

GLOOSCAP FIRST NATION
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

Glooscap First Nation
Financial Statements
For the year ended March 31, 2020

CONTENTS

	PAGE
Management's Responsibility for the Consolidated Financial Statements	1
Independent Auditors' Report	2 - 3
Consolidated Statement of Financial Position	4
Consolidated Statement of Operations	5
Consolidated Statement of Change in Net Financial Debt	6
Consolidated Statement of Cash Flows	7
Notes to the Consolidated Financial Statements	8 - 25

GLOOSCAP FIRST NATION

Management's Responsibility for the Consolidated Financial Statements March 31, 2020

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

These consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board. Management is responsible 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.

The Chief and Council are 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 external auditors, BDO Canada LLP, conduct an audit, in accordance with Canadian generally accepted auditing standards, and express their opinion on the consolidated financial statements. The external auditors have access to management of Glooscap First Nation and meet when required.

On behalf of Glooscap First Nation:

Chief



Date



Councilor



Date



Councilor



Date



Councilor



Date



Management



Date



INDEPENDENT AUDITOR'S REPORT

To the Members of Glooscap First Nation

Opinion

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the First Nation as at March 31, 2020 and its results of operations, changes in its financial debts and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

Emphasis of Matter - Prior Period Adjustment

We draw attention to Note 2 of the financial statements, which explains that certain comparative information presented for the year ended March 31, 2019 has been restated. Our opinion is not modified in respect of this matter.

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

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

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

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



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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the First Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the First Nation 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.

BDO Canada LLP

Chartered Professional Accountants

Dartmouth, Nova Scotia

October 14, 2020

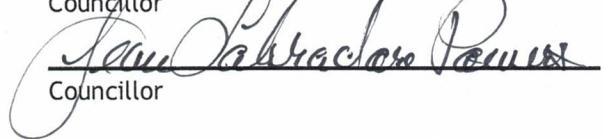
GLOOSCAP FIRST NATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2020

	2020	2019
FINANCIAL ASSETS		
Cash (Note 3)	\$ 2,674,346	\$ 2,095,285
Temporary investments	2,458	2,452
Accounts receivable	210,989	23,528
HST recoverable	437,510	380,195
Grants receivable (Note 4)	233,525	368,836
Inventory	62,857	119,561
Investments in government business enterprises (Note 6)	3,050,863	3,741,184
Due from government business enterprises (Note 6)	5,568,837	5,149,123
	<hr/> 12,241,385	<hr/> 11,880,164
LIABILITIES		
Accounts payable and accrued liabilities	512,069	404,230
Deferred revenue	2,344	10,941
Due to related party (Note 5)	240,225	124,043
Long-term debt (Note 7)	18,502,843	16,428,386
	<hr/> 19,257,481	<hr/> 16,967,600
NET FINANCIAL DEBT	<hr/> (7,016,096)	<hr/> (5,087,436)
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 8)	12,672,504	14,758,017
Prepays	-	8,647
	<hr/> 12,672,504	<hr/> 14,766,664
ACCUMULATED SURPLUS (Note 9)	<hr/> \$ 5,656,408	<hr/> \$ 9,679,228

APPROVED ON BEHALF OF GLOOSCAP FIRST NATION:


 Chief

 Councillor


 Councillor

 Councillor

GLOOSCAP FIRST NATION
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2020

	Budget 2020	Actual 2020	2019
REVENUE			
Indigenous Services Canada (Note 16)	\$ 1,081,591	\$ 1,355,791	\$ 1,289,100
Atlantic Integrated Commercial Fish Initiative (Note 16)	40,000	247,200	44,954
Mi'kmaq Employment Training Secretariat	96,433	236,547	90,579
Mi'kmaw Kina'matnewey	151,020	144,077	182,426
Province of Nova Scotia (Note 16)	100,000	141,385	142,009
Department of Fisheries and Oceans (Note 16)	75,000	87,445	75,000
Canadian Mortgage and Housing Corporation "CMHC" (Note 16)	70,181	54,053	128,535
Confederacy of Mainland Mi'kmaq	-	11,565	7,434
Glooscap Corner	4,528,076	3,854,959	4,191,815
Commercial Fisheries	1,987,077	1,431,328	1,155,133
Grants from Economic Development	-	-	1,173,087
Amounts earned and held in trust by federal government (Note 12)	-	822	222
Other revenue	16,560	165,456	241,394
	8,145,938	7,730,628	8,721,688
EXPENSES			
Administration	1,766,081	2,235,120	1,886,038
Commercial Fisheries	1,354,722	1,622,285	1,182,787
Community Fisheries	67,850	94,232	87,147
Community Health	296,747	361,407	379,973
Education	228,719	120,035	161,354
Feta Cheese	-	2,336,218	682,263
Gaming	339,408	371,918	356,712
Operations, Capital & Maintenance	41,191	324,195	276,537
Other projects	-	112,795	188,989
Social Housing	370,650	276,595	273,362
Social Services	187,837	306,791	311,008
Glooscap Corner	3,360,952	2,901,534	2,946,313
	8,014,157	11,063,125	8,732,483
LOSS FROM OPERATIONS	131,781	(3,332,497)	(10,795)
LOSS FROM GOVERNMENT BUSINESS ENTERPRISES (Note 6)	57,797	(690,323)	(470,543)
ANNUAL DEFICIT	189,578	(4,022,820)	(481,338)
ACCUMULATED SURPLUS - beginning of year	9,679,228	9,679,228	10,160,566
ACCUMULATED SURPLUS - end of year (Note 9)	\$ 9,868,806	\$ 5,656,408	\$ 9,679,228

