
Consolidated financial statements of Miawpukek Band

March 31, 2023

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Management's Responsibility for Financial Reporting

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

General Manager

Independent Auditor's Report

To the Members of the
Miawpukek Band

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, 2023, 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, 2023 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 Matters

These financial statements include individual project statements and a schedule of unelected senior official's compensation, as required by Indigenous Services Canada. The above noted schedules are not included in the financial statements for the Miawpukek Band which are available online. In all other respects these financial statements are consistent and compliant with Canadian public sector reporting requirements.

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 simpler, bold sans-serif font.

Chartered Professional Accountants
November 1, 2023

Miawpukek Band

Consolidated statement of financial position as at March 31, 2023

	2023	2022
	\$	\$
Financial assets		
Cash	42,076,906	25,735,807
Receivables (Note 4)	10,501,779	7,756,034
Portfolio investments	2,673,330	2,647,550
Investment (Note 3)	18,796,992	18,796,992
Inventories (Note 6)	1,328,216	1,208,066
Restricted funds (Note 7)	1,495,645	1,475,861
Loans and advances to Band members (Note 8)	762,231	610,273
	77,635,099	58,230,583
Liabilities		
Payables and accruals (Note 9)	7,225,305	4,234,278
Deferred revenue (Note 10)	15,156,390	7,038,447
Demand loans (Note 11)	4,677,651	5,057,470
CMHC replacement reserve (Note 12)	406,916	530,469
Miawpukek First Nations maintenance reserve	205,943	151,943
Long-term debt (Note 13)	21,057,360	21,415,200
	48,729,565	38,427,807
Net financial assets	28,905,534	19,802,776
Non-financial assets		
Tangible capital assets (Note 15)	64,809,407	59,711,080
Fishing licenses	12,037,825	12,037,825
Prepaid expenses	281,360	167,167
	77,128,592	71,916,072
Unappropriated (Page 6)	85,189,971	75,816,830
Appropriated (Page 6)	20,844,155	15,902,018
Accumulated surplus	106,034,126	91,718,848

Contingencies (Note 19)

On behalf of the Band:



Chief



Councillor

Miawpukek Band

Consolidated statement of operations year ended March 31, 2023

	Budget	2023	2022
	\$	\$	\$
	(unaudited)		
Revenue (Note 16)			
Federal government operating transfers	25,034,442	33,671,092	28,673,020
Federal government capital transfers	-	2,663,809	2,442,869
Other revenue	10,518,737	6,323,899	8,550,723
Provincial government operating transfers	-	1,685,306	1,848,527
Economic activities	-	23,191,257	19,103,282
	35,553,179	67,535,363	60,618,421
Expenses			
Amortization	-	4,123,553	3,492,480
Band government	2,542,823	5,005,572	3,576,563
Community services	1,017,940	3,483,954	2,786,278
Economic development	7,875,493	17,478,379	17,702,592
Education	191,936	4,886,917	4,666,750
Employment programs	3,523,205	1,263,366	1,179,945
Health	9,921,275	9,905,558	9,189,476
Capital land and housing	2,395,192	1,226,181	1,290,763
Land claims (Natural Resource)	2,802,686	3,052,873	2,106,268
MAMKA	-	640,181	572,976
Public works	-	2,153,551	3,309,081
	30,841,948	53,220,085	49,873,172
Annual surplus before appropriations	4,711,231	14,315,278	10,745,249
Transfers from appropriated equity during the year	-	3,419,925	5,193,225
Transfers to appropriated equity during the year	-	(8,362,062)	(5,976,612)
Annual surplus after appropriations	4,711,231	9,373,141	9,961,862

Miawpukek Band

Consolidated statement of accumulated surplus year ended March 31, 2023

	2023	2022
	\$	\$
Accumulated surplus - unappropriated, beginning of year	75,816,830	65,745,574
Adjustment to opening surplus due to business acquisition	-	109,394
Accumulated surplus - unappropriated, beginning of year after adjustment	75,816,830	65,854,968
Annual surplus	9,373,141	9,961,862
Accumulated surplus - unappropriated, end of year	85,189,971	75,816,830
Accumulated surplus - appropriated, beginning of year	15,902,018	15,118,631
Transfers to appropriated equity during the year	8,362,062	5,976,612
Transfers from appropriated equity during the year	(3,419,925)	(5,193,225)
	4,942,137	783,387
	20,844,155	15,902,018
Total accumulated surplus	106,034,126	91,718,848

