

Consolidated financial statements of

Miawpukek Band

March 31, 2021

Miawpukek Band

March 31, 2021

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Miawpukek Band

Management's Responsibility for Financial Reporting

March 31, 2021

The accompanying consolidated financial statements for the Miawpukek Band 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 public sector accounting standards. 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 Miawpukek First Nation 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 Miawpukek First Nation 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 Miawpukek First Nation 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 Deloitte LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. Deloitte LLP has full and free access to the Miawpukek First Nation.



Chief

General Manager

Independent Auditor's Report

To the Members of the
Miawpukek Band

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Miawpukek Band, (the "Band"), which comprise the consolidated statement of financial position as at March 31, 2021, and the consolidated statements of operations, accumulated surplus, accumulated surplus – appropriated, change in net assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Band as at March 31, 2021 and the results of its financial performance, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards ("PSAS").

Basis for Opinion

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

Other matter

We draw attention to Note 1 to the financial statements, which states that the Band reports certain financial information that is not required by Canadian public sector accounting standards. This information is presented in order to satisfy Indigenous Services Canada and is presented on page 24.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PSAS, 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 Band's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Band or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Band's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 GAAS 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 GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Band's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Band'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 Band to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the 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 Band to express an opinion on the 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.

The logo for Deloitte LLP, featuring the word "Deloitte" in a stylized script font followed by "LLP" in a plain sans-serif font.

Chartered Professional Accountants
July 29, 2021

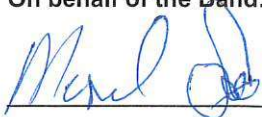
Miawpukek Band

Consolidated statement of financial position as at March 31, 2021

	2021	2020
	\$	\$
Financial assets		
Cash	17,356,426	7,609,324
Receivables (Note 4)	13,705,676	11,002,081
Portfolio investments	2,626,094	2,607,700
Investment	18,796,992	-
Inventories (Note 6)	1,230,348	1,026,235
Restricted funds (Note 7)	1,465,393	1,451,135
Loans and advances to Band members (Note 8)	563,542	654,510
	55,744,471	24,350,985
Liabilities		
Payables and accruals (Note 9)	4,293,158	2,412,922
Deferred revenue (Note 10)	10,706,466	6,883,826
Demand loans (Note 11)	4,468,935	5,017,054
CMHC replacement reserve (Note 12)	552,197	597,708
Miawpukek First Nations maintenance reserve	133,048	116,048
Long-term debt (Note 13)	21,230,851	2,342,836
	41,384,655	17,370,394
Net financial assets	14,359,816	6,980,591
Non-financial assets		
Tangible capital assets (Note 15)	56,104,724	54,599,089
Fishing licenses	10,237,825	10,237,825
Prepaid expenses	161,840	108,236
	66,504,389	64,945,150
Unappropriated (Page 6)	66,557,752	62,048,703
Appropriated (Page 6)	14,306,453	9,877,038
Accumulated surplus	80,864,205	71,925,741

Contingencies (Note 19)

On behalf of the Band:



Chief



Councillor

Miawpukek Band

Consolidated statement of operations year ended March 31, 2021

	Budget	2021	2020
	\$	\$	\$
	(unaudited)		
Revenue (Note 16)			
Federal government operating transfers	21,744,266	28,642,421	23,794,464
Federal government capital transfers	-	1,194,071	601,752
Other revenue	7,796,443	4,767,171	3,659,331
Provincial government operating transfers	-	2,440,981	845,028
Economic activities	10,327,014	12,537,338	13,973,781
	39,867,723	49,581,982	42,874,356
Expenses			
Amortization	-	3,274,756	3,124,804
Band government	3,481,744	4,161,531	2,860,461
Community services	1,209,136	3,054,324	3,300,608
Economic development	10,705,486	11,486,087	11,695,178
Education	4,044,236	4,063,169	3,771,526
Employment programs	2,320,339	937,565	989,607
Health	13,867,412	8,707,838	7,674,404
Housing	2,287,429	1,103,110	1,267,826
Land claims (Natural Resource)	1,782,971	1,316,304	1,235,107
MAMKA	617,811	667,031	617,334
Public works	1,473,925	1,871,803	2,044,677
	41,790,489	40,643,518	38,581,532
Annual surplus before appropriations	(1,922,766)	8,938,464	4,292,824
Transfers from appropriated equity during the year	-	882,978	1,547,305
Transfers to appropriated equity during the year	-	(6,124,571)	(3,858,686)
Annual surplus after appropriations	(1,922,766)	3,696,871	1,981,443

