

**MADAWASKA MALISEET  
FIRST NATION NEW BRUNSWICK**

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**CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2020**

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## Management's report

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### Management's responsibility for the consolidated financial statements

The accompanying consolidated financial statements of Madawaska Maliseet First Nation New Brunswick are the responsibility of management and have been approved by the Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada and as such include amounts that are the best estimates and judgments of management.

Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

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

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

The external auditor, **Raymond Chabot Grant Thornton LLP**, conduct an independent examination, in accordance with Canadian auditing standards, and express its opinion on the consolidated financial statements. The external auditor have full and free access to financial management of Madawaska Maliseet First Nation New Brunswick and meet when required.

On behalf of Madawaska Maliseet First Nation New Brunswick:



Patricia Bernard  
Chief

Diane Pelletier  
Councillor



Donna Bourgeault  
Councillor

Edmundston, NB  
May 8, 2023

**Independent auditor's report**

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To the Chief, Councillors and Band members of  
Madawaska Maliseet First Nation New Brunswick

**Qualified opinion**

We have audited the consolidated financial statements of Madawaska Maliseet First Nation New Brunswick (hereafter "the Organization"), which comprise the consolidated statement of financial position as at March 31, 2020, and the consolidated statements of operations, changes in net assets (net debt) and cash flows for the year then ended, and notes to financial statements, including a summary of significant accounting policies, and the schedules.

In our opinion, except for the effects of the matter described in the "Basis for qualified opinion" section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization, which include all related businesses under the Band council authority, as at March 31, 2020, and the results of its operations, the change in its net financial assets (net debt) and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

**Basis for qualified opinion**

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

Canadian public accounting standards require that the Organization compares its actual with its budgeted results by presenting, in the statements of operations and in change in net financial assets (net debt), its budgeted results and changes in net assets (net debt). These disclosures should reflect the budgeted amounts as they were originally planned and that were approved by the appropriate bodies within the Organization, without any changes to reflect subsequent actions and decisions by the entity. While the Organization presents budgeted results in its financial statements, those figures were not prepared in accordance with Canadian public accounting standards.

The consolidated financial statements include an investment in a private corporation, "BeeHigh Vital Elements Inc.", recognized at cost. The Organization has determined that, for this investment, there were indications of impairment resulting in a significant adverse change in the expected timing or amount of future cash flows. However, it has not determined whether a reduction in the carrying amount of the investment should be recognized.

**Responsibilities of management and those charged with governance for the consolidated financial statements**

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

In preparing the consolidated financial statements, management is responsible for assessing the Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

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

**Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also :

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieve fair presentation;
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

  
Chartered Professional Accountant

Edmundston, NB  
May 8, 2023

## CONSOLIDATED STATEMENT OF OPERATIONS

For the year ended March 31,	Budget	2020	2019
	\$	\$	\$
	(unaudited)		
<b>Revenues</b>			
Federal government transfers for operating (note 20)	2 072 504	2 635 854	2 112 766
Federal government transfers for capital (note 20)	75 338	1 428 943	395 660
Provincial government transfers for operating (note 20)	141 400	163 475	138 728
Provincial government transfers for capital (note 20)	-	16 000	-
Forestry royalties	79 400	88 125	75 579
Other revenues and non-government subsidies	189 000	187 568	62 761
Revenues earned and held in Trust by federal government (note 4)	104 700	103 704	134 384
Interest earned	228 000	233 636	244 774
Commercial and residential rent	187 050	187 800	179 080
Provincial tax rebates	11 400 000	9 932 869	12 583 585
Video lottery terminal and Gaming agreement	2 000 000	2 043 318	2 074 441
Band-owned businesses: Annual operating surplus (pages 43, 44 & 45)	988 200	545 268	722 331
	17 465 592	17 566 560	18 724 090
<b>Expenses (note 21)</b>			
Band government (page 26)	1 247 200	1 472 802	1 355 639
Community infrastructure & public works (page 26)	704 100	773 755	675 793
<b>Education</b>			
• Elementary, Secondary & Post secondary (page 27)	1 267 600	1 350 810	1 208 343
• Cultural education, Indian studies & Education Initiative (page 32)	-	20 867	5 507
<b>Social services</b>			
• Income assistance & assisted living (page 28)	236 500	270 285	224 885
<b>Economic Development and Employment programs</b>			
• Incentive program for job creation / new businesses (tenants) (page 28)	98 520	129 174	438 406
• First Nation and Inuit students summer work experience (page 29)	28 600	22 584	27 730
• Business Plan Development / Planning, MTSA (page 30)	65 000	66 995	12 050
• Aboriginal Skills and Employment Training Strategy program (page 32)	81 600	127 223	81 592
<b>Lands &amp; trust (page 28)</b>	52 200	52 883	48 487
<b>Environmental site assessment and Land Management (pages 29 &amp; 32)</b>	389 666	423 991	265 062
<b>Administration &amp; Support - Estates (page 31)</b>	8 722	8 819	-
<b>Prevention projects (page 31)</b>	10 000	22 238	12 849
<b>COVID - Response (page 31)</b>	-	49 500	-
<b>Specific and special claims (page 33)</b>	-	8 360	102 344
<b>Child and family services / Summer games (page 33)</b>	44 000	48 327	58 085
<b>Housing</b>			
• Non-subsidized housing expenses (page 33)	600 000	606 079	643 872
• Subsidized expenses under CMHC & RRAP programs (page 34)	100 500	87 048	117 666
<b>Health services</b>			
• Non-subsidized health expenses (page 33)	220 000	221 884	192 653
• Subsidized expenses under Health Canada programs (page 35)	463 539	518 217	445 323
<b>Aboriginal Head Start On Reserve / Daycare (page 41)</b>	301 000	287 034	142 466
<b>Fisheries and oceans (page 42)</b>	56 000	48 644	106 776
<b>Amortization (note 12)</b>	-	1 789 496	1 704 150
	5 974 747	8 407 014	7 869 677
<b>Annual surplus (note 22) (Segment disclosure (note 23))</b>	11 490 845	9 159 546	10 854 413
<b>Treaty credit allocated to Band members</b>	(6 250 000)	(6 248 000)	(6 118 000)
<b>Accumulated surplus, beginning of year</b>	48 698 041	48 698 041	43 961 628
<b>Accumulated surplus, end of year (note 13 &amp; page 5)</b>	53 938 887	51 609 587	48 698 041