Miawpukek Band

Consolidated statement of accumulated surplus - appropriated
year ended March 31, 2023

	Accumulated Surplus - Appropriated Apr. 1/21	Transfers from Equity	Transfers to Operations	Accumulated Surplus - Appropriated Mar. 31/22	Transfers from Equity	Transfers to Operations	Accumulated Surplus - Appropriated Mar. 31/23
	\$	\$	\$	\$	\$	\$	\$
Natural Resources							
Traditional protected areas	153,151	726,293	-	879,444	-	605,427	274,017
Salmon enhancement	19,644	-	-	19,644	-	19,644	-
Silviculture	4,226	-	-	4,226	-	-	4,226
Coastal marine	-	32,835	-	32,835	228,826	-	261,661
Indigenous capacity support program	-	18,620	-	18,620	-	-	18,620
Natural resources management	-	96,492	-	96,492	80,000	-	176,492
	177,021	874,240	-	1,051,261	308,826	625,071	735,016
Public Works							
Sewer maintenance	891,458	-	891,458	-	-	-	-
Waterline repairs- laterals	337,635	-	337,635	-	-	-	-
Public works water testing	1,458,515	-	551,190	907,325	-	630,597	276,728
Flood mitigation	-	85,125	-	85,125	-	85,125	-
Fire hall	-	11,652	-	11,652	-	11,652	-
	2,687,608	96,777	1,780,283	1,004,102	-	727,374	276,728
Economic Development and Training							
Canoe construction	23,384	-	-	23,384	-	-	23,384
Comme river gas bar	45,005	40,000	12,672	72,333	-	21,295	51,038
Mariner training project	-	-	-	-	232,819	-	232,819
Miawpukek human resources - ASETS	138,159	-	-	138,159	-	-	138,159
Urban reserve	12,499	-	-	12,499	-	-	12,499
Off reserve post secondary	174,539	48,197	-	222,736	-	55,414	167,322
Outfitters	604,848	112,000	335,386	381,462	175,000	-	556,462
On reserve post secondary	543,027	272,468	-	815,495	184,763	-	1,000,258
Student employment	35,933	37,417	-	73,350	-	73,350	-
On reserve post secondary student support	199,928	251,951	-	451,879	432,289	-	884,168
Post secondary - COVID-19	41,137	-	804	40,333	-	-	40,333
Labour market initiative	47,638	51,717	-	99,355	-	38,863	60,492
Exploits motel	2,274	-	-	2,274	-	-	2,274
	1,868,371	813,750	348,862	2,333,259	1,624,871	188,922	3,169,228
Capital Lands and Housing							
Arena fund	14,980	-	-	14,980	-	-	14,980
Elder's program	17,705	-	10,443	7,262	-	1,096	6,166
FNLMA	14,675	-	13,224	1,451	-	-	1,451
Land and environmental	121,931	-	-	121,931	-	-	121,931
Land and environmental	23,104	-	-	23,104	-	-	23,104
MFN land management act	287,146	-	217,794	69,352	-	69,352	-
School construction	466,265	-	-	466,265	-	15,581	450,684
Subsidized housing	38,144	-	-	38,144	-	-	38,144
Administration	385,102	-	-	385,102	-	28,504	356,598
Housing-special	415,000	-	-	415,000	-	-	415,000
Housing construction	94,408	100,000	-	194,408	250,000	-	444,408
Veteran's monument	6,676	-	-	6,676	-	-	6,676
Waste management modernization	45,139	-	10,500	34,639	-	-	34,639
Ocean management	-	-	-	-	25,443	-	25,443
Rapid housing	-	1,871,303	-	1,871,303	-	417,950	1,453,353
Housing lot servicing	-	38,870	-	38,870	-	38,870	-
Individual housing construction	-	50,000	-	50,000	-	50,000	-
CMHC emergency roof repairs	-	-	-	-	25,406	-	25,406
	1,930,275	2,060,173	251,961	3,738,487	300,849	621,353	3,417,583
Miscellaneous							
Chantel John memorial park	3,705	-	959	2,746	-	-	2,746
Healing and sentencing	5,829	20,671	-	26,500	12,033	-	38,533
Jipuji park enhancement expansion	17,174	-	17,174	-	-	-	-
MAMKA	157,678	8,170	85,936	79,912	31,510	78,600	32,822
MAMKA-AFSAR	-	-	-	-	1,927	-	1,927
AARON-MUN	15,772	8,978	-	24,750	3,261	-	28,011
MSP	18,266	12,580	-	30,846	26,489	-	57,335
IK capacity	28,198	-	-	28,198	8,324	-	36,522
Equity fund	397,364	-	-	397,364	42,830	40,105	400,089
Canadian coast guard	1,900	71,317	-	73,217	-	23,249	49,968
