

Lavers, Patti (AADNC/AANDC)

From: Porter, Marilyn (AADNC/AANDC)
Sent: Friday, July 31, 2020 2:07 PM
To: IM-AT / GI-AT (AADNC/AANDC)
Subject: Fw: Membertou Year End Reporting Package
Attachments: FS Membertou -Consolidated 2020 FINAL.pdf; F2020 - Honoraria Salaries and Travel FINAL.pdf; F2020- INAC Contribution Funding Annex A.pdf; F2020 - Internal control deficiencies.pdf; Health Canada Schedule Annex2020.pdf

Please upload to Membertou's 19/20 audit reporting requirement.

Thank you

Sent from my BlackBerry 10 smartphone on the Bell network.

From: MacNeil, John <John.MacNeil@ca.gt.com>
Sent: Friday, July 31, 2020 1:24 PM
To: Porter, Marilyn (AADNC/AANDC)
Cc: Mike McIntyre (mikemcintyre@membertou.ca)
Subject: Membertou Year End Reporting Package

Marilyn

Please find attached the Membertou First Nation March 31, 2020 Audited Financial Statements along with the Schedule of Honorarium and Travel, Annex A schedules for both ISC and Health Canada Funding, and the Audit Internal Control Letter.

Please let me know if you require anything further or have any questions on the attached.

Thanks

John

John MacNeil | Partner
Grant Thornton LLP
Suite 200, George Place | 500 George Street | Sydney | NS | B1P 1K6
T +1 902 563 3171 | F +1 902 562 0073
E John.MacNeil@ca.gt.com | W <http://www.grantthornton.ca/>



Grant Thornton LLP is proud to be recognized as one of Canada's best workplaces for our thirteenth consecutive year!

Disclaimer: This email is intended solely for the person or entity to which it is addressed and may contain confidential and/or privileged information. Any review, dissemination, copying, printing or other use of this email by persons or entities other than the addressee is prohibited. If you have received this email in error, please contact the sender immediately and delete the material from any computer.



Consolidated Financial Statements

Membertou Reserve Band Council

March 31, 2020

Contents

	<u>Page</u>
Management Report	1
Independent Auditor's Report	2 - 4
Consolidated Statement of Operations	5
Consolidated Statement of Financial Position	6
Consolidated Statement of Changes in Net Financial Liabilities	7
Consolidated Statement of Cash Flows	8
Notes to the Consolidated Financial Statements	9 - 27
Schedule A – Segment Disclosure	28 - 29

Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of the **Membertou Reserve Band Council** and all the information in this annual report are the responsibility of management and have been approved by the Chief and Council.

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

The Band maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable, and accurate, and the Band's assets are appropriately accounted for and adequately safeguarded.

The Band Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements.

The Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the consolidated financial statements and the external auditor's report.

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



Michael Motte
Chief Financial Officer

Terrence J. Paul
CEO

Grant Thornton LLP
Suite 200, George Place
500 George Street
Sydney, NS
B1P 1K6]
T +1-902-562-5581
F +1-902-562-0073

Independent Auditor's Report

To the Chief and Councillors of the
Membertou Reserve Band Council

Qualified opinion

We have audited the consolidated financial statements of the Membertou Reserve Band Council (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2020, and the consolidated statements of operations, changes in net financial liabilities and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except as noted in the following paragraph, the consolidated financial statements present fairly, in all material respects, the financial position of the company as at March 31, 2020 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for qualified opinion

The consolidated statement of financial position includes intangible assets in the amount of \$3,447,743 for fishing licenses and permits purchased by the Band. Recording intangible assets is a departure from Canadian public sector accounting standards. Accordingly, both the purchased licenses and permits and accumulated surplus are overstated by \$3,447,743 as at March 31, 2020. If intangible assets were not recorded in order to be in compliance with Canadian public sector accounting standards, purchased licenses and permits and accumulated surplus would both decrease by \$3,447,743.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the First Nation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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 First Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the First Nation to cease to continue as a going concern.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company 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, Canada
July 30, 2020

Grant Thornton LLP
Chartered Professional Accountants

Membertou Reserve Band Council

Consolidated Statement of Operations

Year ended March 31	Budget	2020	2019
Revenues			
Fisheries	\$ 3,615,917	\$ 4,075,384	\$ 3,769,245
Rental	2,174,571	2,201,787	2,135,490
Commercial sales	41,891,660	40,403,753	40,614,067
(Loss) gain on disposal of property	-	169,014	-
Government transfers (Note 23)	13,030,353	16,489,969	19,330,533
Income (loss) from government business partnership	417,781	(159,984)	33,055
Other revenues	417,220	758,126	1,268,351
	<u>61,547,502</u>	<u>63,938,049</u>	<u>67,117,686</u>
Expenditures			
Administrative	3,480,702	3,565,363	3,421,056
Community expenses	3,544,972	3,821,960	3,645,766
Core funding and benefits	1,009,400	1,010,903	1,014,278
Cost of sales – commercial	17,255,719	17,424,951	17,271,691
Education and training	1,220,058	1,434,708	1,595,739
Fishing	292,219	400,543	295,714
Health programs	854,650	1,023,545	954,738
Insurance	572,553	611,324	550,385
Interest	2,487,238	2,639,777	2,496,245
Other	2,275,884	2,612,769	2,642,337
Professional fees	175,800	369,630	265,724
Repairs and maintenance	4,533,996	5,084,164	6,266,707
Salaries and benefits	16,396,884	16,650,856	15,313,007
Security and policing	344,500	397,175	374,520
Social	<u>3,575,576</u>	<u>3,692,536</u>	<u>3,728,020</u>
	58,020,151	60,740,204	59,835,927
Less: transfers/recoveries	<u>(1,830,198)</u>	<u>(2,146,222)</u>	<u>(1,908,957)</u>
	56,189,953	58,593,982	57,926,970
Annual surplus before depreciation	5,357,549	5,344,067	9,190,716
Depreciation	<u>5,021,630</u>	<u>5,771,097</u>	<u>5,635,243</u>
Annual surplus	<u>\$ 335,919</u>	<u>(427,030)</u>	<u>3,555,473</u>
Accumulated surplus, beginning of year		<u>66,014,754</u>	<u>64,459,281</u>
Accumulated surplus, end of year		<u>\$ 65,587,724</u>	<u>\$ 66,014,754</u>

See accompanying notes to the consolidated financial statements.