The accompanying notes are an integral part of the consolidated financial statements

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at March 31,	2020	2019
	\$	\$
<b>Financial assets</b>		
Cash and cash equivalents		
Unrestricted cash	12 365 659	8 426 296
Trust fund, held by federal government (note 4 a))	10 896	10 896
Reserve fund, Land code (note 4 b))	1 035 353	1 001 939
Reserve fund, Section 95 Housing (note 4 c))	186 006	161 510
Accounts receivable		
Governments and other governments organizations (note 5 a))	7 082 511	12 289 914
Trade, accrued interests and others (note 5 b))	425 406	175 630
Inventory for resale (note 6)	342 555	379 187
Investment in a private Corporation, «BeeHigh Vital Elements Inc.», at cost a) & b)	1 000 000	1 000 000
a) 2,857,143 common shares representing 15.78% of ownership		
b) Licensed producer of medical marijuana		
	22 468 386	23 445 372
<b>Financial liabilities</b>		
Accounts payable		
Governments and other governments organizations (note 8 a))	152 336	161 015
Trade, accrued liabilities and others (note 8 b))	3 377 553	3 237 724
Deferred revenues (note 9)	1 112 246	1 238 628
Long-term debt (note 10)	1 012 415	1 105 487
	5 654 551	5 742 854
<b>Net financial assets (net debt) (page 6)</b>	<b>16 813 835</b>	<b>17 702 518</b>
<b>Non-financial assets</b>		
Tangible capital assets (note 12)	34 481 090	30 646 666
Prepaid expenses (note 11)	314 663	348 854
	34 795 753	30 995 521
<b>Accumulated surplus (page 4 &amp; note 13)</b>	<b>51 609 590</b>	<b>48 698 041</b>

The accompanying notes are an integral part of the consolidated financial statements

On behalf of Madawaska Maliseet First Nation:

  
Chief

  
Councillor

Councillor

## CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS (NET DEBT)

For the year ended March 31,	2020	2019
	\$	\$
Annual surplus before Treaty credit allocated to Band members	9 159 546	10 854 413
Treaty credit allocated to Band members	(6 248 000)	(6 118 000)
Annual surplus	2 911 546	4 736 413
<b>Changes in non-financial assets</b>		
Tangible capital assets		
Acquisition of tangible capital assets (note 12)	(5 627 920)	(3 277 987)
Disposal of tangible capital assets (note 12)	4 000	12 703
Amortization of tangible capital assets (note 12)	1 789 496	1 704 150
Other non-financial assets		
Recognition (acquisition) of prepaid expenses	34 191	(117 111)
<b>Net (increase) decrease in non-financial assets</b>	<b>(3 800 233)</b>	<b>(1 678 246)</b>
<b>Change in net financial assets</b>	<b>(888 687)</b>	<b>3 058 161</b>
<b>Net financial assets, beginning of year</b>	<b>17 702 518</b>	<b>14 644 356</b>
<b>Net financial assets, end of year (page 5)</b>	<b>16 813 832</b>	<b>17 702 518</b>

The accompanying notes are an integral part of the consolidated financial statements



## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended March 31,	2020	2019
	\$	\$
<b>Operating transactions</b>		
Annual surplus	2 911 546	4 736 413
Items not affecting cash		
Amortization of tangible capital assets	1 789 496	1 704 150
Loss on disposal of tangible capital assets	-	5 703
Change in non-cash charges to operations		
(Increase) decrease in accounts receivable	4 957 627	(5 026 588)
Increase in inventories for resale	36 633	(4 252)
Increase (decrease) in prepaid expenses	34 191	(117 111)
Increase (decrease) in accounts payable and accrued liabilities	131 151	1 093 060
Increase in deferred revenues	(126 382)	348 285
Cash provided by (applied to) operating transactions	9 734 261	2 739 660
<b>Capital transactions</b>		
Acquisitions of tangible capital assets	(5 627 920)	(3 277 987)
Disposal of tangible capital assets	4 003	7 000
Cash provided by (applied to) capital transactions	(5 623 917)	(3 270 987)
<b>Investing activities</b>		
Increase in restricted cash and cash equivalents	(57 910)	(112 712)
Investment in a private Corporation	-	(1 000 000)
Cash provided by (applied to) investing activities	(57 910)	(1 112 712)
<b>Financing activities</b>		
Debt repayment	(93 072)	(3 249 805)
Cash provided by (applied to) financing activities	(93 072)	(3 249 805)
Net increase (decrease) in unrestricted cash	3 959 364	(4 893 850)
Unrestricted cash, beginning of year	8 426 296	13 320 146
Unrestricted cash, end of year	12 385 659	8 426 296
Unrestricted cash	12 385 659	8 426 296