Community center	-	72,374	-	72,374	10,000	59,000	23,374
Community center playground	-	30,000	-	30,000	-	30,000	-
Team community sports and social development	-	39,471	-	39,471	-	39,471	-
Church repairs	-	100,000	-	100,000	-	-	100,000
Justice department	-	30,500	-	30,500	56,739	-	87,239
Interest fund	-	-	-	-	520,000	-	520,000
	645,886	394,061	104,069	935,878	713,113	270,425	1,378,566
Education							
Education	209,296	-	71,091	138,205	575,000	-	713,205
	209,296	-	71,091	138,205	575,000	-	713,205
Conne River Health and Social Services							
Capital investment	10,029	-	10,029	-	-	-	-
Moveable capital assets	5,915	-	-	5,915	1,661	-	7,576
Brighter futures	28,447	192,092	-	220,539	-	-	220,539
Family violence initiative	16,081	-	-	16,081	26,975	-	43,056
Forge ahead	5,325	-	-	5,325	-	-	5,325
Health transfer agreement	72,375	-	-	72,375	48,319	-	120,694
Health services - clinical	24,222	-	-	24,222	7,468	-	31,690
Employment services	615,925	-	-	615,925	650,000	-	1,265,925
Child care initiative	314,704	125,466	-	440,170	305,175	-	745,345
Child and family - foster homes	90,817	31,012	-	121,829	-	6,257	115,572
Child and family - preventative	444,788	-	214,079	230,709	1,092,989	-	1,323,698
Child and family - operations	223,359	195,413	-	418,772	292,868	-	711,640
Child and welfare law development	16,871	130,010	-	155,881	-	21,938	133,943
Jordan's principle - approval	2,056,262	-	1,273,579	782,683	1,241,957	-	2,024,640
Jordan's principle	283,654	-	63,349	220,305	25,022	-	245,327
Genetic testing	23,822	-	10,462	13,360	-	-	13,360
Home and community care	72,013	81,306	-	153,319	73,926	-	227,245
Mental wellness team	114,858	175,475	-	290,333	96,428	-	386,761
Generated revenues	1,152,302	-	116,820	1,035,482	-	211,948	823,534
E-Health solutions	30,270	10,306	-	40,576	15,975	-	56,551
Aboriginal diabetes initiative	-	21,342	-	21,342	-	-	21,342
Communicable disease control	-	207,774	-	207,774	9,789	-	217,563
Government engagement mechanisms	-	36,000	-	36,000	121,713	-	157,713
University of Toronto - Community gardens	-	174,278	-	174,278	-	174,278	-
Climate change adoption	-	78,385	-	78,385	-	38,594	39,791
Land based mental health and addictions	-	-	-	-	66,974	-	66,974
Institute of fiscal studies and democracy	-	-	-	-	22,824	-	22,824
Food, environment, health, and nutrition of FN child/youth	-	-	-	-	13,475	-	13,475
Community based addictions wrap around support	-	-	-	-	116,922	-	116,922
Assisted living-Seniors complex	-	-	-	-	315,593	-	315,593
Patient advocate/navigator	-	-	-	-	41,638	-	41,638
Walk way of knowledge - Healthy communities	-	-	-	-	87,950	-	87,950
Building healthy communities	-	-	-	-	13,428	-	13,428
Prenatal nutrition program	-	-	-	-	11,002	-	11,002
Native national alcohol and drug abuse program	-	-	-	-	95,551	-	95,551
	5,602,039	1,467,859	1,688,318	5,381,580	4,795,622	453,015	9,724,187
Governance							
Repurpose St. Annes School	812,178	-	600,858	211,320	-	211,320	-
Emergency management assistance	79,133	-	18,547	60,586	17,994	-	78,580
Emergency response COVID-19	394,760	-	308,116	86,644	-	86,644	-
Finance	287,484	-	-	287,484	-	-	287,484
Heritage fund	421,120	-	21,120	400,000	-	-	400,000
Reparation	410	-	-	410	-	9	401
Emergency relief	3,050	-	-	3,050	-	-	3,050
Planning and risk management	-	244,752	-	244,752	-	210,792	33,960
Drinking water settlement (Class Action)	-	-	-	-	428,400	-	428,400
Human resources	-	25,000	-	25,000	-	25,000	-
Surf clam	-	-	-	-	167,900	-	167,900
Major projects	-	-	-	-	30,387	-	30,387
	1,998,135	269,752	948,641	1,319,246	643,781	533,765	1,429,262
	15,118,631	5,976,612	5,193,225	15,902,018	8,362,062	3,419,925	20,844,155