Membertou Reserve Band Council

Consolidated Statement of Financial Position

March 31

2020

2019

Financial assets

Cash	\$ 2,869,736	\$ 4,580,155
Receivables (Note 2)	5,412,803	5,393,593
Inventory (Note 3)	470,744	538,639
Band funds in trust (Note 4)	-	121,610
Restricted cash	2,915,317	2,378,839
Due from related party	5,063,487	5,200,762
Investments (Note 5)	9,977,033	2,700,206
Investment in government business enterprise (Note 6)	356,916	337,193
	<u>27,066,036</u>	<u>21,250,998</u>

Financial liabilities

Payables and accruals (Note 10)	4,702,710	5,908,394
Deferred revenue (Note 11)	2,792,449	1,070,024
Long term debt (Note 13)	81,470,784	71,087,652
Deferred trust contributions (Note 15)	6,513,207	6,480,207
Capital lease obligations (Note 14)	1,572,698	1,570,904
	<u>97,051,848</u>	<u>86,117,181</u>

Net financial liabilities (Page 7) (69,985,812) (64,866,183)

Non-financial assets

Purchased fishing licenses and permits (Note 12)	3,447,743	2,064,336
Capital assets (Note 8)	131,448,999	128,349,656
Prepays (Note 7)	676,794	466,945
	<u>135,573,536</u>	<u>130,880,937</u>
Accumulated surplus (Page 5)	<u>\$ 65,587,724</u>	<u>\$ 66,014,754</u>

Contingencies (Note 19)

Commitments (Note 20)

On behalf of the Band Council

 Chief

 Councillor

See accompanying notes to the consolidated financial statements.

Membertou Reserve Band Council
Consolidated Statement of Changes in Net Financial Liabilities

Year ended March 31

Budget **2020**

2019

Net revenues	\$ 335,919	\$ (427,030)	\$ 3,555,473
Loss (gain) on disposal of capital assets	-	(169,014)	-
Proceeds on sale of capital assets	-	196,599	320,000
Depreciation	5,021,630	5,771,097	5,634,963
Government business enterprise	-		17,325,107
Licence and permit assets acquired		(1,383,407)	
Capital assets acquired	<u>-</u>	<u>(8,898,025)</u>	<u>(14,916,958)</u>
	<u>5,357,549</u>	<u>(4,909,780)</u>	<u>11,918,585</u>
Acquisition / use of prepaid expenses	<u>-</u>	<u>(209,822)</u>	<u>256,951</u>
Change in net financial liabilities	5,357,549	(5,119,602)	12,175,536
Net financial liabilities, beginning of year	<u>(64,866,183)</u>	<u>(64,866,210)</u>	<u>(77,041,719)</u>
Net financial liabilities, end of year	<u>\$ (59,508,634)</u>	<u>\$ (69,985,812)</u>	<u>\$ (64,866,183)</u>

See accompanying notes to the consolidated financial statements.

Membertou Reserve Band Council

Consolidated Statement of Cash Flows

Year ended March 31

2020

2019

Increase in cash and cash equivalents

Operating

Excess (deficiency) of revenue over expenditures	\$ (427,030)	\$ 3,555,473
Depreciation	5,771,097	5,634,963
Write-off of investments	-	100,000
Loss (gain) on disposal of capital assets	(169,014)	-
Equity income from government business enterprise (Note 6)	-	(33,055)
Share of limited partnership income	(120,827)	(109,385)
	<u>5,054,226</u>	<u>9,147,996</u>
Change in non-cash operating working capital		
Receivables	(19,210)	(4,610,201)
Prepays	(188,833)	256,951
Inventory	67,895	(135,992)
Payables and accruals	(1,205,684)	613,590
Net change from government business entity	137,275	2,938,539
Deferred revenue	<u>1,722,425</u>	<u>(2,275,936)</u>
	<u>5,568,089</u>	<u>5,321,357</u>

Investing

Decrease in deficiency in government business enterprise	(19,723)	(337,139)
Partnership draws	-	100,000
Purchase of investments	<u>(7,156,000)</u>	<u>(50,000)</u>
	<u>(7,175,723)</u>	<u>(287,139)</u>

Financing

New deferred trust contributions	33,000	254,000
Repayment of long-term capital lease obligation	(251,207)	(130,273)
Receipt of capital lease	253,000	1,315,382
Receipt of long-term debt	15,664,302	3,595,055
Repayment of long-term debt	<u>(5,302,186)</u>	<u>(3,835,423)</u>
	<u>10,396,909</u>	<u>1,198,741</u>

Capital

Proceeds on disposal of assets	196,599	320,000
Licence and permit assets acquired	(1,383,406)	
Capital assets acquired	<u>(8,898,019)</u>	<u>(14,916,958)</u>
	<u>(10,084,826)</u>	<u>(14,596,958)</u>

Net (decrease) increase in cash and cash equivalents	(1,295,551)	(8,363,999)
Cash and cash equivalents, beginning of year	<u>7,080,604</u>	<u>15,444,603</u>
Cash and cash equivalents, end of year	<u>\$ 5,785,053</u>	<u>\$ 7,080,604</u>

Cash and cash equivalents consist of:

Cash	\$ 2,869,736	\$ 4,580,155
Funds in trust	-	121,610
Restricted cash	<u>2,915,317</u>	<u>2,378,839</u>
	<u>\$ 5,785,053</u>	<u>\$ 7,080,604</u>

See accompanying notes to the consolidated financial statements.

Membertou Reserve Band Council

Notes to the Consolidated Financial Statements

March 31, 2020

1. Summary of significant accounting policies

Reporting entity and principles of financial reporting

These financial statements have been prepared in accordance with Public Sector Accounting Standards (PSAS), which encompass the principles common with First Nations.

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

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

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

Principles of consolidation

The consolidated financial statements include the accounts of all funds and operations in which the First Nation has a controlling interest, after the elimination of inter-fund transactions and balances. The entities include the following Membertou Reserve Band Council Funds - Operating Fund, Housing Fund, Public Works Fund, Capital Fund, Economic Development Fund, Enterprise Fund, Employment Development Fund, Health Fund, AFS Program Fund, Social Fund, Enterprise Fund, and Education Fund, as well as, the Membertou Development Corporation, 3306129 Nova Scotia Limited (operating as the Membertou Market), the Membertou Trade & Convention Centre Limited, the Membertou Gaming Commission Inc., 3237395 Nova Scotia Limited (Operating as Membertou Insurance Brokers), Membertou Commercial Fisheries, Membertou Entertainment Centre, the Membertou Business Centre, the Membertou Cultural and Heritage Centre Foundation Inc., Membertou Data Centre, Membertou Geomatics, Membertou Sport and Wellness Centre, and Lanes @ Membertou in the current year.