The accompanying notes are an integral part of the consolidated financial statements

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at March 31, 2020

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**1. Governing statutes and nature of operations**

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Madawaska Maliseet First Nation New Brunswick is regulated under Indian Law without being incorporated. Such as a local government, the activities are governed by a Council which is composed of a Chief and two councillors with a goal to administrate the equity of the First Nation with the best interest of the community.

Health services is operated within Madawaska Maliseet First Nation operations. Its objective is to provide adequate health care to the community.

Section 95 Housing Project is operated within Madawaska Maliseet First Nation operations. Its objective is to provide adequate housing to low income families.

Most of the revenues are generated from government funding, tax rebates, gaming agreement, sales of tobacco, gas and general merchandises and rental income.

**2. Summary of significant accounting policies**

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**Principles of consolidation**

All commercial enterprises which meet the definition of government business enterprise are included in the consolidated financial statements on a modified equity basis.

**Basis of accounting**

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of CPA Canada.

**Reporting Entity**

The Madawaska Maliseet First Nation New Brunswick reporting entity includes the Madawaska Maliseet First Nation New Brunswick government and it's commercial enterprises St. John Valley Gas Bar, Smoke Signal and Madawaska Maliseet Economic Development Corporation.

**Asset classification**

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale. Non-financial assets include tangible capital assets and prepaid expenses.

**Revenue Recognition**

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at March 31, 2020

**2. Summary of significant accounting policies [ continuation]****Revenue Recognition** [ continuation]

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose.

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

Commercial and residential rent are recognized in the period in which the transactions or events occurred that gave rise to the revenues. Commercial and residential rent are recorded on an accrual basis.

Investment transactions are recognized at the transaction date and the resulting revenues are recognized in earnings using the accrual basis of accounting. Interest income is recognized on a time proportion basis whereas dividend income is recognized when the Company's right to receive payment is established. Revenues from investment funds are recognized upon distribution. Changes in fair value are recognized when they occur. Gains or losses on the disposal of investments measured at cost are determined using the average cost method.

**Cash and cash equivalents**

Cash and cash equivalents include cash on hand, balances with banks net of bank overdrafts and term deposits having a maturity of three months or less at acquisition which are held for the purpose of meeting short-term cash commitments.

**Inventories for resale**

Inventories of supplies and goods available for resale are recorded at the lower of cost and net realizable value. The cost is determined as per the «first in first out» (FIFO) method.

**Tangible capital assets**

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

Leases that transfer substantially all the benefits and risks of ownership to the lessee are recorded as capital leases. Accordingly, at the inception of the leases, the tangible capital asset and related lease obligations are recorded at an amount equal to the present value of future lease payments discounted at the lower of the interest rate inherent in the lease contracts and Madawaska Maliseet First Nation New Brunswick incremental cost of borrowing.

Amortization is provided annually at rates calculated to write off the assets over their useful lives using the declining balance method as follows:

Paving & land improvements	5%	Fishing traps & gear	20%
Buildings, improvements & fishing facilities on-shore	5%	Material & equipment	20%
Housing	5%	Signs	20%
Residential lots	5%	Vehicles	30%
Roads & commercial lots	5%	Computers & softwares	30%
Sidewalks	5%	Amusement park	20%
Water systems & underground networks	5%	Household appliances	20%
Fishing vessels	10%	Security system	20%

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at March 31, 2020

**2. Summary of significant accounting policies [ continuation]****Tangible capital assets [ continuation]**

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

Contributed capital assets are recorded into revenues at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as tangible capital assets. Assets under construction are not amortized until the asset is available to be put into service.

**Investment**

The Organization recognizes its portfolio investment in a private Corporation at cost.

**Employee benefit obligations**

Madawaska Maliseet First Nation provides defined contribution plan for eligible members of its staff. Members are required to contribute 5.5% of their salary up to a maximum of 9.0% of their basic salary. The First Nation contributes 5.5% up to a maximum of 9.0% which contributions are directed to the member's contribution account. The amount of retirement benefit to be received by the employees will be the amount of retirement annuity that could be purchased based on the member's share of the pension plan at the time of the member's withdrawal from the plan. (note 17)

**Measurement uncertainty**

In preparing the consolidated financial statements for the government of Madawaska Maliseet First Nation, the Council is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenue and expenses during the period. These estimates are based on Council's best knowledge of current events and actions that Madawaska Maliseet First Nation may undertake in the future. Actual results could differ from these estimates.