Miawpukek Band

Consolidated statement of change in net assets year ended March 31, 2023

	2023	2022
	\$	\$
Annual surplus	14,315,278	10,745,249
Changes in tangible capital assets		
Acquisition of tangible capital assets	(10,622,095)	(7,126,599)
Amortization of tangible capital assets	4,123,553	3,492,480
Proceeds on disposal of tangible capital assets	1,852,500	167,873
Gain on disposal of tangible capital assets	(452,285)	(140,110)
Acquisition of fishing licenses	-	(1,800,000)
Increase in tangible capital assets	(5,098,327)	(5,406,356)
	9,216,951	5,338,893
Change in other non-financial assets		
Net change in prepaid expenses	(114,193)	(5,327)
Adjustment due to business acquisition	-	109,394
	(114,193)	104,067
Increase in net financial assets	9,102,758	5,442,960
Net financial assets, beginning of year	19,802,776	14,359,816
Net financial assets, end of year	28,905,534	19,802,776

Miawpukek Band

Consolidated statement of cash flows year ended March 31, 2023

	2023	2022
	\$	\$
Operating transactions		
Annual surplus before appropriations	14,315,278	10,745,249
Items not affecting cash		
Amortization of tangible capital assets	4,123,553	3,492,480
Gain on disposal of tangible capital assets	(452,285)	(140,110)
Adjustment for business acquisition	-	109,394
	17,986,546	14,207,013
Change in other		
Receivables	(2,745,745)	5,949,642
Inventories	(120,150)	22,282
Prepaid expenses	(114,193)	(5,327)
Payables and accruals	2,991,027	(58,880)
Deferred revenue	8,117,943	(3,668,019)
	26,115,428	16,446,711
Capital transactions		
Acquisition of tangible capital assets	(10,622,095)	(7,126,599)
Acquisition of fishing licenses	-	(1,800,000)
Proceeds from disposal of tangible capital assets	1,852,500	167,873
	(8,769,595)	(8,758,726)
Financing transactions		
Repayment of demand loans	(436,919)	(1,869,797)
Proceeds from demand loans	57,100	2,458,332
Repayment of long-term debt	(835,650)	(793,047)
Proceeds from long-term debt	477,810	977,396
Decrease in CMHC replacement reserve	(123,553)	(21,728)
Increase in Miawpukek First Nations maintenance reserve	54,000	18,895
	(807,212)	770,051
Investing portfolio		
Purchase of investments	(25,780)	(21,456)
Increase in loans and advances to band members	(151,958)	(46,731)
Increase in restricted funds	(19,784)	(10,468)
	(197,522)	(78,655)
Net increase in cash	16,341,099	8,379,381
Cash, beginning of the year	25,735,807	17,356,426
Cash, end of the year	42,076,906	25,735,807

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:

Certain schedules in these financial statements are not required by PSAS but are presented in order to satisfy Indigenous Services Canada ("ISC"). These schedules can be found on pages 199-201 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 project statements.

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 which include tangible capital assets and fishing licenses 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.

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 and earned under the funding arrangements which management can use at their discretion which may then 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.

Portfolio investments

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

Financial instruments

The Band recognizes its financial instruments when the Band becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition the Band may irrevocably elect to subsequently measure at fair value financial instruments that meet certain criteria. The Band has not made such an election during the year.

The Band does not have any financial instruments required to be subsequently measured at fair value so has not presented a statement of remeasurement gains and losses as it does not have any items giving rise to remeasurement gains or losses. Interest income is recognized in the statement of operations. All financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

All financial assets are tested annually for impairment. Management considers recent collection experience for receivables, such as delinquency in payments, in determining whether objective evidence of impairment exists. Write-downs of financial assets measured at cost and/or amortized cost to reflect losses in value are not reversed for subsequent increases in value.

