

Consolidated financial statements of

Miawpukek Band

March 31, 2022

Miawpukek Band

March 31, 2022

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Miawpukek Band

Management's Responsibility for Financial Reporting

March 31, 2022

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, 2022, 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, 2022 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 25.

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.

Deloitte LLP

Chartered Professional Accountants
February 15, 2023

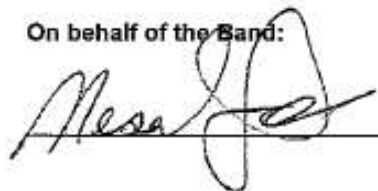
Miawpukek Band

Consolidated statement of financial position as at March 31, 2022

	2022	2021
	\$	\$
Financial assets		
Cash	25,735,807	17,356,426
Receivables (Note 5)	7,756,034	13,705,676
Portfolio investments	2,647,550	2,626,094
Investment (Note 4)	18,796,992	18,796,992
Inventories (Note 7)	1,208,066	1,230,348
Restricted funds (Note 8)	1,475,861	1,465,393
Loans and advances to Band members (Note 9)	610,273	563,542
	58,230,583	55,744,471
Liabilities		
Payables and accruals (Note 10)	4,234,278	4,293,158
Deferred revenue (Note 11)	7,038,447	10,706,466
Demand loans (Note 12)	5,057,470	4,468,935
CMHC replacement reserve (Note 13)	530,469	552,197
Miawpukek First Nations maintenance reserve	151,943	133,048
Long-term debt (Note 14)	21,415,200	21,230,851
	38,427,807	41,384,655
Net financial assets	19,802,776	14,359,816
Non-financial assets		
Tangible capital assets (Note 16)	59,711,080	56,104,724
Fishing licenses	12,037,825	10,237,825
Prepaid expenses	167,167	161,840
	71,916,072	66,504,389
Unappropriated (Page 6)	75,816,830	65,745,574
Appropriated (Page 6)	15,902,018	15,118,631
Accumulated surplus	91,718,848	80,864,205

Contingencies (Note 20)

On behalf of the Band:



Chief



Councillor

Miawpukek Band

Consolidated statement of operations year ended March 31, 2022

	Budget	2022	2021
	\$	\$	\$
	(unaudited)		
Revenue (Note 16)			
Federal government operating transfers	21,001,758	28,673,020	28,642,421
Federal government capital transfers	-	2,442,869	1,194,071
Other revenue	9,715,749	8,550,723	4,767,171
Provincial government operating transfers	-	1,848,527	2,440,981
Economic activities	7,415,312	19,103,282	12,537,338
	38,132,819	60,618,421	49,581,982
Expenses			
Amortization	-	3,492,480	3,274,756
Band government	2,741,290	3,576,563	4,161,531
Community services	1,406,253	2,786,278	3,054,324
Economic development	7,655,658	17,702,592	11,486,087
Education	3,935,996	4,666,750	4,063,169
Employment programs	3,539,568	1,179,945	937,565
Health	9,561,027	9,189,476	8,707,838
Capital land and housing	4,987,234	1,290,763	1,103,110
Land claims (Natural Resource)	1,820,848	2,106,268	1,316,304
MAMKA	624,345	572,976	667,031
Public works	1,491,117	3,309,081	1,871,803
	37,763,336	49,873,172	40,643,518
Annual surplus before appropriations	369,483	10,745,249	8,938,464
Transfers from appropriated equity during the year	-	5,193,225	882,978
Transfers to appropriated equity during the year	-	(5,976,612)	(6,124,571)
Annual surplus after appropriations	369,483	9,961,862	3,696,871

Miawpukek Band

Consolidated statement of accumulated surplus year ended March 31, 2022

	2022	2021
	\$	\$
Accumulated surplus - unappropriated, beginning of year	65,745,574	62,048,703
Adjustment to opening surplus due to business acquisition	109,394	-
Accumulated surplus - unappropriated, beginning of year after adjustment	65,854,968	62,048,703
Annual surplus	9,961,862	3,696,871
Accumulated surplus - unappropriated, end of year	75,816,830	65,745,574
Accumulated surplus - appropriated, beginning of year	15,118,631	9,877,038
Transfers to appropriated equity during the year	5,976,612	6,124,571
Transfers from appropriated equity during the year	(5,193,225)	(882,978)
	783,387	5,241,593
	15,902,018	15,118,631
Total accumulated surplus	91,718,848	80,864,205