**Financial instruments**

The financial instruments consist of cash, accounts receivable & payable and mortgages. Unless otherwise noted, it is the management opinion that the organization is not exposed to significant interest and credit risks arising from these financial instruments and not at all exposed to currency exchange risk. The fair value of the short-term financial instruments approximates their carrying values, unless otherwise noted. Furthermore, the fair value of the mortgages is not readily obtainable. However, the overall interests rates bearing on the mortgages are representative of the actual market rates and, therefore, the fair value of the mortgages approximates its carrying value.

<b>3. Interest on long-term debt</b>	<b>2020</b>	<b>2019</b>
	\$	\$
Interest on long-term debt	21 416	140 387

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at March 31, 2020

4. **Trust fund, Reserve fund (Land code) and Reserve funds (Section 95 housing)**

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

	Budget \$ (unaudited)	2020 \$	2019 \$
<b>a) Trust fund, held by federal government</b>			
Balance, beginning of year:	10 896	10 896	16 137
Release of fund as per FNLM agreement	-	-	(5 241)
Balance, end of year	10 896	10 896	10 896
<b>b) Reserve fund, Land code</b>			
Balance, beginning of year:	1 001 939	1 001 939	908 366
Revenues:			
NB Power transmission line	6 900	6 900	6 900
Twin Rivers Pipeline Right of Way	-	-	29 893
Head lease lot	76 300	76 247	76 223
Interest earned	21 500	20 557	21 368
Release of Trust fund, held by federal government	-	-	5 241
Expenditures:			
HST collected	(12 480)	(12 840)	(16 952)
Funeral assistance	(14 000)	(9 450)	(21 100)
Housing	(16 000)	(48 000)	(8 000)
Balance, end of year	1 064 159	1 035 353	1 001 939

**c) Reserve funds, Section 95 housing**

Under the terms of the agreement with CMHC, the **replacement reserve** account is to be credited for an amount of \$ 1,000 annually for each unit. These funds, along with accumulated interest, must be held in a separate bank account and/or invested in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC. The funds in the account may only be used as approved by CMHC. Withdrawals are credited to interest first and then to principal.

	Pre-1997 \$	Post-1996 \$	2020 \$	2019 \$
<b>Replacement Reserve, beginning of year</b>	8 674	149 265	157 939	133 558
Annual allotment	830	23 000	23 830	23 830
Interest earned	37	629	666	551
<b>Replacement Reserve, end of year</b>	9 541	172 894	182 435	157 939

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at March 31, 2020

**c) Reserve funds, Section 95 housing** [ continuation]

Under the terms of the agreement with CMHC, a portion of accumulated surplus is to be retained in an **operating reserve** fund. These funds, along with accumulated interest, must be held in a separate bank account and/or invested in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC. The funds in the account may only be used to fund any future deficit. Withdrawals are credited to interest first and then to principal.

	2020	2019
	\$	\$
<b>Operating Reserve</b> , beginning of year	2 571	2 571
Contribution (withdrawal) as requested by CMHC	-	-
<b>Operating Reserve (including interests)</b> , end of year	2 571	2 571

Under the terms of the agreement with CMHC, excess federal assistance payments received must be retained in a **subsidy reserve** up to a maximum of \$ 500 per unit, plus interest. The reserve is to be comprised of monies deposited in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. The funds in this account may only be used to meet future subsidy requirements of income-tested occupants over and above the maximum federal assistance. Withdrawals are credited to interest first and then to principal. When the fund has attained the maximum of \$ 500 per unit, up to 10% of the excess assistance during a year may be transferred to the other projects owned by the borrower requiring additional assistance if they are within the same municipality or are assisted under the same program.

	2020	2019
	\$	\$
<b>Subsidy Surplus Reserve</b> , beginning of year	1 000	1 000
Contributions (withdrawal)	-	-
<b>Subsidy Surplus Reserve</b> , end of year	1 000	1 000
<b>Total reserve fund</b>	186 006	161 510

<b>5. Accounts receivable</b>	<b>2020</b>	<b>2019</b>
	\$	\$
<b>a) Governments and other governments organizations</b>		
Aboriginal Affairs and Northern Development Canada	705 561	801 641
Health Canada	-	59 460
CMHC, RRAP, HASI & Retrofit	144 393	59 221
Harmonized Sales Tax	42 879	45 980
Fisheries and Oceans Canada	161 544	203 814
Province of New Brunswick	6 028 134	11 119 798
	7 082 511	12 289 914
<b>b) Trade, accrued interests and others</b>		
Trade and others	414 495	125 293
Accrued interests revenues	10 911	18 256
Tenants, section 95	-	32 081
	425 406	175 630