Miawpukek Band

Consolidated statement of accumulated surplus year ended March 31, 2021

	2021	2020
	\$	\$
Accumulated surplus - unappropriated, beginning of year	62,048,703	60,067,260
Annual surplus	3,696,871	1,981,443
Accumulated surplus - unappropriated, end of year	65,745,574	62,048,703
Accumulated surplus - appropriated, beginning of year	9,877,038	7,565,657
Transfers to appropriated equity during the year	6,124,571	3,858,686
Transfers from appropriated equity during the year	(882,978)	(1,547,305)
	5,241,593	2,311,381
	15,118,631	9,877,038
Total accumulated surplus	80,864,205	71,925,741

Miawpukek Band

Consolidated statement of accumulated surplus - appropriated
year ended March 31, 2021

	Accumulated Surplus - Appropriated Apr. 1/19	Transfers from Equity	Transfers to Operations	Accumulated Surplus - Appropriated Mar. 31/20	Transfers from Equity	Transfers to Operations	Accumulated Surplus - Appropriated Mar. 31/21
	\$	\$	\$	\$	\$	\$	\$
Natural Resources							
Traditional Protected Areas	-	-	-	-	153,151	-	153,151
Fire smart project	15,000	34,940	-	34,940	-	34,940	-
Salmon enhancement	-	-	-	-	19,644	-	19,644
Silviculture	-	-	10,774	4,226	-	-	4,226
	15,000	34,940	10,774	39,166	172,795	34,940	177,021
Public Works							
Sewer Maintenance	1,422,021	-	493,913	928,108	-	36,650	891,458
Waterline repairs- laterals	648,268	-	153,295	494,973	-	157,338	337,635
Public works water testing	-	-	-	-	1,458,515	-	1,458,515
	2,070,289	-	647,208	1,423,081	1,458,515	193,988	2,687,608
Economic Development and Training							
Canoe construction	23,384	-	-	23,384	-	-	23,384
Conne River Gas Bar	100,872	-	68,539	32,333	12,672	-	45,005
Pow Wow	12,675	-	-	-	-	-	-
Miawpukek Human Resources - ASETS	138,159	-	-	138,159	-	-	138,159
Urban reserve	12,500	11,499	-	23,999	-	11,500	12,499
Off reserve post secondary	162,191	-	33,844	128,347	46,192	-	174,539
Outfitters	-	642,640	-	642,640	-	37,792	604,848
On reserve post secondary	439,331	27,770	-	467,101	75,926	-	543,027
Student employment	44,447	-	30,435	14,012	21,921	-	35,933
On reserve post secondary student support	39,442	19,371	-	58,813	141,115	-	199,928
Post Secondary - COVID-19	-	-	-	-	41,137	-	41,137
Labour market initiative	63,854	-	12,160	51,694	-	4,056	47,638
Exploits Motel	-	-	-	-	2,274	-	2,274
	1,036,855	701,280	144,978	1,580,482	341,237	53,348	1,868,371
Capital Lands and Housing							
Arena fund	14,980	-	-	14,980	-	-	14,980
Elder's program	20,167	-	2,462	17,705	-	-	17,705
FNLMA	-	-	-	-	14,675	-	14,675
Land and environmental	121,931	-	-	121,931	-	-	121,931
Land management	23,104	-	-	23,104	-	-	23,104
MFN land management act	296,757	125,053	-	421,810	-	134,664	287,146
School construction	677,955	-	211,690	466,265	-	-	466,265
Subsidized housing	38,144	-	-	38,144	-	-	38,144
Administration	385,102	-	-	385,102	-	-	385,102
Housing-special	415,000	-	-	415,000	-	-	415,000
Housing construction	94,408	-	-	94,408	-	-	94,408
Veteran's monument	6,676	-	-	6,676	-	-	6,676
Waste management modernization	-	57,201	-	57,201	-	12,062	45,139
	2,094,224	182,254	214,152	2,062,326	14,675	146,726	1,930,275
Miscellaneous							
Chantel John Memorial Park	-	3,705	-	3,705	-	-	3,705