Miawpukek Band

Consolidated statement of accumulated surplus - appropriated
year ended March 31, 2022

	Accumulated Surplus - Appropriated Apr. 1/20	Transfers from Equity	Transfers to Operations	Accumulated Surplus - Appropriated Mar. 31/21	Transfers from Equity	Transfers to Operations	Accumulated Surplus - Appropriated Mar. 31/22
	\$	\$	\$	\$	\$	\$	\$
Natural Resources							
Traditional Protected Areas	-	153,151	-	153,151	726,293	-	879,444
Fire smart project	34,940	-	34,940	-	-	-	-
Salmon enhancement	-	19,644	-	19,644	-	-	19,644
Silviculture	4,226	-	-	4,226	-	-	4,226
Coastal marine	-	-	-	-	32,835	-	32,835
Indigenous capacity support program	-	-	-	-	18,620	-	18,620
Natural resources management	-	-	-	-	96,492	-	96,492
	39,166	172,795	34,940	177,021	874,240	-	1,051,261
Public Works							
Sewer Maintenance	928,108	-	36,650	891,458	-	891,458	-
Waterline repairs- laterals	494,973	-	157,338	337,635	-	337,635	-
Public works water testing	-	1,458,515	-	1,458,515	-	551,190	907,325
Flood mitigation	-	-	-	-	85,125	-	85,125
Fire hall	-	-	-	-	11,652	-	11,652
	1,423,081	1,458,515	193,988	2,687,608	96,777	1,780,283	1,004,102
Economic Development and Training							
Canoe construction	23,384	-	-	23,384	-	-	23,384
Conne River Gas Bar	32,333	12,672	-	45,005	40,000	12,672	72,333
Miawpukek Human Resources - ASETS	138,159	-	-	138,159	-	-	138,159
Urban reserve	23,999	-	11,500	12,499	-	-	12,499
Off reserve post secondary	128,347	46,192	-	174,539	48,197	-	222,736
Outfitters	642,640	-	37,792	604,848	112,000	335,386	381,462
On reserve post secondary	467,101	75,926	-	543,027	272,468	-	815,495
Student employment	14,012	21,921	-	35,933	37,417	-	73,350
On reserve post secondary student support	58,813	141,115	-	199,928	251,951	-	451,879
Post Secondary - COVID-19	-	41,137	-	41,137	-	804	40,333
Labour market initiative	51,694	-	4,056	47,638	51,717	-	99,355
Exploits Motel	-	2,274	-	2,274	-	-	2,274
	1,580,482	341,237	53,348	1,868,371	813,750	348,862	2,333,259
Capital Lands and Housing							
Arena fund	14,980	-	-	14,980	-	-	14,980
Elder's program	17,705	-	-	17,705	-	10,443	7,262
FNLMA	-	14,675	-	14,675	-	13,224	1,451
Land and environmental	121,931	-	-	121,931	-	-	121,931
Land management	23,104	-	-	23,104	-	-	23,104
MFN land management act	421,810	-	134,664	287,146	-	217,794	69,352
School construction	466,265	-	-	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	100,000	-	194,408
Veteran's monument	6,676	-	-	6,676	-	-	6,676
Waste management modernization	57,201	-	12,062	45,139	-	10,500	34,639
Rapid housing	-	-	-	-	1,871,303	-	1,871,303
Housing lot servicing	-	-	-	-	38,870	-	38,870
Individual housing construction	-	-	-	-	50,000	-	50,000
	2,062,326	14,675	146,726	1,930,275	2,060,173	251,961	3,738,467
Miscellaneous							
Chantal John Memorial Park	3,705	-	-	3,705	-	959	2,746
Healing and sentencing	-	5,829	-	5,829	20,671	-	26,500
Jipujji park enhancement expansion	88,376	-	71,202	17,174	-	17,174	-