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

Use of estimates

The preparation of consolidated 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 long-lived assets, accrued liabilities and collectability of accounts receivable. Actual results could differ materially from those estimates.

Adoption of new accounting standards

Asset retirement obligations

Effective April 1, 2022, the Band has adopted the newly issued accounting standard, Asset retirement obligations under PSAS Section 3280 ("Section 3280"), which provided guidance relating to the accounting for asset retirement obligations associated with the retirement of tangible capital assets.

The application of this amendment does not have an impact on the Band's financial statements.

Financial instruments

Effective April 1, 2022, the Band has adopted the Public Sector Accounting Board's (PSAB) new standard for the recognition, measurement and presentation and disclosure of financial assets, financial liabilities and derivatives under Section PS 3450 Financial Instruments. The new Section is applied prospectively, and prior periods have not been restated. There was no material impact on the consolidated financial statements from the prospective application of the new accounting recommendations.

2. Economic dependence

The Miawpukek Band receives a major portion of its revenues pursuant to funding arrangements with Indigenous Services Canada ("ISC") as disclosed in Note 16.

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.

3. Investments

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

4. Receivables

	2023	2022
	\$	\$
Atlantic Canada Opportunities Agency	298,756	1,225,177
Canada Mortgage and Housing Corporation	281,170	—
Coast of Bays Contracting	14,652	3,980
Department of Fisheries and Oceans	898,999	1,121,445
Environment Canada	15,000	15,000
Federation of Newfoundland Indians	886,899	751,075
Indigenous Services Canada (Note 5)	4,578,150	3,062,032
Government of Newfoundland and Labrador	1,484,318	1,484,318
Gray's Aquaculture	5,781	6,061
HST receivable	186,784	125,584
Justice Canada	7,500	107,500
Miscellaneous	2,278,124	1,241,003
NSF cheques	338	216
Parks Canada	138,000	2,000
	11,074,473	9,145,391
Less: Allowance for doubtful accounts	(572,694)	(1,389,357)
	10,501,779	7,756,034

5. Reconciliation of ISC receivable

	2023	2022
	\$	\$
Balance as confirmed by ISC March 31, 2023	4,355,828	589,710
Adjustments		
Prior year amounts not received - 2018-2019	6,420	6,420
Prior year amounts not received - 2019-2020	209,483	1,709,483
Prior year amounts not received - 2020-2021	6,419	756,419
Ending balance	4,578,150	3,062,032

6. Inventories

	2023	2022
	\$	\$
Cannabis Boutique	21,368	36,683
Conne River Building Supplies	837,948	613,341
Conne River Garage	17,914	14,100
Conne River Gas Bar	315,505	365,112
Miawpukek Wholesalers	84,651	139,035
Micmac Arts and Crafts	50,830	39,795
	1,328,216	1,208,066

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.

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.

	2023	2022
	\$	\$
Loans and advances to Band members	1,290,394	1,078,027
Less: Allowance for doubtful accounts	(528,163)	(467,754)
	762,231	610,273

9. Payables and accruals

	2023	2022
	\$	\$
Accrued salaries and benefits payable	104,654	161,040
ISC	2,104,458	—
Other accrued liabilities	2,152,743	1,710,676
Severance payable	1,734,596	1,583,421
Trade payables	1,128,854	779,141
	7,225,305	4,234,278

10. Deferred revenue

	Balance March 31, 2022 \$	Funding Received 2023 \$	Revenue Recognized 2023 \$	Balance March 31, 2023 \$
ISC	6,601,783	6,895,659	2,221,758	11,275,684
Other	436,664	3,880,706	436,664	3,880,706
Total	7,038,447	10,776,365	2,658,422	15,156,390

11. Demand loans

The Band has demand loans with Canadian Imperial Bank of Commerce for \$1,277,651 (\$1,657,470 in 2022) 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 (\$175,000 in 2022), Yarmouth Sea Products Limited for \$1,425,000 (\$1,425,000 in 2022) and 86257 Newfoundland and Labrador Inc. for \$1,800,000 (\$1,800,000 in 2022), 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.

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 \$406,916 (\$384,247 post-1997 program, \$22,669 pre-1996 program) (\$530,469 in 2022).