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at March 31, 2020

6. Inventory for resale	2020	2019
	\$	\$
Tobacco	202 493	158 903
General merchandise	63 852	130 974
Gas, fuel and diesel	46 061	61 367
Loto	30 148	27 943
	342 555	379 187
<b>7. Line of credit</b>		
Authorized line of credit of 500,000 \$, Royal Bank of Canada, bearing interest at prime plus 0.70% per annum payable monthly, secured by general security.		
8. Accounts payable	2020	2019
	\$	\$
a) Governments and other governments organizations		
Aboriginal Affairs and Northern Development Canada	142 500	142 500
Payroll remittances	9 836	18 515
	152 336	161 015
b) Trade, accrued interests and others		
Trade and accruals	3 350 712	3 214 851
Salaries	26 841	22 873
Accrued interests charge	-	-
	3 377 553	3 237 724
9. Deferred revenues	2020	2019
	\$	\$
Aboriginal Affairs and Northern Development Canada (pages 25 & 30)		
Stream diversion	665 768	800 000
Other mitigation	-	101 641
FNLM operational support	340 080	160 439
Business Plan Development	-	50 000
Administration and support, Estates	-	8 722
COVID-Response	57 702	-
Health Canada		
Operational funding for fiscal year ending on March 31, 2020	9 900	82 501
	1 073 450	1 203 303
Trade and others	38 796	35 325
	1 112 246	1 238 628

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at March 31, 2020

10. Long-term debt	2020	2019
	\$	\$
Mortgage (Section 95), Canada Mortgage and Housing Corporation, repayable in monthly installments of 294 \$, including principal and interest at 1.88%, maturing in December 2021, secured by the Minister of Aboriginal Affairs and Northern Development Canada.	6 078	9 465
Mortgage (Section 95), Canada Mortgage and Housing Corporation, repayable in monthly installments of 283 \$, including principal and interest at 1.83%, maturing in December 2024, renewable on August 01, 2024, secured by the Minister of Aboriginal Affairs and Northern Development Canada.	14 422	17 528
Mortgage (Section 95), Canada Mortgage and Housing Corporation, repayable in monthly installments of 374 \$, including principal and interest at 1.21%, maturing in March 2026, renewable on May 01, 2021, secured by the Minister of Aboriginal Affairs and Northern Development Canada.	25 950	30 093
Mortgage (Section 95), Canada Mortgage and Housing Corporation, repayable in monthly installments of 404 \$, including principal and interest at 2.14%, maturing in November 2023, secured by the Minister of Aboriginal Affairs and Northern Development Canada.	17 056	21 710
Mortgage (Section 95), Royal Bank of Canada, repayable in monthly installments of 411 \$, including principal and interest at 3.15%, maturing in April 2024, renewable on August 1, 2020, secured by the Minister of Aboriginal Affairs and Northern Development Canada.	17 914	21 984
Mortgage (Section 95), Canada Mortgage and Housing Corporation, repayable in monthly installments of 371 \$, including principal and interest at 1.83%, maturing in December 2024, secured by the Minister of Aboriginal Affairs and Northern Development Canada.	20 243	24 285
Mortgage (Section 95), Canada Mortgage and Housing Corporation, repayable in monthly installments of 373 \$, including principal and interest at 1.48%, maturing in January 2027, renewable on January 01, 2022, secured by the Minister of Aboriginal Affairs and Northern Development Canada.	29 182	33 194
Mortgage (Section 95), Canada Mortgage and Housing Corporation, repayable in monthly installments of 373 \$, including principal and interest at 1.48%, maturing in January 2027, renewable on January 01, 2022, secured by the Minister of Aboriginal Affairs and Northern Development Canada.	29 182	33 194
Mortgage (Section 95), Canada Mortgage and Housing Corporation, repayable in monthly installments of 373 \$, including principal and interest at 1.48%, maturing in January 2027, renewable on January 01, 2022, secured by the Minister of Aboriginal Affairs and Northern Development Canada.	29 182	33 194



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at March 31, 2020

10. Long-term debt ( continuation)	2020	2019
	\$	\$
Mortgage (Section 95), Canada Mortgage and Housing Corporation, repayable in monthly installments of 373 \$, including principal and interest at 1.48%, maturing in January 2027, renewable on January 01, 2022, secured by the Minister of Aboriginal Affairs and Northern Development Canada.	29 182	33 194
Mortgage (Section 95), Canada Mortgage and Housing Corporation, repayable in monthly installments of 377 \$, including principal and interest at 1.48%, maturing in January 2027, renewable on January 01, 2022, secured by the Minister of Aboriginal Affairs and Northern Development Canada.	29 467	33 518
Mortgage (Section 95), Canada Mortgage and Housing Corporation, repayable in monthly installments of 1,214 \$, including principal and interest at 2.39%, maturing in January 2028, renewable on February 1, 2023, secured by the Minister of Aboriginal Affairs and Northern Development Canada.	104 051	115 989
Mortgage (Section 95), Canada Mortgage and Housing Corporation, repayable in monthly installments of 406 \$, including principal and interest at 2.39%, maturing in January 2028, renewable on February 1, 2023, secured by the Minister of Aboriginal Affairs and Northern Development Canada.	34 819	38 813
Mortgage (Section 95), Royal Bank of Canada, repayable in monthly installments of 443 \$, including principal and interest at 3.15%, maturing in March 2029, renewable on August 1, 2020, secured by the Minister of Aboriginal Affairs and Northern Development Canada.	38 292	41 942
Mortgage (Section 95), Canada Mortgage and Housing Corporation, repayable in monthly installments of 297 \$, including principal and interest at 0.98%, maturing in March 2035, renewable on May 1, 2020, secured by the Minister of Aboriginal Affairs and Northern Development Canada.	49 727	52 789
Mortgage (Section 95), Canada Mortgage and Housing Corporation, repayable in monthly installments of 373 \$, including principal and interest at 1.14%, maturing in June 2033, renewable on June 1, 2021, secured by the Minister of Aboriginal Affairs and Northern Development Canada.	55 018	58 842
Mortgage (Section 95), Canada Mortgage and Housing Corporation, repayable in monthly installments of 399 \$, including principal and interest at 1.13%, maturing in July 2035, renewable on July 1, 2021, secured by the Minister of Aboriginal Affairs and Northern Development Canada.	67 404	71 407
Mortgage (Section 95), Canada Mortgage and Housing Corporation, repayable in monthly installments of 392 \$, including principal and interest at 1.13%, maturing in July 2035, renewable on July 1, 2021, secured by the Minister of Aboriginal Affairs and Northern Development Canada.	66 237	70 171