MAKKA AS FAR	117,153	40,525	-	157,678	8,170	85,936	79,912
AARON-MUN	-	-	-	-	9,978	-	24,750
MSP	-	18,266	-	18,266	12,580	-	30,846
IK Capacity	-	28,198	-	28,198	-	-	28,198
Equity fund	351,885	45,479	-	397,364	-	-	397,364
Canadian Coast Guard	-	1,900	-	1,900	71,317	-	73,217
Community center	-	-	-	-	72,374	-	72,374
Community center playground	-	-	-	-	30,000	-	30,000
Team community sports and social development	-	-	-	-	39,471	-	39,471
Church repairs	-	-	-	-	100,900	-	100,000
Justice department	-	-	-	-	30,500	-	30,500
	561,119	155,969	71,202	645,886	394,061	104,069	935,876
Education							
Education	169,880	71,016	31,600	209,296	-	71,091	138,205
	169,880	71,016	31,600	209,296	-	71,091	138,205
Conne River Health and Social Services							
Capital investment	26,019	-	15,990	10,029	-	10,029	-
Moveable capital assets	5,915	-	-	5,915	-	-	5,915
Brighter futures	28,447	-	-	28,447	192,092	-	220,539
Family violence initiative	16,081	-	-	16,081	-	-	16,081
Forge ahead	5,325	-	-	5,325	-	-	5,325
Health transfer agreement	10,564	61,811	-	72,375	-	-	72,375
Health services - Clinical	-	24,222	-	24,222	-	-	24,222
Employment services	615,925	-	-	615,925	-	-	615,925
Child care initiative	142,434	172,270	-	314,704	125,466	-	440,170
Child and family - foster homes	36,399	54,418	-	90,817	31,012	-	121,829
Child and family - preventative	779,754	-	334,966	444,788	-	214,079	230,709
Child and family - operations	183,997	39,362	-	223,359	195,413	-	418,772
Child and Welfare Law Development	-	16,871	-	16,871	139,010	-	155,881
Jordan's principle - approval	541,917	1,514,345	-	2,056,262	-	1,273,579	782,683
Jordan's principle	126,055	157,599	-	283,654	-	63,349	220,305
Genetic testing	-	23,822	-	23,822	-	10,462	13,360
Home and community care	10,031	61,982	-	72,013	81,306	-	153,319
Mental wellness team	19,683	95,175	-	114,858	175,475	-	290,333
Generated revenues	433,071	719,231	-	1,152,302	-	116,820	1,035,482
E-Health solutions	30,270	-	-	30,270	10,306	-	40,576
Aboriginal diabetes initiative	-	-	-	-	21,342	-	21,342
Communicable disease control	-	-	-	-	207,774	-	207,774
Government engagement mechanisms	-	-	-	-	36,000	-	36,000
University of Toronto - Community gardens	-	-	-	-	174,278	-	174,278
Climate change adaption	-	-	-	-	78,385	-	78,385
	3,011,887	2,941,108	350,956	5,602,039	1,467,859	1,688,318	5,381,580
Governance							
Repurpose St. Annes School	-	812,178	-	812,178	-	600,858	211,320
Emergency management assistance	12,590	66,543	-	79,133	-	18,547	60,586
Emergency response COVID-19	304,225	90,535	-	394,760	-	308,116	86,644
Finance	287,484	-	-	287,484	-	-	287,484
Heritage fund	421,120	-	-	421,120	-	21,120	400,000
Reparation	628	-	218	410	-	-	410
Emergency relief	3,050	-	-	3,050	-	-	3,050
Planning and risk management	-	-	-	-	244,752	-	244,752
Human resources	-	-	-	-	25,000	-	25,000
	1,029,097	969,256	218	1,998,135	269,752	948,641	1,319,246
	9,877,038	6,124,571	882,978	15,118,631	5,976,612	5,193,225	15,902,018