13. Long-term debt

	2023 \$	2022 \$
First Nations Finance Authority 1.90% repayable in monthly instalments of \$35,679 plus interest	17,864,296	18,413,407
Canada Mortgage and Housing Corporation 1.86% mortgage repayable in monthly instalments of \$831 including interest, maturing March 1, 2024 (#17478132005)	9,878	19,574
1.86% mortgage, repayable in monthly instalments of \$1,955 including interest, maturing March 1, 2024 (#17478132006)	23,225	46,022
1.83% mortgage, repayable in monthly instalments of \$996 including interest, maturing October 1, 2024 (#19042944001)	18,643	30,143
1.13% mortgage, repayable in monthly instalments of \$884 including interest, maturing March 1, 2026 (#1904294403)	31,253	41,439
0.76% mortgage, repayable in monthly instalments of \$624 including interest, maturing May 1, 2030 (#19042944007)	52,228	59,293

13. Long-term debt (continued)

	2023	2022
	\$	\$
2.50% mortgage, repayable in monthly instalments of \$374 including interest, maturing April 1, 2033 (#19042944011)	39,973	43,418
5.23% mortgage, repayable in monthly instalments of \$3,876 including interest, maturing March 1, 2033 (#19042944010)	363,253	394,240
2.50% mortgage, repayable in monthly instalments of \$990 including interest, maturing April 1, 2028 (#19042944005)	56,653	66,979
Canada Mortgage and Housing Corporation 1.86% mortgage, repayable in monthly instalments of \$592 including interest, maturing May 1, 2029 (#19042944006)	41,336	47,605
0.65% mortgage, repayable in monthly instalments of \$956 including interest, maturing January 1, 2025 (#19042944002)	20,908	32,209
3.04% mortgage, repayable in monthly instalments of \$642 including interest, maturing May 1, 2027 (#19042944004)	30,132	36,894
1.01% mortgage, repayable in monthly instalments of \$636 including interest, maturing July 1, 2031 (#19042944008)	60,986	67,966
3.04% mortgage, repayable in monthly instalments of \$1,384 including interest, maturing May 1, 2032 (#19042944009)	132,802	145,485
1.75% mortgage, repayable in monthly instalments of \$844 including interest, maturing July 1, 2034 (#19042944012)	104,088	112,324
0.74% mortgage, repayable in monthly instalments of \$1,042 including interest, maturing August 1, 2035 (#19042944013)	148,290	159,652
2.50% mortgage, repayable in monthly instalments of \$400 including interest, maturing April 1, 2038 (#19042944014)	60,354	63,612
2.70% mortgage, repayable in monthly instalments of \$407 including interest, maturing Nov 1, 2038 (#19042944015)	62,447	65,612

13. Long-term debt (continued)

	2023	2022
	\$	\$
1.75% mortgage, repayable in monthly instalments of \$363 including interest, maturing September 1, 2039 (#19042944016)	62,344	65,577
1.22% mortgage, repayable in monthly instalments of \$367 including interest, maturing July 1, 2041 (#19042944017)	72,271	75,768
3.29% mortgage, repayable in monthly instalments of \$505 including interest, maturing September 1, 2042 (#19042944019)	87,311	90,737
Canada Mortgage and Housing Corporation 2.02% mortgage, repayable in monthly instalments of \$2,592 including interest, maturing March 1, 2037 (#19042944022)	379,261	402,399
2.02% mortgage, repayable in monthly instalments of \$2,170 including interest, maturing March 1, 2037 (#19042944024)	317,554	336,997
2.02% mortgage, repayable in monthly instalments of \$501 including interest, maturing March 1, 2047 (#19042944020)	114,330	118,000
2.02% mortgage, repayable in monthly instalments of \$501 including interest, maturing March 1, 2047 (#19042944021)	116,268	120,000
3.7% mortgage, repayable in monthly instalments of \$2,315 including interest, maturing December 1, 2037 (#19042944023)	315,941	—
2.39% mortgage, repaid during the year	—	17,217
1.43% mortgage, repaid during the year	—	1,511
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	5,255	10,513
Unlooweg Development Group Inc. 8.00% loan with Unlooweg Development Group Inc., repayable in annual payments of \$51,896 including interest, maturing November 2025	304,211	330,607
Atlantic Canada Opportunities Agency interest free loan with ACOA, repayable in monthly payments of \$1,459 including interest, maturing June 2032	161,869	—
	21,057,360	21,415,200

Miawpukek Band**Notes to consolidated financial statements**

March 31, 2023

13. Long-term debt (continued)

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:

	\$
2024	741,041
2025	705,851
2026	692,427
2027	686,267
2028	684,592
Thereafter	17,547,182

14. Credit facility

The Band has available credit facilities in the amounts of \$250,000 and \$100,000 (\$350,000 in 2022), of which \$250,000 and \$100,000 remained unused at March 31, 2023 (\$350,000 in 2022). The facilities bear interest at a rate of prime and prime plus 3%, respectively, and are secured by a guarantee of the Miawpukek Band.