Healing and sentencing	28,936	-	28,936	-	5,829	-	5,829
Jipuuj park enhancement expansion	-	88,376	-	88,376	-	71,202	17,174
MAMKA ASFAR	125,642	-	8,489	117,153	40,525	-	157,678
AAROM-MUN	-	-	-	-	15,772	-	15,772
MSP	-	-	-	-	18,266	-	18,266
IK Capacity	-	-	-	-	28,198	-	28,198
Equity fund	229,259	122,626	-	351,885	45,479	-	397,364
Canadian Coast Guard	-	-	-	-	1,900	-	1,900
	383,837	214,707	37,425	561,119	155,969	71,202	645,886
Education							
Education	90,820	79,060	-	169,880	71,016	31,600	209,296
	90,820	79,060	-	169,880	71,016	31,600	209,296
Conne River Health and Social Services							
Capital investment	-	26,019	-	26,019	-	15,990	10,029
Moveable capital assets	5,915	-	-	5,915	-	-	5,915
Brighter futures	28,447	-	-	28,447	-	-	28,447
Family violence initiative	16,081	-	-	16,081	-	-	16,081
Forge ahead	5,325	-	-	5,325	-	-	5,325
Health transfer agreement	10,564	-	-	10,564	61,811	-	72,375
Health services - Clinical	-	-	-	-	24,222	-	24,222
Employment services	615,925	-	-	615,925	-	-	615,925
Child care initiative	76,763	142,434	76,763	142,434	172,270	-	314,704
Child and family - foster homes	-	36,399	-	36,399	54,418	-	90,817
Child and family - preventative	245,627	779,754	245,627	779,754	-	334,966	444,788
Child and family - operations	77,279	183,997	77,279	183,997	39,362	-	223,359
Child and Welfare law Development	-	-	-	-	16,871	-	16,871
Jordan's principle - approval	80,424	541,917	80,424	541,917	1,514,345	-	2,056,262
Jordan's principle	-	126,055	-	126,055	157,599	-	283,654
Genetic testing	-	-	-	-	23,822	-	23,822
Home and community care	-	10,031	-	10,031	61,982	-	72,013
Mental wellness team	-	19,683	-	19,683	95,175	-	114,858
Generated revenues	-	433,071	-	433,071	719,231	-	1,152,302
E-Health solutions	-	30,270	-	30,270	-	-	30,270
	1,162,350	2,329,630	480,093	3,011,887	2,941,108	350,956	5,602,039
Governance							
Repurpose St. Annes School	-	-	-	-	812,178	-	812,178
Emergency management assistance	-	12,590	-	12,590	66,543	-	79,133
Emergency response COVID-19	-	304,225	-	304,225	90,535	-	394,760
Finance	287,484	-	-	287,484	-	-	287,484
Heritage fund	421,120	-	-	421,120	-	-	421,120
Repartriation	628	-	-	628	-	218	410
Emergency relief	3,050	-	-	3,050	-	-	3,050
	712,282	316,815	-	1,029,097	969,256	218	1,998,135
	7,565,657	3,858,686	1,534,630	9,877,038	6,124,571	882,978	15,118,631

Miawpukek Band

Consolidated statement of change in net assets year ended March 31, 2021

	2021	2020
	\$	\$
Annual surplus	8,938,464	4,292,824
Changes in tangible capital assets		
Acquisition of tangible capital assets	(6,111,478)	(3,616,883)
Amortization of tangible capital assets	3,274,756	3,124,804
Disposal of tangible capital assets	1,725,759	-
Gain on disposal of tangible capital assets	(394,672)	-
Acquisition of fishing licenses	-	(1,200,000)
Net change in tangible capital assets	(1,505,635)	(1,692,079)
	7,432,829	2,600,745
Change in other non-financial assets		
Net change in prepaid expenses	(53,604)	(46,643)
Increase in net financial assets	7,379,225	2,554,102
Net financial assets, beginning of year	6,980,591	4,426,489
Net financial assets, end of year	14,359,816	6,980,591