Membertou Properties Limited Partnership has met the definition of a government business enterprise, which is included in the consolidated financial statements on a modified equity basis (Note 6).

Cash and cash equivalents

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

Membertou Reserve Band Council

Notes to the Consolidated Financial Statements

March 31, 2020

1. Summary of significant accounting policies (continued)

Revenue recognition

Membertou Reserve Band Council follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses or capital expenditures are incurred. Unrestricted contributions are recognized as revenue when recovered or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Unrestricted revenue is recognized when received or receivable if the amount to be received can be reasonably estimated and ultimate collection is reasonably assured.

Rental revenue is recognized when received or receivable and collection is reasonably assured.

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.

Tangible capital assets

Tangible capital assets are recorded at cost less accumulated depreciation and impairment.

Depreciation

Rates and bases of depreciation applied to write off the cost of property and equipment over their estimated lives are as follows:

Buildings	4%, declining balance
Housing properties	25-year, straight line
Infrastructure	4%, declining balance
Fishing vessels	15%, declining balance
Fishing equipment	20%, declining balance
Equipment	20%, declining balance
Motor vehicles	20%, declining balance
Moveable equipment	20%, declining balance
School buses	20%, declining balance
Computer hardware and software	20%, declining balance
Office equipment and furniture	20%, declining balance
Parking lots	4-20%, declining balance
Equipment under capital lease	20%, declining balance

Membertou Reserve Band Council

Notes to the Consolidated Financial Statements

March 31, 2020

1. Summary of significant accounting policies (continued)

Purchased fishing licenses and permits

Purchased fishing licenses and permits assets are intangible capital assets. These indefinite-lived fishing licenses and permits are recognized at cost and are not amortized. The capitalization of intangible assets is a departure from Canadian public sector accounting standards.

The Band evaluates the carrying value of its licenses and permits annually for impairment. Should a permanent impairment be identified, the impairment will be recognized as a reduction in the carrying value and as a charge against income on the statement of operations in the period the impairment occurred.

The Band also owns other communal fishing licenses and permits which were not purchased by the Band but were given to or granted to the Band.

Investments

Investments are valued at the lower of cost and net realizable value.

Use of estimates

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

Income taxes

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

Government transfers

Government transfers received are recognized in the financial statements as revenue when the transfers are authorized, and all eligibility criteria have been met except when there is a stipulation that gives rise to an obligation that meets the definition of a liability. In that case, the transfer is recorded as a liability and recognized as revenue as the stipulations are met.

Government transfers to individuals and other entities are recognized as an expenditure when the transfers are authorized and all eligibility criteria have been met.

Membertou Reserve Band Council

Notes to the Consolidated Financial Statements

March 31, 2020

1. Summary of significant accounting policies (continued)

Moveable Capital Asset Reserve

The Band is required to maintain a Moveable Capital Asset Reserve in accordance with the consolidated contribution agreement with the Department of Indigenous Services Canada – First Nations and Inuit Health Branch. The reserve is for the maintenance or replacement of capital assets transferred to the Band by the Department of Indigenous Services Canada – First Nations and Inuit Health Branch. Expenditures of capital funds under the reserve are restricted to expenditures on these assets only and there can be no transfer of these funds to the operating budget.

Inventory

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

The cost of inventory recognized as an expense during fiscal 2020 was \$12,956,225 (2019 - \$12,930,926). No write-down of inventories below their cost to their net realizable value was made in fiscal 2020. There were no reversals of inventories written down previously that are no longer estimated to sell below cost.

Leases

Leases are classified as either capital or operating in nature. Capital leases are those which transfer substantially all the benefits and risks of ownership to the lessee. If the lease contains a term that allows ownership to pass to the Band or there is a bargain purchase option, the capitalized value is depreciated over the estimated useful life of the related asset. Otherwise, the capitalized value is depreciated on a straight-line basis over the lesser of the lease term and its estimated useful life. Obligations recorded under capital leases are reduced by the principal portion of lease payments as incurred and the imputed interest portion of capital lease payments is charged to expenditures and amortized straight-line over the life of the lease. Operating lease payments are charged to expenditures.

Net debt

The Band's financial statements are presented to highlight net debt as the measurement of financial position. The net debt of the Band is determined by its liabilities less its financial assets.

Membertou Reserve Band Council

Notes to the Consolidated Financial Statements

March 31, 2020

1. Summary of significant accounting policies (continued)

Hedge accounting

The Band uses derivative instruments to manage the Band's exposure to interest rate risks. When derivative instruments are used, the Band determines whether hedge accounting can be applied. Where hedge accounting can and will be applied, the hedge is documented at inception, detailing the hedging relationship, identifying the hedged item, the related hedging item, the nature of the specific risks being hedged and the intended term of the hedging relationship. Both at the inception of the hedging relationship, and throughout the term, the Band has reasonable assurance that the critical terms of the hedging item and the hedged item are, and will remain, the same. For all hedged items which are anticipated transactions, the Band has determined that it is probable that the transaction will occur at the time and in the amount documented at the inception of the hedging relationship.

The Band has elected to use hedge accounting for the following qualifying hedging relationships:

A prime plus 1.5% mortgage has been hedged with a 3.495% fixed interest rate swap to mitigate the effect of changes in interest rates.