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at March 31, 2020

10. Long-term debt ( continuation)	2020	2019
	\$	\$
Mortgage (Section 95), Canada Mortgage and Housing Corporation, repayable in monthly installments of 289 \$, including principal and interest at 1.14%, maturing in June 2036, renewable on June 01, 2021, secured by the Minister of Aboriginal Affairs and Northern Development Canada.	51 472	54 338
Mortgage (Section 95), Canada Mortgage and Housing Corporation, repayable in monthly installments of 416 \$, including principal and interest at 1.86%, maturing in August 2036, renewable on August 1, 2022, secured by the Minister of Aboriginal Affairs and Northern Development Canada.	70 610	74 254
Mortgage (Section 95), Canada Mortgage and Housing Corporation, repayable in monthly installments of 418 \$, including principal and interest at 1.86%, maturing in September 2036, renewable on August 1, 2022, secured by the Minister of Aboriginal Affairs and Northern Development Canada.	71 270	74 923
Mortgage (Section 95), Canada Mortgage and Housing Corporation, repayable in monthly installments of 440 \$, including principal and interest at 2.39%, maturing in February 2037, renewable on February 1, 2023, secured by the Minister of Aboriginal Affairs and Northern Development Canada.	73 467	76 944
Mortgage (Section 95), Royal Bank of Canada, repayable in monthly installments of 444 \$, including principal and interest at 2.87%, maturing in February 2040, renewable on August 1, 2020, secured by the Minister of Aboriginal Affairs and Northern Development Canada.	82 189	83 716
	<b>1 012 415</b>	<b>1 105 487</b>

The aggregate amount of payments required over the next five years on the above indebtedness is as follows:

2021 - 96 030 \$      2022 - 96 944 \$      2023 - 96 085\$      2024 - 96 278\$      2025 - 87 379\$

11. Prepaid expenses	2020	2019
	\$	\$
Insurance	46 567	53 338
Fire protection services	43 843	100 266
Others	16 334	17 041
Students allowances	27 949	25 924
Tuition fees	147 284	119 599
Commercial lease	32 686	32 686
	<b>314 663</b>	<b>348 854</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at March 31, 2020

**12. Tangible capital assets**

<b>Cost</b>	<b>2019</b>	<b>Acquisitions</b>	<b>Disposals</b>	<b>2020</b>
	\$	\$	\$	\$
<b>Administration and municipal-type services</b>				
Land	467 011	106 524	-	573 535
Paving & land improvements	767 970	1 513 537	-	2 281 507
Buildings & improvements	7 955 386	3 029 313	-	10 984 699
Fishing facilities on-shore	277 813	-	-	277 813
Housing	174 703	-	-	174 703
Residential lots	2 495 634	-	-	2 495 634
Roads & commercial lots	2 307 197	292 607	-	2 599 804
Sidewalks	1 094 026	-	-	1 094 026
Water systems & underground networks	1 112 415	-	-	1 112 415
Fishing vessels	911 273	110 324	-	1 021 597
Fishing traps & gear	333 746	4 117	-	337 863
Material, equipment & signs	691 960	69 584	8 000	753 544
Vehicles	397 479	-	-	397 479
Computers & softwares	96 756	7 131	-	103 887
<b>Health Services</b>				
Building, paving & land improvements	133 018	-	-	133 018
Equipment, learning material & amusement park	165 720	5 142	-	170 862
Computers & softwares	-	4 958	-	4 958
<b>Section 95</b>				
Land	5 000	-	-	5 000
Paving & land improvements	1 465	-	-	1 465
Housing	2 841 077	-	-	2 841 077
Household appliances	55 759	-	-	55 759
<b>Smoke Signal</b>				
Leasehold improvements	223 416	-	-	223 416
Material, equipment & signs	19 848	-	-	19 848
<b>Saint John Valley Gas Bar</b>				
Land	112 905	-	-	112 905
Building	846 514	-	-	846 514
Paving & land improvements	113 400	-	-	113 400
Material, equipment & signs	226 438	6 273	-	232 711
Computers & softwares	3 410	-	-	3 410
Security system	19 422	-	-	19 422
<b>Madawaska Maliseet Economic Development Corp.</b>				
Land improvements, roads, underground network	13 889 115	443 946	-	14 333 061
Strip mall	6 669 854	-	-	6 669 854
Vehicles, material & equipment	84 574	34 464	-	119 039
Signs	422 754	-	-	422 754
	44 917 057	5 627 920	8 000	50 536 977