Miawpukek Band

Consolidated statement of cash flows year ended March 31, 2021

	2021	2020
	\$	\$
Operating transactions		
Annual surplus before appropriations	8,938,464	4,292,824
Items not affecting cash		
Amortization of tangible capital assets	3,274,756	3,124,804
Gain on disposal of tangible capital assets	(394,672)	-
	11,818,548	7,417,628
Change in other		
Receivables	(2,703,595)	(2,439,078)
Inventories	(204,113)	45,678
Prepaid expenses	(53,604)	(46,643)
Payables and accruals	1,880,236	(460,555)
Deferred revenue	3,822,640	3,009,539
	14,560,112	7,526,569
Capital transactions		
Acquisition of tangible capital assets	(6,111,478)	(3,616,883)
Acquisition of fishing licenses	-	(1,200,000)
Proceeds from disposal of tangible capital assets	1,725,759	-
	(4,385,719)	(4,816,883)
Financing transactions		
Repayment of demand loans	(625,727)	(635,808)
Proceeds from demand loans	77,608	1,340,158
Repayment of long-term debt	(259,152)	(247,971)
Proceeds from long-term debt	350,175	39,206
Decrease in CMHC replacement reserve	(45,511)	(22,151)
Increase in MFN maintenance reserve	17,000	28,000
	(485,607)	501,434
Investing transactions		
Purchase of portfolio investments	(18,394)	(38,107)
Decrease in loans and advances to band members	90,968	79,472
Increase in restricted funds	(14,258)	(18,374)
	58,316	22,991
Net increase in cash	9,747,102	3,234,111
Cash, beginning of year	7,609,324	4,375,213
Cash, end of the year	17,356,426	7,609,324

Miawpukek Band

Notes to consolidated financial statements

March 31, 2021

1. Basis of presentation and significant accounting policies

The financial statements have been prepared in accordance with Canadian public sector accounting standards ("PSAS") as recommended by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Professional Accountants ("CPA") and reflect the following significant accounting policies:

A certain schedule in these financial statements is not required by PSAS but has been presented in order to satisfy Indigenous Services Canada ("ISC"). This schedule can be found on page 24 of the financial statements.

Reporting entity and principles of financial reporting

The Miawpukek Band (the "Band") reporting entity includes the Miawpukek Band government and all related entities which are either owned or controlled by the Miawpukek Band.

These financial statements consolidate the assets, liabilities and results of operations for the following reporting entities.

- Miawpukek Band
- Taqamkuk Development Corporation
- Netukulimk Fisheries Ltd.
- Harbour Authority

All inter-entity balances have been eliminated on consolidation, except in order to present the results of operations for each specific program, in which case transactions amongst funds have not necessarily been eliminated on the individual schedules.

Cash

Cash includes cash on hand and cash held on deposit at chartered Canadian banks.

Tangible capital assets

Tangible capital assets are recorded at cost. Amortization of tangible capital assets is calculated on a declining balance basis at rates which will reduce cost to estimated residual value over the useful lives of the assets.

Impairment of long-lived assets

Long-lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value.

Inventory

Inventory consists of finished goods and is recorded at the lower of cost and net realizable value. Cost is determined on a weighted average basis. Net realizable value is the estimated selling price less the estimated cost of completion and the estimated costs necessary to make the sale.

Fishing licenses

Fishing licenses acquired are capitalized as intangible assets and are recorded at their fair value at the date of acquisition. Licenses have indefinite lives, are not amortized and are tested for impairment annually, or more frequently, if events or changes in circumstances indicate that the asset might be impaired. The impairment test compares the carrying amount of the licenses with their fair value. When an impairment loss exists, it is recognized and disclosed in the statement of operations.