2. Receivables	2020	2019
Department of Indigenous Services Canada	\$ 760,592	\$ 28,167
Housing rents	655,434	666,291
Mi'kmaq Employment Training Secretariat	25,294	36,480
Health Canada	-	195,569
Commodity sales tax	268,883	481,294
Department of Fisheries and Oceans	352,732	256,230
Atlantic Integrated Commercial Fisheries Initiative	687,219	791,878
Province of Nova Scotia	155,270	206,205
Atlantic Canada Opportunities Agency	105,322	53,192
Mi'kmaw Kina'matnewey	420,008	412,574
Sundry	194,450	509,384
Canada Mortgage and Housing Corporation	95,565	64,253
Trade less allowance for doubtful accounts	<u>1,692,034</u>	<u>1,692,075</u>
	<u>\$ 5,412,803</u>	<u>\$ 5,393,593</u>

Membertou Reserve Band Council

Notes to the Consolidated Financial Statements

March 31, 2020

3. Inventory	2020	2019
Membertou Sports and Wellness	\$ 20,261	\$ 12,436
Membertou Trade and Convention Centre Limited	62,626	70,322
Membertou Entertainment Centre	32,229	20,407
Membertou Cultural and Heritage Centre Foundation Inc.	100,306	156,029
Membertou Market	156,248	135,012
Membertou Enterprise Fund	5,560	121,108
Membertou Public Works	74,633	-
Lanes at Membertou	<u>18,881</u>	<u>23,325</u>
	<u>\$ 470,744</u>	<u>\$ 538,639</u>

4. Band funds in trust

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

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

	2020	2019
Net assets, beginning of year	\$ 121,610	\$ 120,208
Proceeds from reserve lands disposition	-	-
Interest earned	1,352	1,402
Funds in trust received	<u>(122,692)</u>	<u>-</u>
Net assets, end of year	<u>\$ -</u>	<u>\$ 121,610</u>

5. Investments	2020	2019
Membertou Hotel Limited Partnership	\$ 2,801,023	\$ 2,674,206
Encyt Technologies Incorporated	76,000	26,000
Sydney Harbour Investment Partners Inc.	<u>7,100,010</u>	<u>-</u>
	<u>\$ 9,977,033</u>	<u>\$ 2,700,206</u>

Membertou Reserve Band Council

Notes to the Consolidated Financial Statements

March 31, 2020

6. Investment in government business enterprise

The commercial government business enterprise that is included in the First Nation reporting entity, as described in Note 1 to these financial statements includes:

Membertou Properties Limited Partnership

The following table presents condensed financial information for the commercial enterprise:

	<u>2020</u>	<u>2019</u>
Assets		
Cash and cash equivalents	\$ 1,268,011	\$ 920,758
Accounts receivables	15,417	75,173
Prepays	67,410	196,660
Capital assets	<u>16,713,129</u>	<u>17,069,331</u>
Total Assets	<u>18,063,967</u>	<u>18,261,922</u>
Liabilities		
Payables and accruals	180,186	155,250
Due to related parties	<u>5,063,487</u>	<u>5,200,762</u>
Long term debt	12,463,378	12,568,717
Equity	<u>356,916</u>	<u>337,193</u>
Total liabilities and equity	<u>18,063,967</u>	<u>18,261,922</u>
Revenue	2,772,330	2,952,527
Expenditures	<u>2,932,314</u>	<u>2,919,472</u>
Net Income	<u>\$ (159,984)</u>	<u>\$ 33,055</u>

7. Prepays

	<u>2020</u>	<u>2019</u>
Core funding	\$ 85,121	\$ 191,222
Insurance	252,268	238,771
Miscellaneous	<u>339,405</u>	<u>36,952</u>
	<u>\$ 676,794</u>	<u>\$ 466,945</u>

Membertou Reserve Band Council

Notes to the Consolidated Financial Statements

Year ended March 31, 2020

8. Capital assets

	Cost, beginning of year				Cost, end of year	Accumulated depreciation, beginning of year		Depreciation on Disposal	Accumulated depreciation, end of year		2020	2019
	Additions	Transfers	Disposals	Depreciation		Depreciation	Depreciation		Depreciation	Depreciation	Net book value	Net book value
Land	12,851,202	522,060	-	-	13,373,262	-	-	-	-	-	13,373,262	12,851,202
Buildings	69,681,258	326,815	-	47,634	69,960,439	15,139,737	2,268,734	(32,440)	17,376,031	52,584,408	54,541,521	
Infrastructure	34,150,287	1,148,033	1,194,432	-	36,492,753	8,113,356	816,313	-	8,929,669	27,563,084	26,036,931	
Housing Properties	31,503,334	2,402,225	-	-	33,905,559	13,869,450	1,109,186	-	14,978,636	18,926,923	17,633,884	
Fishing vessels	2,115,899	771,024	-	247,816	2,639,107	1,135,371	192,332	(235,425)	1,092,278	1,546,829	980,528	
Fishing equipment	395,426	-	-	-	395,426	326,116	13,863	-	339,979	55,447	69,310	
Equipment	8,324,055	680,306	-	-	9,004,361	4,764,927	407,450	-	5,172,377	3,831,984	3,559,128	
Motor Vehicles	1,080,988	84,465	-	-	1,165,452	695,979	57,239	-	753,218	412,235	385,009	
Computer hardware & software	1,620,192	-	-	-	1,620,192	1,323,426	413,850	-	1,737,276	(117,084)	296,766	
Office equipment	937,367	64,197	-	-	1,001,564	688,689	63,922	-	752,611	248,953	248,678	
Parking lots	1,416,963	-	-	-	1,416,963	329,377	51,408	-	380,785	1,036,178	1,087,586	
Leasehold improvements	2,973,637	-	-	-	2,973,637	2,064,343	295,883	-	2,360,226	613,411	909,294	
Signage	437,046	-	-	-	437,046	312,926	39,140	-	352,066	84,980	124,120	
Assets under construction	9,625,700	2,902,228	(1,194,432)	(45,105)	11,288,391	-	-	-	-	11,288,391	9,625,700	
	177,113,353	8,901,353	-	250,345	185,674,151	48,763,697	5,729,320	(267,865)	54,225,152	131,448,999	128,349,657	

Membertou Reserve Band Council

Notes to the Consolidated Financial Statements

March 31, 2020

9. Bank indebtedness

The Band Council has an established line of credit of \$2,500,000. The line of credit bears interest at a rate of prime plus 1%. At the year end, the line of credit had a balance outstanding of nil (2019 - nil).

10. Payables and accruals	<u>2020</u>	<u>2019</u>
Trade	\$ 3,885,048	\$ 5,050,714
Accrued liabilities	765,543	660,054
Commodity tax	35,613	113,405
Employee benefits	<u>16,506</u>	<u>84,221</u>
	<u>\$ 4,702,710</u>	<u>\$ 5,908,394</u>

11. Deferred revenue	<u>2020</u>	<u>2019</u>
Tui'kn Partnership	\$ 101,699	\$ 113,890
Department of Indigenous Services Canada	1,618,759	-
Health Canada	-	151,955
Department of Fisheries and Oceans	126,524	356,000
Province of Nova Scotia	-	44,000
Atlantic Canada Opportunities Agency	88,534	-
Miscellaneous	<u>856,933</u>	<u>404,179</u>
	<u>\$ 2,792,449</u>	<u>\$ 1,070,024</u>

12. Purchased fishing licenses and permits	<u>2020</u>	<u>2019</u>
Purchased fishing licenses and permits	<u>\$ 3,447,743</u>	<u>\$ 2,064,336</u>

The Band records all purchased commercial fishing licenses and permits as intangible assets. All other permits and licenses owned by Membertou Reserve Band Council have been granted for a nil consideration and therefore have not been capitalized.