GLOOSCAP FIRST NATION
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL DEBT
FOR THE YEAR ENDED MARCH 31, 2020

	Budget 2020	Actual 2020	2019
ANNUAL DEFICIT	\$ 189,578	\$ (4,022,820)	\$ (481,338)
Loss on impairment of capital assets	-	2,109,365	-
Acquisition of tangible capital assets	-	(967,177)	(4,628,115)
Amortization of tangible capital assets	-	756,740	557,526
Consumption of prepaid expense	-	8,647	297,786
Loss on disposal of capital assets, net of transfers	-	186,585	-
	-	2,094,160	(3,772,803)
CHANGE IN NET FINANCIAL ASSETS	189,578	(1,928,660)	(4,254,141)
NET FINANCIAL DEBT - beginning of year	(5,087,436)	(5,087,436)	(833,295)
NET FINANCIAL DEBT - end of year	\$ (4,897,858)	\$ (7,016,096)	\$ (5,087,436)

GLOOSCAP FIRST NATION
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2020

	2020	2019
CASH FLOWS FROM:		
OPERATING ACTIVITIES		
Annual deficit	\$ (4,022,820)	\$ (481,338)
Items in earnings not involving cash		
Amortization of tangible capital assets	756,740	557,526
Loss on disposal of capital assets, net of transfers	186,585	-
Loss from government business enterprises	690,323	470,543
Impairment of capital assets	<u>2,109,365</u>	-
	(279,807)	546,731
Net changes in working capital balances		
Accounts receivable	(187,461)	98,068
HST recoverable	(57,315)	(380,195)
Grants receivable	135,311	(160,659)
Inventory	56,704	(41,866)
Accounts payable and accrued liabilities	107,839	(724,628)
Deferred revenue	(8,597)	-
Prepays	<u>8,647</u>	297,786
	<u>(224,679)</u>	<u>(364,763)</u>
CAPITAL ACTIVITY		
Purchase of tangible capital assets	<u>(967,177)</u>	<u>(4,628,115)</u>
	<u>(967,177)</u>	<u>(4,628,115)</u>
INVESTING ACTIVITIES		
Increase in restricted cash	(312,172)	(223)
Redemption (purchase) of temporary investments	(6)	199,514
Advances to government business enterprises	<u>(419,709)</u>	<u>(1,442,103)</u>
	<u>(731,887)</u>	<u>(1,242,812)</u>
FINANCING ACTIVITIES		
Repayments of long-term debt	(491,833)	(409,218)
Advances of long-term debt	2,566,290	3,051,133
Advances from related party	<u>116,182</u>	<u>124,053</u>
	<u>2,190,639</u>	<u>2,765,968</u>
INCREASE (DECREASE) IN CASH DURING THE YEAR	266,896	(3,469,722)
CASH - UNRESTRICTED - beginning of year	1,367,728	4,837,450
CASH - UNRESTRICTED - end of year (Note 3)	\$ 1,634,624	\$ 1,367,728

GLOOSCAP FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Nature of Operations

Glooscap First Nation (the "First Nation") operates under the authority of the Indian Act.

The mandate of the First Nation is to provide services to band members and the community. These services are grouped into the following key areas: Band Administration, Social Services, Community Health, Education, Operations, Capital and Maintenance, Variety Store, Gaming & Gas, Fisheries, and Other Projects.

The First Nation is exempt from income taxes under the Income Tax Act.

(b) Basis of Accounting

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

(c) Reporting Entity

The reporting entity includes the First Nation and all entities that are controlled by the First Nation.

All controlled entities are fully consolidated in the First Nation's consolidated financial statements except for entities that meet the definition of a government business enterprise, which are included in the consolidated financial statements on a modified equity basis. Accounting policies of consolidated entities are conformed to those of the First Nation and inter-organizational balances and transactions are eliminated upon consolidation.

Under the modified equity method of accounting, only the First Nation's investment in the entity and the First Nation's portion of the entity's net income and other changes in equity are recorded. No adjustment is made for accounting policies of the entity that are different from those of the First Nation and inter-organizational balances and transactions are not eliminated.

Entity accounted for through consolidation:

- Glooscap Ilia Gourmet Foods Limited partnership - ceased operations during the year

Entities accounted for on a modified equity basis include:

- Glooscap Economic Development Corporation Limited ("Economic Development")
- development of band-owned business opportunities
- Glooscap Landing #1 Limited Partnership ("Landing #1") - owns land and building for the Landing convenience store and gas bar
- Glooscap Landing #2 Limited Partnership ("Landing #2") - operates the Landing convenience store
- Glooscap Energy Limited Partnership ("Glooscap Energy") - invests in renewable energy projects
- Seakist Lobster Limited ("Seakist Lobster") - operates a lobster pound
- Yarmouth Bar Fisheries Limited ("Yarmouth Bar") - seafood processor (52% ownership)

GLOOSCAP FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Cash

Cash consist of cash on hand, bank balances, unrestricted operating and housing cash, and externally restricted replacement reserve cash.

(e) Temporary Investments

Temporary investments are recorded at cost, unless the market value of temporary investments has declined below cost, in which case they are written down to market value.

(f) Tangible Capital Assets

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the assets.