Miawpukek Band

Notes to consolidated financial statements

March 31, 2021

1. Basis of presentation and significant accounting policies (continued)

Revenue recognition

Revenue is recognized as it becomes receivable under the terms of the applicable funding agreement. Funding received under the funding arrangements which management can use at their discretion and relate to a subsequent fiscal period is reflected as appropriated equity in the year of receipt and classified as such on the statement of financial position.

Government grants and transfers are recognized in the period in which events give rise to the transfer occurring, provided the transfers are authorized, any eligibility criteria has been met, including performance and return requirements, and reasonable estimates of the amount can be determined.

Other revenues are recognized as earned provided collection is reasonably assured.

Revenues from the sale of goods and services are recognized as earned where the price is fixed or determinable, when collection is reasonably assured and evidence of an arrangement exists.

Revenue received for a future period is deferred until that period and is recorded as deferred revenue.

Investments

Investments are comprised of guaranteed investment certificates and are recorded at cost, which approximates fair value.

In the current year, the Band invested in an 7% ownership of First Nations Fisheries Interest Group LP. The investment is carried at cost of \$18,796,992.

Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Key components of the financial statements requiring management to make estimates include the cost and net realizable value of inventories, the useful lives of tangible capital assets, accrued liabilities and collectability of accounts receivable. Actual results could differ materially from those estimates.

2. Current changes in accounting policies

In the current fiscal year, the PSAB issued Guideline PSG-8 – Purchased intangibles, removing the recognition prohibition relating to purchased intangibles in Section PS 1000. Applying the requirement to recognize purchased intangibles in the financial statements that meet the definition of an asset and the recognition criteria is effective for fiscal years beginning on or after April 1, 2023 while earlier adoption is permitted. As the Band continued to carry purchased intangibles on the statement of financial position in prior years, the application of this amendment did not have an impact on the financial statements.

3. Economic dependence

The Miawpukek Band receives a major portion of its revenues pursuant to funding arrangements with ISC.

As explained in Note 19, under the terms of the agreement, funding from the arrangement with ISC can be suspended if the terms of the funding agreement are not complied with by the Miawpukek Band.

Miawpukek Band

Notes to consolidated financial statements

March 31, 2021

4. Receivables

	2021	2020
	\$	\$
ACOA	22,500	22,500
Bell Canada	5,941	5,915
Bell Mobility Inc.	6,429	4,943
Canada Revenue Agency	-	19,883
CMHC	105,868	61,425
Coast of Bays Contracting	20,825	34,073
Cold Water Aquaculture Inc.	-	2,852
Department of Fisheries and Oceans	1,468,535	1,119,921
Environment Canada	27,866	21,886
Federation of Newfoundland Indians	593,974	190,835
ISC (Note 4)	8,902,376	9,053,855
Government of Newfoundland and Labrador	1,484,318	-
Gray's Aquaculture	6,061	6,061
HST receivable	62,582	80,359
Miscellaneous	2,405,063	850,952
NSF cheques	191	191
Parks Canada	20,000	20,000
Quinlan Brothers	-	48,817
	15,132,529	11,544,468
Less: Allowance for doubtful accounts	(1,426,853)	(542,387)
	13,705,676	11,002,081

5. Reconciliation of ISC receivable

	2021	2020
	\$	\$
Balance as confirmed by ISC March 31, 2021	765,869	2,638,230
Adjustments:		
Funds received subsequent to year end	-	899,440
Prior year amounts not received - 2017-2018	2,350,000	2,350,000
Prior year amounts not received - 2018-2019	3,166,185	3,166,185
Prior year amounts not received - 2019-2020	2,620,322	-
Ending balance	8,902,376	9,053,855

Miawpukek Band

Notes to consolidated financial statements

March 31, 2021

6. Inventories

	2021	2020
	\$	\$
Cannabis	119,866	73,367
Conne River Building Supplies	684,746	574,988
Conne River Garage	13,415	11,348
Conne River Gas Bar	295,934	290,086
Miawpukek Wholesalers	68,603	38,201
Micmac Arts and Crafts	47,784	38,245
	1,230,348	1,026,235

7. Restricted funds

Restricted funds represent segregated cash balances that have been externally restricted by third parties for future purposes. The restricted fund balance has been segregated to meet obligations with the Canada Mortgage and Housing Corporation ("CMHC"), further disclosed in Note 12, as well as obligations as a result of guaranteeing certain Band member loans as disclosed in Note 19(c).