Membertou Reserve Band Council

Notes to the Consolidated Financial Statements

March 31, 2020

13. Long term debt	<u>2020</u>	<u>2019</u>
Canada Mortgage and Housing Corporation 1.39% - 2.84% mortgages, repayable under various terms by September 2042.	\$ 6,152,692	\$ 5,878,752
First Nation Finance Authority 2.9% - 3.79% loans, repayable under various terms, maturing June 2024.	39,207,441	40,138,630
Royal Bank of Canada 2.21% - 5.25% mortgages, repayable under various terms by September 20, 2032.	756,720	876,363
Ford Credit 4.89% retail instalment contract repayable in monthly instalments of \$610 on account of principal and interest maturing in October 2020.	3,182	11,118
4.89% retail instalment contract repayable in monthly instalments of \$610 on account of principal and interest maturing in October 2020.	3,164	11,106
6.29% retail instalment contract repayable in monthly instalments of \$3,126 on account of principal and interest maturing in January 2025.	19,959	28,000
2.99% loan repayable in monthly instalments of \$707 of principal and interest maturing in October 2023.	29,131	36,370
2.99% loan repayable in monthly instalments of \$684 of principal and interest maturing in October 2023.	28,162	35,160
2.99% loan repayable in monthly instalments of \$687 of principal and interest maturing in September 2022.	20,270	27,762
Bank of Montreal Prime plus 1.25% term loan, repaid during the year.	-	95,714
Prime plus 1.25% mortgage, repayable in equal monthly Instalments of \$5,378, including interest, matures July 2023.	198,946	253,588
2.79% term loan, due on demand, maturing in February 2037, repayable in monthly instalments of \$38,770.	6,251,540	6,539,693

Membertou Reserve Band Council

Notes to the Consolidated Financial Statements

March 31, 2020

13. Long term debt (continued)	<u>2020</u>	<u>2019</u>
Prime plus 0.25% term loan, repaid during the year	-	1,000,000
Prime plus 1% term loan, due on demand, maturing May 2024, repayable in principal instalments of \$10,252 including interest.	487,158	593,222
3.4% term loan, due on demand, repayable in monthly instalments of \$5,360, including interest, maturing May 2035	346,221	-
Prime plus 0.75% term loan, due on demand, repayable in monthly instalments of \$2,115, including interest, maturing August 2024	105,651	-
2.97% mortgage repayable in monthly instalments of \$7,310 on account of principal and interest maturing on December 2038, secured by a Department of Indigenous Services Canada Ministerial Guarantee.	1,255,785	1,305,341
3.59% mortgage repayable in monthly instalments of \$5,338 on account of principal and interest maturing on May 2020, secured by a Department of Indigenous Services Canada Ministerial Guarantee. Loan will be repayable over 25 years.	884,170	915,815
Prime plus 3.29% mortgage repayable in monthly instalments of \$15,988 on account of principal and interest maturing on July 2041, secured by a Department of Indigenous Services Canada Ministerial Guarantee.	2,935,391	3,028,828
4.26% repayable in monthly instalments of \$18,593, maturing in November of 2038.	2,883,609	2,963,569
Prime plus 2.75% mortgage repayable in monthly instalments of \$15,198 on account of principal and interest maturing on May 2027, secured by a Department of Indigenous Services Canada Ministerial Guarantee. Loan will be repayable over 25 years.	1,185,361	1,333,232
Prime plus 0.75% term loan advance	1,000,000	1,000,000
Prime plus 0.75% term loan advance.	1,118,099	614,767
Prime plus 0.75% term loan advance	1,462,724	576,165
Prime plus 0.75% term loan advance	924,875	-

Membertou Reserve Band Council

Notes to the Consolidated Financial Statements

March 31, 2020

13. Long term debt (continued)	<u>2020</u>	<u>2019</u>
Loan advance, terms not yet finalized	1,083,500	-
Loan advance, terms not yet finalized	842,000	-
Peace Hills Trust		
4.25% mortgage repayable in monthly instalments of \$17,162, matures July 2028.	1,408,590	1,552,117
4 % mortgage, repayable in monthly instalments of \$15,140, matures May 2028.	1,246,872	1,375,865
4.25% mortgage, repayable in monthly instalments of \$5,095, matures May 2022.	117,043	171,944
4.25% mortgage, repayable in monthly instalments of \$4,703, matures September 2022.	133,185	182,776
4.0% loan, repayable in monthly instalments of \$6,104, matures June 2034.	800,000	-
Bank of Nova Scotia		
Interest free loan, repaid during the year	-	3,572
Interest free loan, repaid during the year	-	3,573
Prime plus 0.5% repayable in monthly instalments of \$7,908, matures July 2023.	211,877	295,950
4.62% repayable in monthly instalments of \$1,112 matures in March 2023.	59,619	69,822
1.49% loan, repayable in biweekly instalments of \$281, Including interest. maturing October 2024.	32,152	-
1.49% loan, repayable in biweekly instalments of \$281, Including interest. maturing October 2024.	32,614	-
Atlantic Canada Opportunities Agency		
5.75% repayable loan, payments begin July 2015, repayable in monthly instalments of \$6,479, matures June 2021.	97,071	167,038
Non-interest bearing, repayable in annual instalments of 30% gross annual lease income from the related property commencing one year after the project is complete	750,000	-

Membertou Reserve Band Council

Notes to the Consolidated Financial Statements

March 31, 2020

13. Long term debt (continued) 2020 2019

Nova Scotia Lands

Non-interest-bearing lease, repayable in annual instalments of \$74,000 plus HST, maturing March 2024. 296,000 -

Bridging Finance Inc.