15. Tangible capital assets

	Amortization Rate %	Cost \$	Accumulated Amortization \$	2023 Net Book Value \$	2022 Net Book Value \$
Aircraft	25	—	—	—	93,340
Buildings	4	67,975,038	25,436,240	42,538,798	40,624,850
Equipment	20	15,421,196	11,847,945	3,573,251	2,092,143
Motor vehicles	30	4,849,977	3,848,532	1,001,445	624,498
Roads	3	6,201,678	2,617,069	3,584,609	3,311,600
Sports facilities	4	1,320,913	206,917	1,113,996	819,835
Subdivision	3	1,292,169	395,262	896,907	919,905
Vessel	15	8,747,747	4,384,861	4,362,886	3,954,563
Water and sewer	3	11,826,444	4,211,143	7,615,301	7,148,132
Land		122,214	—	122,214	122,214
		117,757,376	52,947,969	64,809,407	59,711,080

16. Revenue

	2023 \$	2022 \$
Indigenous Services Canada		
Grant	12,497,638	12,255,336
Block	5,563,018	954,685
Flexible	1,030,949	912,005
Fixed	10,813,513	6,186,142
Net funding for fiscal year	29,905,118	20,308,168
Health Canada		
Block	3,680,365	3,300,849
Set	709,600	661,103
Flexible	3,959,099	1,852,187
Fixed	104,849	150,075
Net funding for fiscal year	8,453,913	5,964,214
CMHC	190,563	127,640
Other	28,985,769	34,218,399
	67,535,363	60,618,421

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, 2023 was \$190,563 (\$185,627 post-1997 program, \$4,936 pre-1996 program) (\$127,640 in 2022).

18. Reconciliation of Service Canada funding

	2023 \$	2022 \$
CRF		
Carry forward from previous year	436,664	218,483
Used in current year	(436,664)	(218,483)
Surplus CRF regular funding	228,481	399,446
Surplus EI regular funding	25,875	37,218
Unexpended balance forward to 2023/2024	254,356	436,664

19. Contingencies

- (a) The Band has entered into a funding arrangement with Indigenous Services Canada for fifteen 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.

19. Contingencies (continued)

- (c) The Band has provided ministerial guarantees on mortgages of \$1,494,189 (\$1,306,657 in 2022) for Band members which are secured by the specific property mortgaged. These mortgages are not recorded as liabilities of the Band.
- (d) The Band has provided letters of credit for \$440,000 (\$440,000 in 2022).
- (e) 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, 2023 amounted to \$250,463 (\$258,117 in 2022).

21. Statutory remittances

As at March 31, 2023, 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.

23. Financial instruments

Financial risk factors

It is management's opinion that the Band is not exposed to significant credit, liquidity, or market risks arising from its financial instruments. The source of risk exposure and how each is managed is outlined below.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligation. The Band's credit risk is primarily attributable to receivables, and loans and advances to Band members. The carrying amount of accounts receivables and loans and advances represents the maximum exposure to credit risk.

Liquidity risk

Liquidity risk is the risk that the Band will not be able to meet its financial obligations as they become due.

As of March 31, 2023, the Band had cash of \$42,076,906 (\$25,735,807 in 2022). To the extent that the Band does not believe it has sufficient liquidity to meet current obligations, consideration will be given to obtaining additional funds through third party funding, assuming these could be obtained.

23. Financial instruments (continued)

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Band's net earnings or loss or the value of its financial instruments. The Band is not exposed to significant equity price risk or foreign exchange risk.

(i) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. The Band is exposed to interest rate risk primarily through its long-term debt. All debt payable to First Nations Finance Authority, CMHC, and Unlooweg Development Group Inc. have fixed interest rates and therefore the cash flow exposure is not significant.