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at March 31, 2020

## 12. Tangible capital assets [ continuation]

Accumulated amortization	2019	Amortization	Disposals	2020
	\$	\$	\$	\$
<b>Administration and municipal-type services</b>				
Paving & land improvements	163 877	68 043	-	231 920
Buildings & improvements	3 135 357	269 650	-	3 405 007
Fishing facilities on-shore	62 062	10 788	-	72 850
Housing	89 438	4 263	-	93 701
Residential lots	773 963	86 084	-	860 047
Roads & commercial lots	742 121	81 892	-	824 013
Sidewalks	367 084	36 347	-	403 431
Water systems & underground networks	632 038	24 019	-	656 057
Fishing vessels	443 647	52 279	-	495 926
Fishing traps & gear	183 936	30 374	-	214 310
Material, equipment & signs	423 917	59 768	4 000	479 685
Vehicles	291 805	31 703	-	323 508
Computers & softwares	56 568	13 126	-	69 694
<b>Health Services</b>				
Building, paving & land improvements	59 300	3 686	-	62 986
Equipment, learning material & amusement park	142 753	5 108	-	147 861
Computers & softwares	351	638	-	989
<b>Section 95</b>				
Paving & land improvements	725	30	-	755
Housing	1 118 719	86 118	-	1 204 837
Household appliances	48 206	1 511	-	49 717
<b>Smoke Signal</b>				
Leasehold improvements	17 189	10 311	-	27 500
Material, equipment & signs	5 724	2 825	-	8 549
<b>Saint John Valley Gas Bar</b>				
Building	437 179	20 269	-	457 448
Paving & land improvements	57 417	2 799	-	60 216
Material, equipment & signs	42 844	38 139	-	80 983
Computers & softwares	2 605	241	-	2 846
Security system	17 404	404	-	17 808
<b>Madawaska Maliseet Economic Development Corp.</b>				
Land improvements, roads, underground network	3 530 793	527 028	-	4 057 821
Strip mall	1 093 957	278 795	-	1 372 752
Vehicles, material & equipment	37 731	17 043	-	54 774
Signs	291 681	26 215	-	317 896
	14 270 390	1 789 496	4 000	16 055 887
<b>Unamortized balance</b>	30 646 666			34 481 090

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at March 31, 2020

<b>13. Accumulated surplus</b>	<b>2020</b>	<b>2019</b>
	\$	\$
Accumulated surplus consists of:		
Restricted cash (notes 4 a), b) & c))	1 232 256	1 174 345
Invested in tangible capital assets (note 14)	33 468 675	29 541 179
Unrestricted surplus (note 15)	16 908 656	17 982 516
	<b>51 609 586</b>	<b>48 698 041</b>
<b>14. Invested in tangible capital assets</b>	<b>2020</b>	<b>2019</b>
	\$	\$
Tangible capital assets (note 12)	34 481 090	30 646 666
Loans related to investment in tangible capital assets		
Long-term debt (note 8)	(1 012 415)	(1 105 487)
Invested in tangible capital assets	<b>33 468 675</b>	<b>29 541 179</b>
<b>15. Unrestricted surplus</b>	<b>2020</b>	<b>2019</b>
	\$	\$
Unrestricted surplus, beginning of year	17 982 516	18 169 759
Annual surplus (page 4)	9 159 546	10 854 413
Treaty credit allocated to Band members	(6 248 000)	(6 118 000)
Annual surplus invested in tangible capital assets	(3 927 497)	(4 810 944)
Annual surplus invested in restricted cash	(57 911)	(112 712)
Unrestricted surplus, end of year	<b>16 908 656</b>	<b>17 982 516</b>

**16. Contingencies****Bank guarantee**

The Madawaska Maliseet First Nation is contingently liable for mortgage loans for a total amount of 2,347,407 \$ as at April 16, 2020, for Band members which is secured by a promissory note co-signed by the Madawaska Maliseet First Nation and the Minister of Aboriginal Affairs and Northern Development Canada. In the opinion of management, it is unlikely that this guarantee will be exercised and, accordingly, no liability has been recorded in the consolidated financial statements in this respect.

**Contribution agreements**

The Madawaska Maliseet First Nation has entered into contribution agreements with various federal government departments. Funding received under these contribution agreements is subject to repayment if the First Nation fails to comply with the terms and conditions of the agreements.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at March 31, 2020

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**17. Obligation under pension plan agreement**

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Madawaska Maliseet First Nation provides defined contribution plan for its employees which are required to contribute 5.5% of their salary up to a maximum of 9.0% of their basic salary. The First Nation contributes 5.5% up to a maximum of 9.0% which contributions are directed to the member's contribution account. The amount of retirement benefit to be received by the employees will be the amount of retirement annuity that could be purchased based on the member's share of the pension plan at the time of the member's withdrawal from the plan. Madawaska Maliseet contribution to the pension plan during the year 112,115 \$ (81,726 \$ in 2019).