Amortization is provided for on a straight-line basis over their estimated useful lives as follows:

CMHC Housing	25 years
Band Housing	25 years
Brick Buildings	40 years
Wooden Buildings	25 years
Computer Equipment	4 years
Land & Improvements	30 years
Road Equipment	15 years
Road Grade	40 years
Road Surface	20 years
Underground Networks	50 years
Vehicles & Equipment	10 years
Vessels	10 years
Fishing Equipment	5 years

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

(g) Inventory

Inventories of supplies and goods available for resale are recorded at the lower of cost and net realizable value using the first-in first-out costing method.

GLOOSCAP FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Revenue Recognition

Revenues are recognized in the period in which the transactions or events occur that give rise to the revenues. All revenues are recorded on an accrual basis.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

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

Contributions, other than government transfers, are deferred when restrictions are placed on their use by the external contributor, and are recognized as revenue when used for the purpose specified.

(i) Non-Financial Assets

Non-financial assets are used to provide the First Nation's services in future periods. These assets do not normally provide resources to discharge the liabilities of the First Nation unless they are sold. The First Nation's non-financial assets include tangible capital assets and prepaids.

(k) Pension Plan

The First Nation provides a defined contribution plan for its employees. The pension costs are charged to operations as incurred. Contributions are a defined amount based on a set percentage of salary.

GLOOSCAP FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

2. PRIOR PERIOD ADJUSTMENT

During the year, management became aware of an error in the treatment of grants received in relation to the construction of Landing #1. The grants were incorrectly included as Landing #1 contributions of capital rather than a reduction in the cost of the tangible capital assets. Consequently, the First Nation's investment in Landing #1 and accumulated surplus were overstated. The result of this correction to the previously reported March 31, 2019 balances is as follows:

Decrease in investment in government business enterprises	\$(5,980,100)
Decrease in opening accumulated surplus	\$6,102,593
Decrease in loss from government business enterprises	\$(122,493)

3. CASH

	2020	2019
<u>Unrestricted</u>		
Operating	\$ 1,634,624	\$ 1,177,183
Housing	- 190,545	
	<hr/> 1,634,624	1,367,728
<u>Externally Restricted</u>		
CMHC Replacement Reserve	117,572	62,705
Trust funds held by Federal Government (Note 12)	20,247	19,425
First Nation Finance Authority: Debt Reserve Fund	901,903	645,420
	<hr/> 1,039,722	727,550
Total cash	<hr/> \$ 2,674,346	\$ 2,095,278

Under the terms of an agreement with Canada Mortgage and Housing Corporation ("CMHC"), the First Nation must set aside funds annually for the repair, maintenance and replacement of worn out assets. These funds are to be held in a separate bank account and invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as otherwise approved by CMHC with any interest earned to be credited as revenue to the CMHC Replacement Reserve.

The First Nation is also required to have trust funds held by Federal Government in a separate bank account. These funds increase annually by the interest earned. They can be withdrawn for their intended purposes if requested.

The First Nation Finance Authority holds back 5% on loans advanced into a debt reserve fund to cover any default payments.

4. GRANTS RECEIVABLE

	2020	2019
Indigenous Services Canada	\$ 79,564	\$ 230,252
Province of Nova Scotia - casino profit share	53,667	60,509
Mi'kmaq Employment Training Secretariat	45,195	-
Other	42,654	-
Mi'kmaw Kina'matnewey	-	33,121
Department of Fisheries and Oceans	12,445	44,954
	<hr/> \$ 233,525	\$ 368,836

GLOOSCAP FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

5. DUE TO RELATED PARTY

	2020	2019
Ilia Gourmet Canada Inc. (<i>minority partner of Glooscap Ilia Gourmet Foods Limited Partnership</i>)	\$ 240,225	\$ 124,043

The amounts are unsecured, interest-free, with no set terms of repayment.

6. INVESTMENTS IN GOVERNMENT BUSINESS ENTERPRISES

The First Nation owns 100% of Glooscap First Nation Economic Development Corporation Limited ("Economic Development"), which is a corporation aimed to enhance the quality of life of the community through the development of band-owned business opportunities and provide assistance to individuals interested in creating opportunities for themselves through business activities.

Economic Development owns 100% of Glooscap Landing #1 GP Ltd. which is a holding company which is the General Partner of: Glooscap Landing #1 Limited Partnership ("Landing #1") and Glooscap Landing #2 Limited Partnership ("Landing #2") which together own the facilities and operate the Exit 8A Landing fuel gas bar and Sweetgrass convenience store. Economic Development also owns 100% of Glooscap Energy GP Ltd. which is a holding company which is the General Partner of Glooscap Energy Limited Partnership ("Glooscap Energy") which invests in renewable energy projects.

The First Nation also owns 52% of Yarmouth Bar Fisheries Limited ("Yarmouth Bar") and 100% of Seakist Lobster Limited ("Seakist Lobster"). These companies together own the facilities and operate a lobster pound and buy and sell fish products in Yarmouth, Nova Scotia.

The breakdown of investment by entity is:

	2020	2019
Economic Development	\$ (3,038,879)	(2,807,360)
Landing #1	3,056,058	3,197,717
Landing #2	(265,190)	(148,901)
Glooscap Energy	(3,694)	-
Yarmouth Bar	1,998,661	2,101,345
Seakist Lobster	<u>1,303,907</u>	<u>1,398,383</u>
	\$ 3,050,863	\$ 3,741,184

Transactions

During the year, the following transactions occurred between the government business enterprises and the First Nation. These transactions are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties:

- The First Nation paid \$600,000 (2019 - \$618,000) in management fees to Economic Development
- The First Nation earned \$124,536 (2019 - \$80,789) in pizza sales from Landing #2
- The First Nation earned \$1,362,052 (2019 - \$1,108,033) in revenue from the sale of fish to Yarmouth Bar
- Economic Development paid \$25,000 (2019 - \$11,550) in rent to Landing #1
- Landing #2 paid \$77,712 (2019 - \$26,344) in rent to Landing #1

GLOOSCAP FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

6. INVESTMENTS IN GOVERNMENT BUSINESS ENTERPRISES (continued)

The following presents important notes for the government business enterprises.