Miawpukek Band

Consolidated statement of change in net assets year ended March 31, 2022

	2022	2021
	\$	\$
Annual surplus	10,745,249	8,938,464
Changes in tangible capital assets		
Acquisition of tangible capital assets	(7,126,599)	(6,111,478)
Amortization of tangible capital assets	3,492,480	3,274,756
Proceeds on disposal of tangible capital assets	167,873	1,725,759
Gain on disposal of tangible capital assets	(140,110)	(394,672)
Acquisition of fishing licenses	(1,800,000)	-
Increase in tangible capital assets	(5,406,356)	(1,505,635)
	5,338,893	7,432,829
Change in other non-financial assets		
Net change in prepaid expenses	(5,327)	(53,604)
Adjustment due to business acquisition	109,394	-
	104,067	(53,604)
Increase in net financial assets	5,442,960	7,379,225
Net financial assets, beginning of year	14,359,816	6,980,591
Net financial assets, end of year	19,802,776	14,359,816

Miawpukek Band

Consolidated statement of cash flows year ended March 31, 2022

	2022	2021
	\$	\$
Operating transactions		
Annual surplus before appropriations	10,745,249	8,938,464
Items not affecting cash		
Amortization of tangible capital assets	3,492,480	3,274,756
Gain on disposal of tangible capital assets	(140,110)	(394,672)
Adjustment for business acquisition	109,394	-
	14,207,013	11,818,548
Change in other		
Receivables	5,949,642	(2,703,595)
Inventories	22,282	(204,113)
Prepaid expenses	(5,327)	(53,604)
Payables and accruals	(58,880)	1,880,236
Deferred revenue	(3,668,019)	3,822,640
	16,446,711	14,560,112
Capital transactions		
Acquisition of tangible capital assets	(7,126,599)	(6,111,478)
Acquisition of fishing licenses	(1,800,000)	-
Proceeds from disposal of tangible capital assets	167,873	1,725,759
	(8,758,726)	(4,385,719)
Financing transactions		
Repayment of demand loans	(1,869,797)	(625,727)
Proceeds from demand loans	2,458,332	77,608
Repayment of long-term debt	(793,047)	(259,152)
Proceeds from long-term debt	977,396	350,175
(Decrease) increase in CMHC replacement reserve	(21,728)	(45,511)
Increase in Miawpukek First Nations maintenance reserve	18,895	17,000
	770,051	(485,607)
Investing portfolio		
Purchase of investments	(21,456)	(18,394)
Decrease (increase) in loans and advances to band members	(46,731)	90,968
Increase in restricted funds	(10,468)	(14,258)
	(78,655)	58,316
Net increase in cash	8,379,381	9,747,102
Cash, beginning of the year	17,356,426	7,609,324
Cash, end of the year	25,735,807	17,356,426

Miawpukek Band

Notes to consolidated financial statements

March 31, 2022

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 25 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
- Exploits Motel

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.

Miawpukek Band

Notes to consolidated financial statements

March 31, 2022

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

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.

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.

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 consolidated 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.

Miawpukek Band

Notes to consolidated financial statements

March 31, 2022

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 20, 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.

4. Investment

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

5. Receivables

	2022	2021
	\$	\$
ACOA	1,225,177	22,500
Bell Canada	-	5,941
Bell Mobility Inc.	-	6,429
CMHC	-	105,868
Coast of Bays Contracting	3,980	20,825
Department of Fisheries and Oceans	1,121,445	1,468,535
Environment Canada	15,000	27,866
Federation of Newfoundland Indians	751,075	593,974
ISC (Note 6)	3,062,032	8,902,376
Government of Newfoundland and Labrador	1,484,318	1,484,318
Gray's Aquaculture	6,061	6,061
HST receivable	125,584	62,582
Justice Canada	107,500	-
Miscellaneous	1,241,003	2,405,063
NSF cheques	216	191
Parks Canada	2,000	20,000
	9,145,391	15,132,529
Less: Allowance for doubtful accounts	(1,389,357)	(1,426,853)
	7,756,034	13,705,676

Miawpukek Band

Notes to consolidated financial statements

March 31, 2022

6. Reconciliation of ISC receivable

	2022	2021
	\$	\$
Balance as confirmed by ISC March 31, 2022	589,710	765,869
Adjustments		
Prior year amounts not received - 2017-2018	-	2,350,000
Prior year amounts not received - 2018-2019	6,420	3,166,185
Prior year amounts not received - 2019-2020	1,709,483	2,620,322
Prior year amounts not received - 2020-2021	756,419	-
Ending balance	3,062,032	8,902,376

7. Inventories

	2022	2021
	\$	\$
Cannabis	36,683	119,866
Conne River Building Supplies	613,341	684,746
Conne River Garage	14,100	13,415
Conne River Gas Bar	365,112	295,934
Miawpukek Wholesalers	139,035	68,603
Micmac Arts and Crafts	39,795	47,784
	1,208,066	1,230,348

8. 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 13, as well as obligations as a result of guaranteeing certain Band member loans as disclosed in Note 20(c).

9. 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.