12.5% loan, repayable in monthly instalments of interest only commencing January 2022. One-time payment of outstanding loan balance will be paid January 2025. 7,100,010 -

	<u>81,470,784</u>	71,087,652
Current portion of long term debt	<u>3,917,836</u>	<u>6,029,167</u>
Principal payments due within one year.	<u><u>\$ 77,552,948</u></u>	<u><u>\$ 65,058,485</u></u>

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

As security, the Bank of Montreal has been given a general security agreement constituting a first ranking security interest in all personal property of the Membertou Reserve Band Council, Membertou Gaming Commission and the Membertou Trade and Convention Centre, as well as guarantees in the amount of \$2,700,000 from each entity.

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

2021	\$ 3,917,836
2022	2,904,456
2023	2,781,461
2024	2,715,659
2025	2,613,217
Thereafter	<u>66,538,155</u>
	<u><u>\$ 81,470,784</u></u>

Membertou Reserve Band Council

Notes to the Consolidated Financial Statements

March 31, 2020

14. Capital lease obligations	2020	2019
John Deere		
2.9% capital lease, repayable in monthly instalments of \$7,694 including interest, maturing in October 2021.	\$ 135,361	\$ 223,034
4.17% capital lease, repayable in monthly instalments of \$1,690 including interest, maturing in June 2022.	43,564	61,705
4.99% capital lease, repayable in monthly instalments of \$4,787 including interest, maturing in June 2022.	227,299	-
Bank of Nova Scotia		
5.31% capital lease repayable in monthly instalments of \$3,049.59, including interest, maturing December 2023.	124,184	153,339
5.45% capital lease repayable in monthly instalments of \$12,502.95, including interest, maturing December 2023.	<u>1,042,290</u>	<u>1,132,826</u>
	1,572,698	1,570,904
Less: current portion	<u>282,153</u>	<u>224,584</u>
	<u>\$ 1,290,545</u>	<u>\$ 1,346,320</u>

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

2021	\$ 282,153
2022	248,542
2023	199,100
2024	194,366
2025	140,607
Thereafter	<u>507,930</u>
	<u>\$ 1,572,698</u>

15. Deferred trust contributions	2020	2019
Balance, beginning of year	\$ 6,480,207	\$ 6,226,207
Contributions during the year	(706,500)	(530,500)
Deferrals during the year	<u>739,500</u>	<u>784,500</u>
	<u>6,513,207</u>	<u>6,480,207</u>
Contributions due within one year	<u>(650,000)</u>	<u>(882,000)</u>
Deferred trust contributions	<u>\$ 5,863,207</u>	<u>\$ 5,598,207</u>

The Membertou Reserve Band Council has setup a Children's Trust Fund for all children on the Membertou Reserve Band Council list. An annual contribution is made on each child's behalf to the trust fund.

Membertou Reserve Band Council

Notes to the Consolidated Financial Statements

March 31, 2020

16. Accumulated surplus

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

	<u>2020</u>	<u>2019</u>
Unallocated	\$ 65,079,347	\$ 65,390,267
Funds on deposit with Department of Indigenous Services Canada	-	121,610
Health Canada Moveable Capital Asset Reserve	106,542	101,042
Replacement Reserve	-	-
Tangible Capital Asset Reserve	<u>401,835</u>	<u>401,835</u>
	 <u>\$ 65,587,724</u>	 <u>\$ 66,014,754</u>

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

17. Moveable Capital Asset Reserve

	<u>2020</u>	<u>2019</u>
Opening balance	\$ 101,042	\$ 97,257
Allocations during the year	7,237	3,785
Withdrawals	<u>(1,737)</u>	-
	 <u>\$ 106,542</u>	 <u>\$ 101,042</u>

18. Tangible Capital Asset Reserve

	<u>2020</u>	<u>2019</u>
Opening balance	\$ 401,835	\$ 399,071
Allocations during the year	-	2,764
Withdrawals	<u>-</u>	<u>-</u>
	 <u>\$ 401,835</u>	 <u>\$ 401,835</u>

Membertou Reserve Band Council

Notes to the Consolidated Financial Statements

March 31, 2020

19. Contingencies

- a) The Band has entered into a five-year alternative funding arrangement with the Department of Indigenous Services Canada, effective April 1, 2013. These funds may be repayable if any of the following conditions are not met:
 - 1) minimum program requirements are not met;
 - 2) capital funds are not expended for capital purposes; and
 - 3) any mandatory capital projects are not completed.
- b) As at March 31, 2020, the Band has provided a guarantee for mortgages payable by Band members, totalling \$1,594,963 (2019 - \$1,147,555), which were obtained under Section 10 of the *Indian Act*. In the event that the individual is unable to meet its obligations at some future date and the Band is required to honour its guarantee, any payments will be accounted for as a charge to operations in the year such payments are made.
- c) The Band's pension plan contributions are funded by the Indigenous and Department of Indigenous Services Canada. Any unexpended portion of these funds is repayable by the band.
- d) The Band has entered into contribution agreements with various government departments. Funding received under these contribution agreements is subject to repayment if the band fails to comply with the terms and conditions of the agreements.
- e) Under an agreement with the Bank of Nova Scotia, the Band is jointly and severally liable for loans provided by the Bank of Nova Scotia to Membertou Properties Limited Partnership. The Band has provided the Bank of Nova Scotia with a General Security Agreement providing a 2nd security interest in all present and future personal property subject with appropriate insurance coverage, loss if any, payable to the Bank and including specific charges over equipment financed. At March 31, 2020, outstanding loan balances were \$11,615,751.

20. Commitments

- a) Membertou Entertainment Centre has entered into an agreement to lease handsets which expires in November 2024. The annual rent of the handsets consists of a minimum monthly payment. Minimum lease payments for the next six (5) years are as follows:

2021	\$ 290,304
2022	\$ 290,304
2023	\$ 290,304
2024	\$ 290,304
2025	\$ 193,536

Membertou Reserve Band Council

Notes to the Consolidated Financial Statements

March 31, 2020

20. Commitments (continued)

b) Membertou Reserve Band Council has entered into an agreement to lease video lottery terminals (VLTs) from Eskasoni First Nation which expires in June 2022. The annual rent of the VLTs consists of a minimum monthly payment. Minimum lease payments for the next two (2) years are as follows:

2021	\$ 250,000
2022	\$ 62,500

21. Replacement reserve fund

Under the terms of the agreement with the CMHC, the replacement reserve account is to be increased by annual charges to equity. The charge in the current year is \$109,751 (2019 - \$108,918). These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by the CMHC from time to time. The funds in the account may only be used as approved by the CMHC. Withdrawals are credited to interest first and then principal.