Economic Development

In fiscal 2018/19, Economic Development received a grant from Indigenous Services Canada ("ISC") for Glooscap Ilia Gourmet Foods business unit ("Ilia") to enable Ilia to purchase feta cheese production equipment at a total cost of \$2,750,184. The grant was transferred from Economic Development to the First Nation to facilitate the purchase. The grant agreement required the equipment to be delivered by March 31, 2019. Only \$432,095 of equipment was delivered to Ilia and the remaining equipment is the subject of litigation proceedings. ISC has applied \$172,838 as eligible expenditures under the grant (40% of the cost of the delivered equipment), leaving a balance of \$827,162 that will be requested to be repaid if no new project is approved. Economic Development has provided ISC with three alternate proposals for consideration with the remaining grant funding. The deadline for approval of an alternate project and completion of approved eligible expenditures was March 31, 2020. Due to COVID-19 (Note 16), the deadline was extended, and Economic Development has been advised that a new deadline will be set when ISC renders a decision related to the alternate projects. It is not possible at this time to determine the possible outcome of this matter and consequently, no provision for any potential repayment has been made.

Landing #2

Scheduled repayments on long-term debt are as follows:

2021	\$25,000
2022	\$25,000
2023	\$14,583

Seakist Lobster Limited

Scheduled repayments on long-term debt are as follows:

2021	\$53,333
2022	\$53,333
2023	\$53,333
2024	\$53,333
2025	\$53,333

The amounts due from (to) government business enterprises are:

	2020	2019
Economic Development	\$ 4,396,641	4,373,521
Landing #1	990,003	781,176
Landing #2	129,841	(5,574)
Glooscap Energy	<u>52,352</u>	-
	<u>\$ 5,568,837</u>	<u>5,149,123</u>

These amounts are unsecured, interest-free, with no set terms of repayment.

GLOOSCAP FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

6. INVESTMENTS IN GOVERNMENT BUSINESS ENTERPRISES (continued)

The following table presents the condensed financial information for these commercial enterprises.

	Economic Development	Landing #1	Landing #2	Glooscap Energy	Yarmouth Bar (1)	Seakist Lobster	2020 Total	2019 Total
Financial Position								
Cash	\$ 11,808	\$ 20,269	\$ 44,051	\$ 454	\$ 42,069	\$ 6,258	\$ 124,909	\$ 253,591
Receivables	3,993	-	1,212	-	1,558,018	-	1,563,223	1,161,441
HST & taxes recoverable	12,639	224,682	-	5,551	-	19,241	262,113	475,037
Prepays	-	-	2,644	7,500	26,570	5,598	42,312	194,865
Inventory	-	-	110,865	-	360,172	-	471,037	731,418
Investment Tax Credits	-	-	-	-	-	19,371	19,371	-
Future income taxes	-	-	-	-	21,758	13,800	35,558	32,615
Property, plant and equipment	3,834	4,855,848	93,032	87,827	360,100	1,336,546	6,737,187	6,269,087
Total assets	32,274	5,100,799	251,804	101,332	2,368,687	1,400,814	9,255,710	9,118,054
Bank indebtedness	-	-	-	-	1,448,392	-	1,448,392	1,245,183
Accounts payable	73,827	1,764	70,165	-	179,407	6,612	331,775	980,113
HST & taxes payable	-	-	9,975	-	16,670	-	26,645	25,766
Long-term debt	-	-	64,583	-	-	604,722	669,305	518,750
Due to related parties	3,014,321	2,077,788	370,475	105,003	173	178,660	5,746,420	4,819,310
Total liabilities	3,088,148	2,079,552	515,198	105,003	1,644,642	789,994	8,222,537	7,589,122
Capital Surplus (deficit)	100 (3,055,974)	140,011 2,881,236	19,570 (282,964)	10 (3,681)	121 723,924	200 610,620	160,012 873,161	160,012 1,328,920
Total liabilities and equity	\$ 32,274	\$ 5,100,799	\$ 251,804	\$ 101,332	\$ 2,368,687	\$ 1,400,814	\$ 9,255,710	\$ 9,078,054
Results of Operations								
Revenue	\$ 679,895	\$ 191,178	\$ 2,131,866	\$ 719	\$ 17,789,653	\$ 116,884	\$ 20,910,195	\$ 11,451,379
Expenses	(911,414)	(332,838)	(2,248,155)	(4,413)	(17,767,207)	(141,927)	(21,405,954)	(11,826,243)
Amortization of purchase price	-	-	-	-	(114,355)	(69,435)	(183,790)	(95,679)
Net income attributed to minority shareholders	-	-	-	-	(10,774)	-	(10,774)	-
Net income (loss)	\$ (231,519)	\$ (141,660)	\$ (116,289)	\$ (3,694)	\$ (102,683)	\$ (94,478)	\$ (690,323)	\$ (470,543)

(1) The condensed financial information of Yarmouth Bar includes 100% of the assets, liabilities, equity and results of operations for this government business enterprise. The net income not attributable to the First Nation is included as a separate line within the results of operations for Yarmouth Bar.

