,766,555	\$ 1,174,100	\$ 1,216,068	\$ 1,186,374	\$ -	\$ -	\$ -
Mikinaq Kinamatwey	-	-	-	300,000	303,727	299,457	-	-	-
Mikinaq Employment Training Secretariat	1,030,646	1,530,124	1,040,439	-	-	-	-	-	-
Indigenous Services Canada - FNIHB	-	-	-	-	-	-	-	-	-
Infrastructure Canada	-	-	-	-	-	-	-	-	-
Atlantic Canada Opportunities Agency	38,000	-	33,250	-	-	-	-	-	-
Province of Nova Scotia	105,000	481,057	239,007	-	-	-	60,000	52,443	89,035
Fisheries and Oceans Canada	-	-	-	-	-	-	410,000	578,061	2,932,300
Canada Mortgage and Housing Corp.	-	-	-	-	-	-	-	-	-
Net earnings of limited partnership	-	20,000	10,000	-	90,360	131,500	110,000	110,000	399,575
Unincorporated enterprises revenue	-	-	-	-	-	-	-	-	-
Other revenue	1,902,000	992,536	748,611	138,000	243,500	276,785	150,000	450,887	3,513,442
	4,256,276	4,218,683	3,837,862	1,612,100	1,853,655	1,894,116	730,000	1,191,391	6,934,352
EXPENDITURE									
Salaries and employee benefits	277,030	137,852	194,238	2,148,002	2,250,443	2,229,699	380,000	365,844	372,709
Direct program costs	3,892,646	3,630,867	3,349,298	-	-	-	350,000	439,046	357,496
Interest on long-term debt	-	-	-	-	1,121	1,556	-	-	-
Administrative costs (recoveries)	86,600	88,529	86,896	163,100	54,634	(259,745)	-	-	-
Amortization of capital assets	-	-	-	-	-	-	-	-	-
	4,255,276	3,857,248	3,629,432	2,311,102	2,306,198	1,971,510	730,000	804,890	730,205
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE FROM OPERATIONS	\$ -	\$ 361,435	\$ 208,430	\$ (699,002)	\$ (452,543)	\$ (77,394)	\$ -	\$ 386,501	\$ 6,204,147

Eskasoni Band Council
Notes to Consolidated Financial Statements
For the year ended March 31, 2022

21. SEGMENT DISCLOSURE (Continued)

	Education			Health			Band Business Enterprises			
	Budget 2022	2022	2021	Budget 2022	2022	2021	Budget 2022	2022	2021	
	(unaudited)			(unaudited)			(unaudited)			
REVENUE										
Indigenous Services Canada	\$	—	\$	—	\$	—	\$	—	\$	—
Mikinaq Kinamitawey		21,000,032		23,865,262		21,431,773		—		—
Indigenous Employment Training Secretariat		249,968		249,968		249,968		—		—
Indigenous Services Canada – FNIHB		—		—		—		6,662,957		—
Infrastructure Canada		—		—		—		—		—
Atlantic Canada Opportunities Agency		—		—		—		—		—
Province of Nova Scotia		—		—		—		325,000		—
Fisheries and Oceans Canada		—		—		—		—		—
Canada Mortgage and Housing Corp.		—		—		—		—		—
Net earnings of limited partnership		—		—		—		—		—
Unincorporated enterprises revenue		—		—		—		—		—
Other revenue		110,000		178,725		104,594		859,500		983,599
		21,360,000		24,293,955		21,786,335		7,847,457		9,211,531
								8,195,064		1,045,139
								20,469,460		21,656,149
								—		19,878,721
								—		—
								—		—
EXPENDITURE										
Salaries and employee benefits		15,410,000		15,383,451		13,707,680		4,266,873		4,714,561
Direct program costs		4,730,000		4,095,735		4,160,864		2,663,304		2,213,327
Interest on long-term debt		—		5,097		7,210		140,000		143,712
Administrative costs		300,000		266,819		233,662		644,050		753,055
Amortization of capital assets		—		—		—		—		—
		20,440,000		19,751,102		18,109,416		7,714,227		7,824,655
								7,694,290		7,694,290
								16,964,722		17,866,416
								—		15,493,804
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE FROM OPERATIONS	\$	920,000	\$	4,542,853	\$	3,676,919	\$	133,230	\$	1,386,876
								500,774		500,774
								3,504,738		3,789,733
								—		4,384,917

Eskasoni Band Council
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For the year ended March 31, 2022

21. SEGMENT DISCLOSURE (Continued)

	Corporate Division			Other Programs			Total		
	Budget	2022	2021	Budget	2022	2021	Budget	2022	2021
	(unaudited)			(unaudited)			(unaudited)		
REVENUE									
Indigenous Services Canada	\$ -	\$ -	\$ -	\$ 4,000,000	\$ 8,031,288	\$ 4,573,011	\$ 24,932,821	\$ 30,286,487	\$ 26,711,705
Mikmaq Kina'manewey	-	-	-	-	89,031	-	21,300,032	24,238,020	21,731,230
Mikmaq Employment Training Secretariat	-	-	-	-	-	-	1,280,614	1,780,092	1,290,407
Indigenous Services Canada - FNHB	-	-	-	-	-	-	6,662,957	7,761,863	6,751,036
Infrastructure Canada	-	3,992,536	2,206,596	-	-	-	-	3,992,536	2,206,596
Atlantic Canada Opportunities Agency	-	-	-	-	-	-	38,000	189,624	386,046
Province of Nova Scotia	-	89,968	735,532	-	321,780	210,471	490,000	1,483,257	1,672,934
Fisheries and Oceans Canada	-	-	-	-	-	-	410,000	578,061	2,932,300
Canada Mortgage and Housing Corporation	-	-	-	-	-	-	520,000	475,594	534,539
Net earnings of limited partnership	325,000	628,000	310,000	1,653,740	7,555,748	1,843,113	4,542,740	11,614,108	3,461,988
Unincorporated enterprises revenue	-	-	-	-	-	-	20,259,460	21,656,149	19,678,121
Other revenue	-	343,857	711,112	430,423	947,774	939,446	5,029,523	6,164,780	9,126,117
	325,000	5,054,361	3,963,240	6,084,163	16,925,601	7,566,041	85,466,147	110,220,571	96,683,619
EXPENDITURE									
Salaries and employee benefits	235,040	209,645	221,045	100,000	107,010	75,699	24,942,870	25,207,168	23,152,920
Direct program costs	89,960	197,568	157,145	5,752,760	6,023,946	6,108,551	49,598,775	50,408,857	49,263,465
Interest on long-term debt	-	-	-	-	-	-	707,582	696,941	751,897
Administrative costs	-	-	-	-	-	-	3,200,890	2,978,103	2,083,366
Amortization of capital assets	-	-	-	7,016,230	5,697,106	5,462,145	7,016,230	5,697,106	5,462,145
	325,000	407,213	378,190	12,868,990	11,828,061	11,646,395	85,466,147	84,988,175	80,713,793
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE FROM OPERATIONS	\$ -	\$ 4,647,148	\$ 3,585,050	\$ (6,784,827)	\$ 5,097,540	\$ (4,080,354)	\$ -	\$ 25,232,396	\$ 15,969,826