8. Loans and advances to Band members

Advances to Band Members represent advances which are loaned based on assessments performed on a case by case basis, as well as long-term housing loans guaranteed by Band Members. The advances are repaid through payroll deductions when the Band members are employed under the Band's programs and operations. Long-term housing loans are paid based on terms agreed upon by the parties.

	2021	2020
	\$	\$
Loans and advances to Band members	1,038,652	1,130,331
Less: Allowance for doubtful accounts	(475,110)	(475,821)
	563,542	654,510

9. Payables and accruals

	2021	2020
	\$	\$
Accrued salaries and benefits payable	176,215	71,124
Other accrued liabilities	1,328,129	728,331
Severance payable	1,339,468	480,254
Trade payables	1,449,346	1,133,213
	4,293,158	2,412,922

Miawpukek Band

Notes to consolidated financial statements

March 31, 2021

10. Deferred revenue

	Balance March 31, 2020	Funding Received 2021	Revenue Recognized 2021	Balance March 31, 2021
	\$	\$	\$	\$
Other	6,883,826	4,233,463	410,823	10,706,466

11. Demand loans

The Band has demand loans with Canadian Imperial Bank of Commerce for \$1,895,866 (2020 - \$2,329,583) at bank prime rates of interest, which are secured by properties situated in Conne River, Newfoundland and Labrador, a general security agreement and borrowing resolutions from the Band.

In addition, the Band has demand promissory notes with K.L. Malone Mackerel Ltd. for \$175,000 (2020 - \$175,000) and Yarmouth Sea Products Limited for \$1,425,000 (2020 - \$1,425,000), which are secured by fishing licences and due on termination of commercial fishing agreement by either party. Interest only accrues in the event of agreement termination and is payable at 19% per annum. The Band also has demand promissory notes with Ocean Choice International for \$104,382 (2020 - \$152,294) and Quinlan Brothers for \$868,687 (2020 - \$935,177) which are secured by fishing licenses and due on termination of the financing agreement. Interest accrues at the rate of Band of Canada Prime Lending rate plus 1% per annum to the date of final payment.

12. CMHC replacement reserve

Under the terms of the agreement with CMHC, the replacement reserve account is to be credited in the amount of \$300 to \$1,000 per unit annually. These funds, along with accumulated interest, must be held in a separate bank account or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC. Withdrawals are credited to interest first and then to principal. The funds in the account may only be used as approved by the CMHC. At year end, the funds in the reserve consisted of cash of \$552,197 (\$521,261 post-1997 program, \$19,600 pre-1996 program, \$11,336 reserve overfunded) (2020 - \$597,708).

13. Long-term debt

	2021	2020
	\$	\$
First Nations Finance Authority		
1.90% repayable in monthly instalments of \$35,679 plus interest	18,796,992	-
Canada Mortgage and Housing Corporation		
1.86% mortgage repayable in monthly instalments of \$831 including interest, maturing March 1, 2024 (#17478132005)	29,092	38,437
2.39% mortgage, repayable in monthly instalments of \$1,740 including interest, maturing January 1, 2023 (#17478132003)	37,424	57,159