GLOOSCAP FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

7. LONG-TERM DEBT

	2020	2019
CMHC loans repaid during the year.	\$ -	\$ 1,953
1.43% first mortgage payable to CMHC, secured by two housing units constructed in 1995/96 and by Ministerial guarantee to lending institution. This mortgage matures in March 2022. Repayable in blended monthly payments of \$796.	18,830	28,081
1.30% first mortgage payable to CMHC, secured by a single family housing unit constructed in 1996/97 and by Ministerial guarantee to lending institution. This mortgage matures in June 2022. Repayable in blended monthly payments of \$408.	10,463	15,210
2.39% first mortgage payable to Scotiabank, secured by a single family housing unit constructed in 1997/98 and by Ministerial guarantee to lending institution. This mortgage is for a 5 year term maturing December 2022. Repayable in blended monthly payments of \$473.	14,647	19,904
1.05% first mortgage payable to CMHC, secured by a single family housing unit constructed in 2004/2005 and by Ministerial guarantee to lending institution. This mortgage is for a 5 year term maturing April 2020 and amortized to 2030. Repayable in blended monthly payments of \$295.	33,839	37,037
1.44% first mortgage payable to CMHC, secured by two - 2 unit housing units acquired in 2006/2007 on Glooscap Reserve and by Ministerial guarantee to lending institution. This mortgage is for a 5 year term maturing February 2022 and amortized to 2032. Repayable in blended monthly payments of \$1,258.	164,146	176,993
1.43% first mortgage payable to CMHC, secured by one housing unit acquired in 2010/2011 on Glooscap Reserve and by Ministerial guarantee to lending institution. This mortgage is for a 5 year term maturing April 2022 and amortized to 2037. Repayable in blended monthly payments of \$361.	65,591	69,040
1.35% first mortgage payable to CMHC, secured by one housing unit acquired in 2011/2012 on Glooscap Reserve and by Ministerial guarantee to lending institution. This mortgage is for a 5 year term maturing May 2022 and amortized to 2037. Repayable in blended monthly payments of \$357.	65,653	69,106
2.22% first mortgage payable to CMHC, secured by one duplex acquired in 2013/2014 on Glooscap Reserve and by Ministerial guarantee to lending institution. This mortgage is for a 5 year term maturing January 2024 and amortized to 2038. Repayable in blended monthly payments of \$569.	104,793	109,454

GLOOSCAP FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

7. LONG-TERM DEBT (continued)

	2020	2019
0.98% first mortgage payable to CMHC, secured by one housing unit acquired in 2014/2015 on Glooscap Reserve and by Ministerial guarantee to lending institution. This mortgage is for a 5 year term maturing April 2025 and amortized until 2039. Repayable in blended monthly payments of \$321.	68,503	71,451
1.17% first mortgage payable to CMHC, secured by one duplex acquired in 2015/2016 on Glooscap Reserve and by Ministerial guarantee to lending institution. This mortgage is for a 5 year term maturing January 2021 and amortized to 2041. Repayable in blended monthly payments of \$408.	90,533	94,441
1.73% first mortgage payable to CMHC, secured by one housing unit acquired in 2019/20 on Glooscap Reserve and by Ministerial guarantee to lending institution. This mortgage is for a 5 year term maturing February 2025 and amortized to 2040. Repayable in blended monthly payments of \$1,191.	187,797	-
1.97% first mortgage payable to CMHC, secured by two housing units acquired in 2017/18 fiscal year and by Ministerial guarantee to lending institution. This mortgage is for a 5 year term maturing April 2022 and amortized to 2042. Repayable in blended monthly payments of \$1,013.	222,884	230,956
4.75% mortgage payable to Bank of Nova Scotia, secured by one housing unit. This mortgage is for a 5 year term maturing September 2024 and amortized to 2037. Repayable in monthly payments of \$1,866.	265,052	275,515
3.50% fixed rate term loan payable to the Royal Bank of Canada, secured by accounts receivable and specific equipment. This loan is for a 5 year term maturing January 2024. Repayable in blended monthly payments of \$1,010.	43,250	53,646
3.25% variable rate loan payable to Bank of Nova Scotia, secured by one fishing vessel. This mortgage is for a 5 year term maturing November 2023 and amortized to 2038. Repayable in monthly payments of \$3,279.	339,092	230,944
Atlantic Canada Opportunities Agency, loan matured January 2020 but has not be repaid by March 31, 2020.	907,074	907,074

GLOOSCAP FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

7. LONG-TERM DEBT (continued)

	2020	2019
First Nations Finance Authority 30 year loan, repayable in blended annual payments of \$688,991, bearing interest at an annual rate of 3.41%. This loan is for a 5 year term maturing June 2028 and amortized to 2047.	11,872,817	12,069,110
First Nations Finance Authority 30 year loan, repayable in blended annual payments of \$115,039 bearing interest at an annual rate of 3.65%. This loan is for a 5 year term maturing June 2028 and amortized to 2048.	1,921,879	1,968,471
First Nations Finance Authority 30 year loan, repayable in annual payments of \$47,970 bearing interest at an annual rate of 2.15%. This loan is for a 10 year term maturity June 2030 and amortized to 2050.	2,106,000	-
	\$ 18,502,843	\$ 16,428,386

Approximate principal payments for the next 5 years are as follows:

2021	\$ 1,392,331
2022	\$ 487,264
2023	\$ 473,461
2024	\$ 469,610
2025	\$ 460,579

Included in the approximate principal repayments for 2021 is the Atlantic Canada Opportunites Agency demand loan in the amount of \$907,074 which was due January 31, 2020 but not yet repaid.