	2022	2021
	\$	\$
Loans and advances to Band members	1,078,027	1,038,652
Less: Allowance for doubtful accounts	(467,754)	(475,110)
	610,273	563,542

Miawpukek Band

Notes to consolidated financial statements

March 31, 2022

10. Payables and accruals

	2022	2021
	\$	\$
Accrued salaries and benefits payable	161,040	176,215
Other accrued liabilities	1,710,676	1,328,129
Severance payable	1,583,421	1,339,468
Trade payables	779,141	1,449,346
	4,234,278	4,293,158

11. Deferred revenue

	Balance March 31, 2021	Funding Received 2022	Revenue Recognized 2022	ISC Clawback 2022	Balance March 31, 2022
	\$	\$	\$		\$
Other	10,706,466	3,570,235	3,794,144	3,444,110	7,038,447

12. Demand loans

The Band has demand loans with Canadian Imperial Bank of Commerce for \$1,657,470 (2021 - \$1,895,866) 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 Mackeral Ltd. For \$175,000 (2021 - \$175,000) and Yarmouth Sea Products Limited for \$1,425,000 (2021 - \$1,425,000) and 86257 Newfoundland and Labrador Inc. for \$1,800,000 (2021 - \$Nil), 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 \$Nil (2021 - \$104,382) and Quinlan Brothers for \$Nil (2021 - \$868,687) which are secured by fishing licenses and due on termination of the financing agreement. Interest accrues at the rate of Bank of Canada Prime Lending rate plus 1% per annum to the date of final payment.

13. 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 \$530,469 (\$516,255 post-1997 program, \$14,214 pre-1996 program) (2021 - \$552,197).

Miawpukek Band

Notes to consolidated financial statements

March 31, 2022

14. Long-term debt

	2022	2021
	\$	\$
First Nations Finance Authority		
1.90% repayable in monthly instalments of \$35,679 plus interest	18,413,407	18,796,992
Canada Mortgage and Housing Corporation		
1.86% mortgage repayable in monthly instalments of \$831 including interest, maturing March 1, 2024 (#17478132005)	19,574	29,092
2.39% mortgage, repayable in monthly instalments of \$1,740 including interest, maturing January 1, 2023 (#17478132003)	17,217	37,424
1.86% mortgage, repayable in monthly instalments of \$1,955 including interest, maturing March 1, 2024 (#17478132006)	46,022	68,400
1.43% mortgage, repayable in monthly instalments of \$1,511 including interest, maturing April 1, 2022 (#17478132004)	1,511	19,484
1.83% mortgage, repayable in monthly instalments of \$996 including interest, maturing October 1, 2024 (#19042944001)	30,143	41,436
1.14% mortgage, repayable in monthly instalments of \$884 including interest, maturing March 1, 2026 (#1904294403)	41,439	51,509
0.76% mortgage, repayable in monthly instalments of \$624 including interest, maturing May 1, 2030 (#19042944007)	59,293	66,304
2.50% mortgage, repayable in monthly instalments of \$374 including interest, maturing April 1, 2033 (#19042944011)	43,418	46,779

Miawpukek Band

Notes to consolidated financial statements

March 31, 2022

14. Long-term debt (continued)

	2022	2021
	\$	\$
Canada Mortgage and Housing Corporation		
2.39% mortgage, repayable in monthly instalments of \$3,397 including interest, maturing March 1, 2033 (#19042944010)	394,240	425,227
2.50% mortgage, repayable in monthly instalments of \$990 including interest, maturing April 1, 2028 (#19042944005)	66,979	77,053
1.86% mortgage, repayable in monthly instalments of \$592 including interest, maturing May 1, 2029 (#19042944006)	47,605	53,760
0.65% mortgage, repayable in monthly instalments of \$956 including interest, maturing January 1, 2025 (#19042944002)	32,209	43,436
1.30% mortgage, repayable in monthly instalments of \$616 including interest, maturing May 1, 2027 (#19042944004)	36,894	43,754
1.05% mortgage, repayable in monthly instalments of \$637 including interest, maturing July 1, 2031 (#19042944008)	67,966	74,870
1.30% mortgage, repayable in monthly instalments of \$1,273 including interest, maturing May 1, 2032 (#19042944009)	145,485	158,787
1.75% mortgage, repayable in monthly instalments of \$844 including interest, maturing July 1, 2034 (#19042944012)	112,324	120,417
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	10,513	15,771
0.74% mortgage, repayable in monthly instalments of \$844 including interest, maturing August 1, 2035 (#19042944013)	159,652	170,930