As of March 31, 2020, the reserve was fully funded.

22. Pension costs and obligations

The Band is required to match contributions to a group registered retirement savings plan for all full-time employees to a limit of 5.5% of the yearly maximum pensionable earnings for non-band members and 9% for band members. Total contributions during the year amounted to \$522,565 (2019 - \$514,677).

23. Government transfers

	2020			2019		
	Operating	Capital	Total	Operating	Capital	Total
Department of Indigenous Services						
Canada	\$ 6,170,983	\$ 356,924	\$ 6,527,907	\$ 6,819,383	\$ 3,924,161	\$ 10,743,544
Department of Indigenous Services						\$ -
Canada - First Nations and Inuit						\$ -
Health Branch	2,204,143	-	2,204,143	1,858,128		\$ 1,858,128
Canada Mortgage and Housing Corporation	335,087	90,000	425,087	336,219		\$ 336,219
Mi'kmaw Kina'matnewey	4,207,182		4,207,182	4,284,976	305,193	\$ 4,590,169
Other	519,319	2,246,269	2,765,588	1,054,507	581,693	\$ 1,636,200
Total	13,436,714	2,693,193	16,129,907	14,353,213	4,811,047	\$ 19,164,260
Province of Nova Scotia	204,792	155,270	360,062	166,273		\$ 166,273
	\$ 13,641,506	\$ 2,848,463	\$ 16,489,969	\$ 14,519,486	\$ 4,811,047	\$ 19,330,533

Membertou Reserve Band Council

Notes to the Consolidated Financial Statements

March 31, 2020

24. Comparative figures

Certain 2019 comparative figures have been reclassified to conform to the current year financial

25. Subsequent events

Since March 31, 2020, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions. As a result of the quarantines and social distancing, the Band shut down various commercial operations subsequent to year end. To assist with the economic consequences resulting from COVID-19, the First Nations Finance Authority has initiated an interest relief program to 58 First Nations that were borrowing members of the FNFA as of March 31, 2020. Membertou's prorated portion of the interest relief totals \$1,072,572, which will be received during the March 31, 2021 fiscal year.

The Band has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended March 31, 2020, have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Band for future periods.

26. Segment disclosure

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

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

- Social Development – social assistance provided to qualifying members.
- Band Government – all associated with the administration of the First Nation operations.
- Human Resources and Quality Management – associated with payroll, hiring, and HR
- Capital Projects – provides capital construction projects for the community.
- Operations and Maintenance – repairs and maintenance carried out during the year to the community buildings.
- Economic Development – specified development projects undertaken by the First Nation.

Membertou Reserve Band Council

Notes to the Consolidated Financial Statements

March 31, 2020

26. Segment disclosure (continued)

- Education – providing elementary, secondary and post-secondary tuition for qualifying members along with related programs and support.
- Employment Development – activities related to job training and skills.
- Health Canada – activity of the Health Centre which provides a variety of health care programs and support.
- Department of Fisheries and Oceans – AFS Program – management of the DFO fisheries operations.
- Miscellaneous – all other items not reported in a specified division.
- Housing Fund – Section 95 and non-subsidized housing operation.
- Public Works – infrastructure, maintenance and repairs
- Membertou Lands – land and waste management
- Commercial enterprises – Operating results from Membertou Development Corporation, Membertou Enterprise Fund, 3306129 Nova Scotia Limited (operating as the Membertou Market), the Membertou Trade & Convention Centre Limited, the Membertou Gaming Commission Inc., 3237395 Nova Scotia Limited (Operating as Membertou Insurance Brokers), Membertou Commercial Fisheries, the Membertou Business Centre, the Membertou Cultural and Heritage Centre Foundation Inc., Membertou Data Centre, Membertou Geomatics, Membertou Sport and Wellness Centre, and Lanes @ Membertou

See Schedule A – Schedule of Segment Disclosure for current year details.

Membertou Reserve Band Council

Schedule A – Segment Disclosure

Year ended March 31, 2020

	Social Development			Band Government			Human Resources/Quality Mgmt.			Capital Projects			Operations and Maintenance		
	Budget 2020	Actual 2020	Actual 2019	Budget 2020	Actual 2020	Actual 2019	Budget 2020	Actual 2020	Actual 2019	Budget 2020	Actual 2020	Actual 2019	Budget 2020	Actual 2020	Actual 2019
Revenues															
Federal government operating transfers	4,688,195.00	4,737,389.00	4,622,013.00	571,400.00	889,121.00	573,199.00	-	-	-	350,000.00	356,924.00	1,099,049.00	264,885.00	269,749.00	266,760.00
Federal government capital transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provincial government operating transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provincial government capital transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Income from investment in GBE's	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	4,688,195	4,737,389	4,622,013	571,400	889,121	573,199	-	-	-	350,000	356,924	1,099,049	264,885	269,749	266,760
Expenses															
Salaries and benefits	699,200.00	730,254.00	716,505.00	1,846,884.00	1,847,016.00	1,820,961.00	417,640.00	413,305.00	409,604.00	-	-	-	780,154.00	797,907.00	707,571.00
Amortization	-	-	-	50,585.00	56,901.00	54,959.00	-	-	-	-	-	-	44,034.00	40,339.00	44,864.00
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	3,615,228.00	3,723,931.00	3,773,308.00	1,512,700.00	1,679,691.00	1,678,908.00	184,712.00	177,007.00	176,303.00	120,000.00	-	598,857.00	(389,605.00)	(362,932.00)	(383,227.00)
	4,314,428	4,454,185	4,489,813	3,410,169	3,583,608	3,554,828	602,352	590,312	585,907	120,000	-	598,857	434,583	475,314	369,208
Surplus (deficit) for the year	\$ 373,767	\$ 283,204	\$ 132,200	\$ (2,838,769)	\$ (2,694,487)	\$ (2,981,629)	\$ (602,352)	\$ (590,312)	\$ (585,907)	\$ 230,000	\$ 356,924	\$ 500,192	\$ (169,698)	\$ (205,565)	\$ (102,448)