	2020	2019
Interest expense for the year on long-term debt	\$ 512,198	\$ 493,173

Subsequent to year-end, on May 6, 2020, the First Nation received proceeds of \$185,000 from CMHC, secured by a single housing unit constructed in fiscal 2019.

GLOOSCAP FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

8. TANGIBLE CAPITAL ASSETS

	Cost				Accumulated Amortization				Net Book Value		
	Opening Balance	Additions	Disposals	Transfers of Assets	Closing Balance	Opening Balance	Amort.	Disposals, W/O & Other Adj.	Closing Balance	2020	2019
										2020	2019
Band owned											
CMHC Housing	\$ 2,627,633	\$ 14,028	\$ -	\$ (253,707)	\$ 2,387,954	\$ 885,462	\$ 92,268	\$ (422,464)	\$ 555,266	\$ 1,832,688	\$ 1,742,171
Band Owned Housing	664,958	243,753	-	669,155	1,577,866	102,395	63,520	532,640	698,555	879,311	562,563
Commercial Buildings	6,181,614	38,944	5,145	(553,165)	5,662,248	1,251,638	188,973	(134,231)	1,306,380	4,355,868	4,929,976
Computer Equipment	159,528	4,812	(13,023)	35,274	186,591	111,403	23,336	(3,988)	130,751	55,840	48,125
Land & Improvements	1,137,947	32,000	(1,510)	111,328	1,279,765	341,619	40,862	12,266	394,747	885,018	796,328
Roads	1,219,510	-	-	-	1,219,510	460,793	36,462	-	497,255	722,255	758,717
Underground Networks	3,386,021	-	-	-	3,386,021	871,307	67,720	-	939,027	2,446,994	2,514,714
Vehicles & Equipment	4,968,356	633,640	(2,515,061)	(153,766)	2,933,169	1,562,933	243,599	(367,893)	1,438,639	1,494,530	3,405,423
	17,717,934	953,149	(2,534,739)	108,826	16,245,170	4,702,088	664,472	(38,794)	5,405,354	10,839,816	13,015,846
Total	\$20,345,567	\$ 967,177	\$ (2,534,739)	\$ (144,881)	\$18,633,124	\$ 5,587,550	\$ 756,740	\$ (383,670)	\$ 5,960,620	\$12,672,504	\$ 14,758,017

Included in vehicles & equipment disposal are impairment write-downs of \$2,109,365.

GLOOSCAP FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

9. ACCUMULATED SURPLUS

	2020	2019
CMHC Replacement Reserve (Note 10)	\$ 117,823	\$ 106,417
Unrestricted Surplus	5,518,338	9,553,386
Trust funds held by Federal Government (Note 12)	20,247	19,425
	\$ 5,656,408	\$ 9,679,228

10. CMHC REPLACEMENT RESERVE

	2020	2019
Balance - beginning of year	\$ 106,417	\$ 95,308
Current year allocation	15,775	15,431
Maturing units adjustments	(6,483)	(4,322)
Additional allocation for prior year	2,068	-
Interest earned	46	-
	\$ 117,823	\$ 106,417

The First Nation operates 13 (2019 - 15) CMHC subsidized housing projects as at March 31, 2020. These funds, plus accumulated interest, must be held in a separate bank account and used for future repairs or other expenditures only as approved by CMHC.

As at March 31, 2020, the First Nation has provided funding of reserves as follows:

	Amount of Reserve	Amount Funded
CMHC Replacement Reserve	\$ 117,823	\$ 117,572

11. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation.

Investment in government business enterprises was reduced by \$5,149,123 with an offsetting increase in due from government business enterprises of the same amount.

Tangible capital assets was reduced by \$75,404 with an offsetting reduction in accounts payable and accrued liabilities of the same amount.

Loss from government business enterprises was reduced by \$95,670 with an offsetting reduction in expenses.

Certain of the comparative revenues and expenses have been reclassified to conform with the current year presentation.

GLOOSCAP FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

12. TRUST FUNDS HELD BY FEDERAL GOVERNMENT

	March 31, 2019	Additions 2020	Withdrawals 2020	March 31, 2020
Revenue	\$ 18,921	\$ 822	\$ -	\$ 19,743
Capital	504	-	-	504
Total	\$ 19,425	\$ 822	\$ -	\$ 20,247

The trust funds arise 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. The management of these funds is primarily governed by Section 63 to 69 of the Indian Act.

13. PENSION PLAN

The First Nation offers a defined contribution pension plan to certain employees. An expense is recorded in the period when the First Nation is obligated to make contributions for services rendered by participating employees. During the year, the First Nation contributed \$83,141 (2019 - \$80,563) for retirement benefits and has an outstanding liability of \$62,008 (2019 - \$8,814). The First Nation has a potential additional liability associated with its pension plan as described in Note 15.

14. FUNDING - ECONOMIC DEPENDENCE

The First Nation receives its principal source of funding under a funding arrangement with Indigenous Services Canada. The present agreement is for a ten year term ending March 31, 2029.

15. CONTINGENT LIABILITIES

The First Nation has entered into contribution agreements with various federal government departments. Funding received under these contribution agreements is subject to repayment if the First Nation fails to comply with the terms and conditions of the agreements. Refer to note 6 for further disclosure on potential contingent liability as of March 31, 2020.