Miawpukek Band

Notes to consolidated financial statements

March 31, 2022

14. Long-term debt (continued)

	2022	2021
	\$	\$
Canada Mortgage and Housing Corporation		
2.50% mortgage, repayable in monthly instalments of \$400 including interest, maturing April 1, 2038 (#19042944014)	63,612	66,790
2.70% mortgage, repayable in monthly instalments of \$407 including interest, maturing Nov 1, 2038 (#19042944015)	65,612	68,693
1.75% mortgage, repayable in monthly instalments of \$363 including interest, maturing September 1, 2039 (#19042944016)	65,577	68,754
1.13% mortgage, repayable in monthly instalments of \$364 including interest, maturing July 1, 2041 (#19042944017)	75,768	79,235
1.84% mortgage, repayable in monthly instalments of \$443 including interest, maturing September 1, 2042 (#19042944019)	90,737	94,351
2.02% mortgage, repayable in monthly instalments of \$996 including interest, maturing March 1, 2037 (#19042944022)	402,399	-
2.02% mortgage, repayable in monthly instalments of \$2,170 including interest, maturing March 1, 2037 (#19042944024)	336,997	-
2.02% mortgage, repayable in monthly instalments of \$501 including interest, maturing March 1, 2047 (#19042944020)	118,000	-
2.02% mortgage, repayable in monthly instalments of \$509 including interest, maturing March 1, 2047 (#19042944021)	120,000	-

Miawpukek Band

Notes to consolidated financial statements

March 31, 2022

13. Long-term debt (continued)

	2022	2021
	\$	\$
Unlooweg Development Group Inc.		
8.00% loan with Unlooweg Development Group Inc., repaid during the year	-	29,793
8.00% loan with Unlooweg Development Group Inc., repaid during the year	-	101,066
8.50% loan with Unlooweg Development Group Inc., repaid during the year	-	30,569
8.00% loan with Unlooweg Development Group Inc., repayable in annual payments of \$56,096 including interest, maturing November 2025	330,607	350,175
	21,415,200	21,230,851

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:

	\$
2023	738,361
2024	724,681
2025	688,876
2026	674,812
2027	667,989
Thereafter	17,920,481

15. Credit facility

The Band has available credit facilities in the amounts of \$250,000 and \$100,000 (2021 - \$350,000), of which \$250,000 and \$100,000 remained unused at March 31, 2022 (2021 - \$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, 2022

16. Tangible capital assets

				2022	2021
	Amortization		Accumulated	Net Book	Net Book
	Rate	Cost	Amortization	Value	Value
	%	\$	\$	\$	\$
Aircraft	25	295,000	201,660	93,340	124,453
Buildings	4	63,133,088	23,123,508	40,009,580	38,683,250
Equipment	20	12,869,810	10,777,667	2,092,143	2,018,798
Motor vehicles	30	3,923,822	3,299,324	624,498	701,519
Roads	2.5	5,795,879	2,484,279	3,311,600	3,369,162
Sports facilities	4	980,335	160,500	819,835	415,600
Subdivision	2.5	1,292,169	372,264	919,905	943,492
Vessel	15	7,799,952	3,845,389	3,954,563	2,846,101
Water and sewer	2.5	11,144,318	3,996,186	7,148,132	6,902,349
Land		122,214	-	122,214	100,000
Work in progress		615,270	-	615,270	-
		107,971,857	48,260,777	59,711,080	56,104,724

17. Revenue

	2022	2021
	\$	\$
Indigenous Services Canada		
Grant	12,255,336	12,017,757
Block	954,685	911,525
Flexible	912,005	2,271,523
Fixed	6,186,142	5,324,286
Net funding for fiscal year	20,308,168	20,525,091
Health Canada		
Block	3,300,849	2,835,540
Set	661,103	737,312
Flexible	1,852,187	4,143,188
Fixed	150,075	-
Net funding for fiscal year	5,964,214	7,716,040
CMHC	127,640	127,714
Other	34,218,399	21,213,137
	60,618,421	49,581,982

18. 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, 2022 was \$127,640 (\$117,191 post-1997 program, \$10,449 pre-1996 program) (2021 - \$127,714).

Miawpukek Band

Notes to consolidated financial statements

March 31, 2022

19. Reconciliation of Service Canada funding

	2022	2021
	\$	\$
CRF:		
Carry forward from previous year	218,483	91,323
Used in current year	(218,483)	(91,323)
Surplus CRF regular funding	399,446	176,278
Surplus EI regular funding	37,218	42,205
Unexpended balance forward to 2022/2023	436,664	218,483

20. 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 \$Nil (2021 - \$461) which are secured by restricted funds in this amount.
- d) The Band has provided ministerial guarantees on mortgages of \$1,306,657 (2021 - \$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 (2021 - \$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.

21. 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, 2022 amounted to \$258,117 (2021 - \$256,764).

22. Statutory remittances

As at March 31, 2022, the Band has submitted all required remittances under the Income Tax Act.

23. 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.