Miawpukek Band

Notes to consolidated financial statements

March 31, 2021

13. Long-term debt (continued)

	2021	2020
	\$	\$
1.86% mortgage, repayable in monthly instalments of \$1,955 including interest, maturing March 1, 2024 (#17478132006)	68,400	90,371
1.43% mortgage, repayable in monthly instalments of \$1,511 including interest, maturing April 1, 2022 (#17478132004)	19,484	37,205
1.83% mortgage, repayable in monthly instalments of \$996 including interest, maturing October 1, 2024 (#19042944001)	41,436	52,528
1.14% mortgage, repayable in monthly instalments of \$884 including interest, maturing March 1, 2026 (#1904294403)	51,509	61,466
0.76% mortgage, repayable in monthly instalments of \$624 including interest, maturing May 1, 2030 (#19042944007)	66,304	73,236
2.50% mortgage, repayable in monthly instalments of \$374 including interest, maturing April 1, 2033 (#19042944011)	46,779	50,060
2.39% mortgage, repayable in monthly instalments of \$3,397 including interest, maturing March 1, 2033 (#19042944010)	425,227	455,511
2.50% mortgage, repayable in monthly instalments of \$990 including interest, maturing April 1, 2028 (#19042944005)	77,053	86,883
1.86% mortgage, repayable in monthly instalments of \$592 including interest, maturing May 1, 2029 (#1904294406)	53,760	59,804
0.65% mortgage, repayable in monthly instalments of \$956 including interest, maturing January 1, 2025 (#19042944002)	43,436	54,553
1.30% mortgage, repayable in monthly instalments of \$616 including interest, maturing May 1, 2027 (#19042944004)	43,754	50,527

Miawpukek Band

Notes to consolidated financial statements

March 31, 2021

13. Long-term debt (continued)

	2021	2020
	\$	\$
Canada Mortgage and Housing Corporation		
1.05% mortgage, repayable in monthly instalments of \$637 including interest, maturing July 1, 2031 (#19042944008)	74,870	91,697
1.30% mortgage, repayable in monthly instalments of \$1,273 including interest, maturing May 1, 2032 (#19042944009)	158,787	171,922
1.75% mortgage, repayable in monthly instalments of \$844 including interest, maturing July 1, 2034 (#19042944012)	120,417	128,375
Non-interest bearing loan, forgivable at a rate of one-fifteenth of the original principal amount for each year that the Band continues to own and use the funded asset in accordance with the agreement between parties	15,771	21,029
0.74% mortgage, repayable in monthly instalments of \$1,042 including interest, maturing August 1, 2035 (#19042944013)	170,930	182,103
2.50% mortgage, repayable in monthly instalments of \$400 including interest, maturing April 1, 2038 (#19042944014)	66,790	69,893
2.70% mortgage, repayable in monthly instalments of \$407 including interest, maturing Nov 1, 2038 (#19042944015)	68,693	71,697
1.75% mortgage, repayable in monthly instalments of \$363 including interest, maturing September 1, 2039 (#19042944016)	68,754	71,879
1.13% mortgage, repayable in monthly instalments of \$364 including interest, maturing July 1, 2041 (#19042944017)	79,235	82,685
1.84% mortgage, repayable in monthly instalments of \$443 including interest, maturing September 1, 2042 (#19042944019)	94,351	97,904

Miawpukek Band

Notes to consolidated financial statements

March 31, 2021

13. Long-term debt (continued)

	2021	2020
	\$	\$
8.00% loan with Ulnooweg Development Group Inc., repayable in annual payments of \$15,555 including interest, maturing September 30, 2023	29,793	41,554
8.00% loan with Ulnooweg Development Group Inc., repayable in semi-annual payments of \$12,254 including interest, maturing January 30, 2027	101,066	115,152
8.50% loan with Ulnooweg Development Group Inc., repayable in annual payments of \$11,969 including interest, maturing October 31, 2023	30,569	39,206
8.00% loan with Ulnooweg Development Group Inc., repayable in annual payments of \$56,096 including interest, maturing November 2025	350,175	-
	21,230,851	2,342,836

CMHC mortgages are secured by properties in Conne River, Newfoundland and Labrador. As security for the First Nations Finance Authority loan, FNFA has a charge over fishing licenses owned by the First Nations Fisheries Interest Group LP and its subsidiaries.

Annual principal repayments in each of the next five years are as follows:

	\$
2022	743,861
2023	726,875
2024	692,600
2025	649,125
2026	634,001
Thereafter	17,784,389

14. Credit facility

The Band has available credit facilities in the amounts of \$250,000 and \$100,000 (2020 - \$350,000), of which \$250,000 and \$100,000 remained unused at March 31, 2021 (2020 - \$350,000). The facilities bear interest at a rate of prime and prime plus 3%, respectively, and are secured by a guarantee of the Miawpukek Band.