Subsequent to year end, management identified a potential liability associated with the First Nation's mandatory defined contribution pension plan. The potential liability is a result of certain employees being omitted from the plan, potential deficiencies in amounts remitted by both employees and employers to the plan as well as deficiencies in reporting to the Office of the Superintendent of Financial Institutions and the Canada Revenue Agency. Management is still assessing the impact of these deficiencies and no amounts have been recorded within these financial statements for the potential liability.

GLOOSCAP FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

16. GOVERNMENT TRANSFERS

	2020			2019		
	Operating	Capital	Total	Operating	Capital	Total
Federal government transfers:						
Indigenous Services Canada	\$ 1,284,486	\$ 71,305	\$ 1,355,791	\$ 1,220,170	\$ 68,930	\$ 1,289,100
Canada Mortgage and Housing Corporation	54,053	-	54,053	128,535	-	128,535
Department of Fisheries and Oceans	87,445	-	87,445	75,000	-	75,000
Atlantic Integrated Commercial Fisheries Initiative	-	247,200	247,200	44,954	-	44,954
Province of Nova Scotia	1,425,984	318,505	1,744,489	1,522,194	68,930	1,591,124
	141,385	-	141,385	142,009	-	142,009
Total	\$ 1,567,369	\$ 318,505	\$ 1,885,874	\$ 1,664,203	\$ 68,930	\$ 1,733,133

17. SUBSEQUENT EVENT

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("Covid-19") as a pandemic. On March 22, 2020, the Province of Nova Scotia issued Emergency Orders to close all gaming, and most commercial offices and activities, other than essential services. The operations of Glooscap Corner, commercial fisheries and Landing #2 resumed in accordance with provincial regulations, but are operating at a more limited capacity. It is unclear the extent to which those business units will be impacted by any future waves of the virus.

GLOOSCAP FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

18. SEGMENT DISCLOSURE

The First Nation is a diversified community that provides a wide range of services to its members. For management reporting purposes the First Nation's operations and activities are organized and reported by program. Programs were created for the purpose of recording specific activities to attain certain objectives in accordance with specific regulations, restrictions or limitations. The activities can also be categorized into segments. The following segments have been identified and as such are separately disclosed.

Band Administration

The administration department oversees the delivery of all government services and the day-to-day operations of the First Nation.

Community Health

The community health department provides medical services to band members.

Social Services

The social services department is responsible for administering assistance payments as well as providing social services to band members.

Education

The education department provides education services to band members including primary and secondary schooling, and sponsorship to attend post secondary institutions.

Glooscap Commercial Fisheries

The Commercial Fisheries operates three lobster fishing boats and receive occasional funding from the Aboriginal Fisheries Strategy Agreement with the Department of Fisheries and Oceans.

Gaming Commission

The Gaming Commission was set up to enter into an agreement with Atlantic Lottery Corporation for the operation of video lottery terminals on the First Nation.

Operations, Capital and Maintenance

The operations and maintenance department provides public services that contribute to community development and sustainability through the provision of operating services such as roads, water and sanitation, fire protection, electrical and community buildings.

Capital (Band Housing & CMHC Housing)

This department is responsible for all capital asset activities occurring in the First Nation during the year, including housing construction and renovations.

Glooscap Corner

The Glooscap Corner operates a convenience store, gaming facility and gas bar on the First Nation.

Other Projects

The First Nation provides a wide array of other services, including youth employment projects, economic development, social housing activities, feta cheese business and other.

Feta Cheese

The First Nation invested in a partnership to process and sell feta cheese. This operation ceased during the year.

GLOOSCAP FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

18. SEGMENT DISCLOSURE (continued)

**For the year ended
March 31, 2020**

	Band Administration	Social Services	Community Health	Education	Operations, Capital & Maintenance	Community Fisheries & Resources	Other Projects	Band Housing	CMHC Housing	Glooscap Corner	Gaming Commission	Commercial Fisheries	Feta Cheese	Total
Revenue														
ISC	\$ 366,685	\$ 401,376	\$ 398,767	\$ -	\$ 146,684	\$ 7,191	\$ -	\$ -	\$ 22,088	\$ 13,000	\$ -	\$ -	\$ 1,355,791	
CMM	-	-	8,565	-	-	-	3,000	-	-	-	-	-	-	11,565
AICFI	-	-	-	-	-	-	-	-	-	-	-	-	-	247,200
CMHC	-	-	-	-	-	-	-	-	54,053	-	-	-	-	54,053
DFO	-	-	-	-	-	87,445	-	-	-	-	-	-	-	87,445
Province of NS	-	-	-	-	-	-	31,550	-	-	-	109,835	-	-	141,385
KMK	30,130	-	-	-	-	-	-	-	-	-	-	-	-	30,130
MET	-	236,547	-	-	-	-	-	-	-	-	-	-	-	236,547
MK	-	-	-	144,077	-	-	-	-	-	-	-	-	-	144,077
Rent	-	-	-	-	22,700	-	-	-	-	-	-	-	-	22,700
Other revenue	51,583	-	-	3,238	10,245	-	14,754	-	46	3,854,959	-	1,431,328	33,582	5,399,735
	448,398	637,923	407,332	147,315	179,629	94,636	49,304	-	54,099	3,877,047	122,835	1,678,528	33,582	7,730,628
Amortization	408,261	-	-	-	-	-	-	-	92,268	87,152	-	191,457	-	779,138
Bank charges	470,260	-	-	-	-	-	-	10,139	15,922	6,198	438	20,119	4,965	528,041
Professional fees	195,742	-	-	-	-	2,000	-	-	17,700	9,894	3,500	30,971	85,959	345,766
R & M	-	-	-	-	13,327	7,187	-	27,023	40,854	22,818	-	118,264	106	229,579
Salaries & benefits	907,904	53,623	180,524	36,052	78,809	57,171	64,761	-	56,738	653,691	-	928,095	63,923	3,081,291
Supplies & services	232,378	1,486	180,883	76,051	224,847	27,874	48,034	7,570	6,809	1,521,781	-	333,379	22,012	2,683,104
Other	20,575	251,682	-	7,932	7,212	-	-	-	1,572	600,000	367,980	-	2,159,253	3,416,206
	2,235,120	306,791	361,407	120,035	324,195	94,232	112,795	44,732	231,863	2,901,534	371,918	1,622,285	2,336,218	11,063,125
Total	\$ (1,786,722)	\$ 331,132	\$ 45,925	\$ 27,280	\$ (144,566)	\$ 404	\$ (63,491)	\$ (44,732)	\$ (177,764)	\$ 975,513	\$ (249,083)	\$ 56,243	\$ (2,302,636)	\$ (3,332,497)