	Economic Development			Education			Employment Development			Health Canada			Department of Fisheries and Oceans		
	Budget 2020	Actual 2020	Actual 2019	Budget 2020	Actual 2020	Actual 2019	Budget 2020	Actual 2020	Actual 2019	Budget 2020	Actual 2020	Actual 2019	Budget 2020	Actual 2020	Actual 2019
Revenues															
Federal government operating transfers	135,500.00	143,628.00	141,809.00	4,126,753.00	4,207,182.00	4,303,507.00	434,580.00	519,319.00	742,348.00	1,785,040.00	2,204,143.00	1,858,128.00	162,000.00	204,792.00	162,000.00
Federal government capital transfers	-	-	-	-	-	305,193.00	-	-	-	-	-	-	-	-	-
Provincial government operating transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provincial government capital transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Income from investment in GBE's	-	-	-	-	-	(18,531.00)	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	135,500	143,628	141,809	4,126,753	4,207,182	4,590,169	434,580	519,319	742,348	1,785,040	2,204,143	1,858,128	162,000	204,792	162,000
Expenses															
Salaries and benefits	89,371.00	95,547.00	93,639.00	2,978,863.00	2,882,384.00	2,361,468.00	99,524.00	96,794.00	94,807.00	515,609.00	564,283.00	559,581.00	114,360.00	109,945.00	99,687.00
Amortization	-	-	-	383,733.00	383,733.00	407,023.00	-	-	-	15,152.00	15,152.00	15,838.00	4,260.00	4,260.00	5,325.00
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	105,400.00	114,727.00	111,320.00	1,843,606.00	1,872,219.00	2,040,488.00	342,808.00	452,839.00	560,092.00	1,108,856.00	1,271,044.00	1,196,981.00	41,874.00	97,981.00	56,236.00
	194,771	210,274	204,959	5,206,202	5,138,336	4,808,999	442,332	549,633	654,899	1,639,617	1,850,479	1,772,400	160,494	212,186	161,248
Surplus (deficit) for the year	\$ (59,271)	\$ (66,646)	\$ (63,150)	\$ (1,079,449)	\$ (931,154)	\$ (218,630)	\$ (7,752)	\$ (30,314)	\$ 87,449	\$ 145,423	\$ 353,664	\$ 85,728	\$ 1,506	\$ (7,394)	\$ 752

Membertou Reserve Band Council

Schedule A – Segment Disclosure (continued)

Year ended March 31, 2020

	Miscellaneous			Housing Fund			Public Works			Membertou Lands			Enterprise		
	Budget 2020	Actual 2020	Actual 2019	Budget 2020	Actual 2020	Actual 2019	Budget 2020	Actual 2020	Actual 2019	Budget 2020	Actual 2020	Actual 2019	Budget 2020	Actual 2020	Actual 2019
Revenues															
Federal government operating transfers	-	-	-	312,000.00	335,087.00	519,098.00	-	-	-	131,096.00	116,553.00	-	-	-	-
Federal government capital transfers	-	-	-	-	90,000.00	187,661.00	-	-	-	1,101,335.00	-	-	-	-	-
Provincial government operating transfers	200,000.00	155,270.00	166,273.00	-	-	-	-	-	-	-	-	-	-	-	-
Provincial government capital transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Income from investment in GBE's	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	1,032,000.00	1,064,175.00	1,009,714.00	-	-	-	-	-	-	6,143,060.00	6,445,130.00	6,129,558.00
	200,000	155,270	166,273	1,344,000	1,489,262	1,716,473			1,101,335		131,096	116,553	6,143,060	6,445,130	6,129,558
Expenses															
Salaries and benefits	-	-	-	361,986.00	322,323.00	317,633.00	814,390.00	847,745.00	804,922.00	-	121,120.00	136,373.00	283,624.00	278,158.00	291,525.00
Amortization	-	-	-	710,532.00	1,144,368.00	1,081,136.00	919,788.00	1,003,835.00	993,306.00	-	-	-	-	-	-
Interest	1,378,005.00	1,484,926.00	1,517,580.00	448,590.00	454,525.00	384,710.00	9,000.00	17,158.00	14,770.00	-	-	-	-	-	-
Other	2,250,000.00	2,291,000.00	2,279,500.00	2,669,549.00	3,052,115.00	3,468,015.00	427,392.00	604,947.00	426,814.00	210,558.00	194,410.00	135,198.00	5,763,808.00	6,321,742.00	5,816,445.00
	3,628,005	3,775,926	3,797,080	4,190,657	4,973,331	5,251,494	2,170,570	2,473,685	2,239,812	210,558	315,530	271,571	6,047,432	6,599,900	6,107,970
Surplus (deficit) for the year	\$ (3,428,005)	\$ (3,620,656)	\$ (3,630,807)	\$ (2,846,657)	\$ (3,484,069)	\$ (3,535,021)	\$ (2,170,570)	\$ (2,473,685)	\$ (1,138,477)	\$ (210,558)	\$ (184,434)	\$ (155,018)	\$ 95,628	\$ (154,770)	\$ 21,588

	Commercial			Totals		
	Budget 2020	Actual 2020	Actual 2019	Budget 2020	Actual 2020	Actual 2019
Revenues						
Federal government operating transfers	-	-	-	12,830,353.00	13,998,430.00	14,353,213
Federal government capital transfers	-	2,246,269.00	3,216,858.00	-	2,336,269.00	4,811,047
Provincial government operating transfers	-	-	-	200,000.00	155,270.00	166,273
Provincial government capital transfers	-	-	-	-	50,000.00	50,000
Contributed assets	-	50,000.00	50,000.00	-	-	-
Economic activities	-	-	-	417,781.00	(159,984.00)	33,055
Income from investment in GBE's	417,781.00	(159,984.00)	33,055.00	417,781.00	(159,984.00)	33,055
Other	40,924,308.00	40,048,759.00	40,387,850.00	48,099,368.00	47,558,064.00	47,704,098
	41,342,089	42,185,044	43,687,763	61,547,502	63,938,049	67,117,686
Expenses						
Salaries and benefits	7,395,279.00	7,544,075.00	6,898,708.00	16,396,684.00	16,650,856.00	15,313,004
Amortization	2,893,546.00	3,122,509.00	3,032,881.00	5,021,630.00	5,771,097.00	5,635,332
Interest	651,643.00	683,168.00	579,185.00	2,487,238.00	2,639,777.00	2,496,245
Other	17,498,945.00	17,812,628.00	18,182,392.00	37,305,831.00	39,303,349.00	40,117,632
	28,439,413	29,162,380	28,693,166	61,211,583	64,365,079	63,562,213
Surplus (deficit) for the year	\$ 12,902,676	\$ 13,022,664	\$ 14,994,597	\$ 335,919	\$ (427,030)	\$ 3,555,473