Miawpukek Band

Notes to consolidated financial statements

March 31, 2021

15. Tangible capital assets

				2021	2020
	Amortization		Accumulated	Net Book	Net Book
	Rate	Cost	Amortization	Value	Value
	%	\$	\$	\$	\$
Aircraft	25	295,000	170,547	124,453	165,937
Buildings	4	60,153,788	21,470,538	38,683,250	37,758,783
Equipment	20	12,481,184	10,462,386	2,018,798	1,777,537
Motor vehicles	30	3,818,959	3,117,440	701,519	492,413
Roads	2.5	5,766,856	2,397,694	3,369,162	3,446,702
Sports facilities	4	541,940	126,340	415,600	67,871
Subdivision	2.5	1,292,169	348,677	943,492	961,085
Vessel	15	5,993,453	3,147,352	2,846,101	2,886,079
Water and sewer	2.5	10,715,250	3,812,901	6,902,349	7,042,682
Land		100,000	-	100,000	-
		101,158,599	45,053,875	56,104,724	54,599,089

16. Revenue

	2021	2020
	\$	\$
Indigenous Services Canada		
Grant	12,017,757	11,509,830
Block	911,525	908,456
Flexible	2,271,523	2,865,675
Fixed	5,324,286	4,547,565
Net funding for fiscal year	20,525,091	19,831,526
Health Canada		
Block	2,835,540	2,406,078
Set	737,312	631,250
Flexible	4,143,188	2,626,488
Net funding for fiscal year	7,716,040	5,663,816
CMHC	127,714	129,230
Other	21,213,137	17,249,784
	49,581,982	42,874,356

17. Federal assistance payments

The CMHC projects have received federal assistance through Canada Mortgage and Housing Corporation pursuant to Section 56.1 of the National Housing Act to reduce mortgage interest expense to 2% to enable the Band to provide housing to low income individuals. The amount of assistance received through March 31, 2021 was \$127,714 (\$117,265 post-1997 program, \$10,449 pre-1996 program) (2020 - \$129,230).

Miawpukek Band

Notes to consolidated financial statements

March 31, 2021

18. Reconciliation of Service Canada funding

	2021	2020
	\$	\$
CRF:		
Carry forward from previous year	91,323	23,840
Used in current year	(91,323)	(23,840)
Surplus CRF regular funding	176,278	61,932
Surplus EI regular funding	42,205	29,391
Unexpended balance forward to 2021/2022	218,483	91,323

19. Contingencies

- a) The Band has entered into a funding arrangement with Indigenous Services Canada for ten years effective April 1, 2013. The Band has entered into a five-year funding arrangement with Health Canada, effective April 1, 2019. These funds may be repayable if minimum program requirements are not met.
- b) The Band has entered into contribution agreements with various government departments. Funding received under these contribution agreements are subject to repayment if the Band fails to comply with the terms and conditions of the agreements.
- c) The Band has provided guarantees for Band members for loans totaling \$461 (2020 - \$3,278) which are secured by restricted funds in this amount.
- d) The Band has provided ministerial guarantees on mortgages of \$945,625 (2020 - \$945,625) for Band members which are secured by the specific property mortgaged. These mortgages are not recorded as liabilities of the Band.
- e) The Band has provided letters of credit for \$440,000 (2020 - \$440,000).
- f) The Band supports the recognition of the employees' years of service to the Band. A general provision for severance pay has not been recognized in the financial statements as the employees must apply to the Band for this compensation and it is subject to budgetary concerns of the Band.

20. Defined contribution pension plan

The Band has established a defined contribution pension plan registered in the name of the Miawpukek First Nation. The assets of the plan are held separately from those of the Band in an independently administered fund. Contributions paid by the Band for the year ended March 31, 2021 amounted to \$256,764 (2020 - \$246,750).

21. Statutory remittances

As at March 31, 2021, the Band has submitted all required remittances under the Income Tax Act.

22. Segment disclosures

The Band provides a range of services to its members. For management reporting purposes, operations and activities are organized and reported by department. Schedule 1 presents each segment reported, the segment revenue and expenses that are directly attributable to the segment and amounts that are allocated on a reasonable basis.