GLOOSCAP FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

18. SEGMENT DISCLOSURE (continued)

**For the year ended
March 31, 2019**

	Band Administration	Social Services	Community Health	Education	Operations, Capital & Maintenance	Community Fisheries & Resources	Other Projects	Band Housing	CMHC Housing	Glooscap Corner	Gaming Commission	Commercial Fisheries	Feta Cheese	Total
Revenue														
ISC	\$ 279,347	\$ 395,113	\$ 396,759	\$ -	\$ 171,746	\$ -	\$ 46,135	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,289,100
CMM	-	-	5,500	1,934	-	-	-	-	-	-	-	-	-	7,434
AICFI	-	-	-	-	-	-	-	-	-	-	-	-	-	44,954
CMHC	-	-	-	-	-	-	-	54,848	73,687	-	-	-	-	128,535
DFO	-	-	-	-	75,000	-	-	-	-	-	-	-	-	75,000
Province of NS	30,000	-	-	-	1,500	-	50,000	-	-	-	60,509	-	-	142,009
KMK	-	90,579	-	-	-	-	-	-	-	-	-	-	-	90,579
MET	-	-	-	152,756	29,670	-	-	-	-	-	-	-	-	182,426
MK	-	-	-	-	-	-	-	-	-	-	-	57,813	-	57,813
Rent	-	-	-	-	19,040	-	-	-	-	-	-	-	-	19,040
Other revenue	34,644	-	5,178	-	-	-	124,373	-	68	4,191,815	500	1,155,133	1,173,087	6,684,798
	343,991	485,692	407,437	154,690	221,956	75,000	220,508	54,848	73,755	4,191,815	61,009	1,257,900	1,173,087	8,721,688
Amortization	227,316	-	-	-	-	-	-	-	77,083	70,389	18,153	68,916	-	461,857
Bank charges	470,981	-	-	-	-	-	-	13,322	18,369	11,702	614	4,419	737	520,144
Professional fees	156,708	-	30,000	-	-	2,000	-	-	9,620	12,140	3,925	30,692	52,241	297,326
R & M	-	-	-	-	7,533	-	-	13,728	66,120	50,424	-	72,178	378	210,361
Salaries & benefits	760,551	59,428	194,090	27,901	76,511	51,906	108,592	61,397	-	622,605	-	671,763	57,285	2,692,029
Supplies & services	259,248	21,998	155,883	117,567	192,493	33,241	44,897	1	13,722	1,561,053	-	234,982	99,837	2,734,922
Other	11,234	229,582	-	15,886	-	-	35,500	-	-	618,000	334,020	99,837	471,785	1,815,844
	1,886,038	311,008	379,973	161,354	276,537	87,147	188,989	88,448	184,914	2,946,313	356,712	1,182,787	682,263	8,732,483
Total	\$ (1,542,047)	\$ 174,684	\$ 27,464	\$ (6,664)	\$ (54,581)	\$ (12,147)	\$ 31,519	\$ (33,600)	\$ (111,159)	\$ 1,245,502	\$ (295,703)	\$ 75,113	\$ 490,824	\$ (10,795)

GLOOSCAP FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

19. EXPENSES BY OBJECT

The following is a summary of expenses by object.

	2020	2019
Administration	\$ 939,065	\$ 796,085
Advertising	28,511	12,394
Amortization of tangible capital assets	756,740	557,526
Bank charges and interest	25,969	18,205
Bad debts (recovery)	51,460	149,429
Employee benefits	182,156	168,266
Fees	56,392	79,501
Honorariums	421,957	410,621
Impairment of capital assets	2,109,365	-
Insurance	64,249	90,980
Interest on long-term debt	512,198	493,173
Loss on inventory write-down	-	322,813
Loss on disposal of capital assets	42,484	-
Professional fees	293,845	258,919
Repairs and maintenance	578,505	537,057
Salaries and wages	2,357,589	1,924,975
Supplies and services	2,505,938	2,771,748
Telephone	35,133	38,536
Training, travel and meetings	112,755	214,316
Utilities	50,389	43,860
	<hr/> \$ 11,124,700	<hr/> \$ 8,888,404

20. VARIETY STORE, VLT AND GAR BAR REVENUE

	2020	2019
Video lottery terminal (VLT)	2,259,995	2,491,293
Variety store	1,560,957	1,689,152
Fuel (net of purchases)	11,009	11,064
	<hr/> \$ 3,831,961	<hr/> \$ 4,191,509