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**18. Economic dependence**

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The government of Madawaska Maliseet First Nation receives a major portion of its revenue from Aboriginal Affairs and Northern Development Canada, Health Canada, tax rebates and gaming agreement with the province of New Brunswick. The nature and extent of these revenues is of such significance that the First Nation is economically dependent on these source of revenues.

**19. Subsequent Events**

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Subsequent to its year-end, twenty mortgages were renewed at various dates between the year ending March 31, 2020 and the audit report's date. The total renewed Mortgages are totaling 960,696 \$.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at March 31, 2020

20. Government transfers				2019		
	Operating	Capital	Total	Operating	Capital	Total
	\$	\$	\$	\$	\$	\$
<b>Federal government transfers</b>						
AANDC	2 038 973	1 204 711	3 243 684	927 779	992 142	1 919 922
• Unexpended funding (note 9)						
(+) Beginning of year	320 802	800 000	1 120 802	812 050	44 818	856 868
(-) End of year	(397 782)	(665 768)	(1 063 550)	(320 802)	(800 000)	(1 120 802)
• Funding recovered	-	-	-	-	-	-
AANDC (net)	1 961 993	1 338 943	3 300 936	1 419 027	236 960	1 655 987
Health Canada	440 527	-	440 527	361 695	-	361 695
• Unexpended funding (note 9)						
(-) End of year	(9 900)	-	(9 900)	-	-	-
CMHC, RRAP, HASI & Retrofit	84 481	-	84 481	131 475	-	131 475
Department of Fisheries & Oceans	31 530	90 000	121 530	91 014	158 700	249 714
Aboriginal Head Start On Reserve	-	-	-	26 709	-	26 709
FN Education Initiative	-	-	-	1 253	-	1 253
ASETS program	127 223	-	127 223	81 592	-	81 592
	2 635 854	1 428 943	4 064 797	2 112 766	395 660	2 508 425
<b>Provincial government transfers</b>						
Department of Education	92 475	-	92 475	88 728	-	88 728
Aboriginal Strategic Initiatives	50 000	-	50 000	50 000	-	50 000
Aboriginal Affairs Secretariat	21 000	-	21 000	-	-	-
Regional Development Corporation	-	16 000	16 000	-	-	-
	163 475	16 000	179 475	138 728	-	138 728
<b>Total government transfers</b>	<b>2 799 329</b>	<b>1 444 943</b>	<b>4 244 272</b>	<b>2 251 493</b>	<b>395 660</b>	<b>2 647 153</b>
<b>21. Expenses by object</b>						
	2020		2019			
	\$		\$			
Salaries and fringe benefits	2 695 481		2 526 116			
Honoraria chief and councillors	90 000		90 000			
Pension plan	112 115		81 726			
Interest on long-term debt	21 416		140 387			
Professional services	355 208		343 752			
Water, sewage and electricity (excluding heating and fire wood allowances for Band members)	340 712		331 588			
Other	3 002 586		2 651 960			
Amortization	1 789 496		1 704 150			
	8 407 014		7 869 678			
<b>22. Annual surplus net of capital related revenues and amortization</b>						
	2020		2019			
	\$		\$			
Annual surplus	9 159 546		10 854 413			
Capital related revenues included in annual surplus:						
Federal government transfers for capital (note 20)	(1 444 943)		(395 660)			
	(1 444 943)		(395 660)			
Amortization expense included in annual surplus	1 789 496		1 704 150			
<b>Annual surplus net of capital related revenues and amortization</b>	<b>9 504 099</b>		<b>12 162 904</b>			

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at March 31, 2020

## 23. Segment Disclosure

Madawaska Maliseet First Nation provides a range of services to its members. For management reporting purposes, operations and activities are organized and reported by services provided. For each segment separately reported, the segment revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The presentation by segment is based on the same accounting policies as described in the summary of significant Accounting Policies as described in Note 2. The segment results for the period are as follows:

	Health Services		Band Government		Infrastructure & Public Works	
	Budget \$ (unaudited)	2020 \$	Budget \$ (unaudited)	2020 \$	Budget \$ (unaudited)	2019 \$
<b>Revenues</b>						
Federal government operating transfers	379 129	440 527	361 695	237 534	236 942	74 663
Federal government capital transfers	-	-	-	-	-	-
Provincial government operating transfers	-	-	-	-	-	-
Provincial government capital transfers	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-
<b>Total Revenues</b>	<b>379 129</b>	<b>440 527</b>	<b>361 695</b>	<b>237 534</b>	<b>236 942</b>	<b>74 663</b>
<b>Expenses</b>						
Salaries and fringe benefits	298 039	337 257	283 798	610 600	565 434	243 164
Other expenses	385 500	402 844	354 178	636 600	670 291	530 591
Debt servicing (interest)	-	-	-	-	119 914	-
Amortization	-	9 432	9 871	-	-	198 026
<b>Total Expenses</b>	<b>683 539</b>	<b>749 533</b>	<b>647 846</b>	<b>1 247 200</b>	<b>1 355 639</b>	<b>971 761</b>
<b>Annual deficit</b>	<b>(304 410)</b>	<b>(309 006)</b>	<b>(286 151)</b>	<b>(1 009 666)</b>	<b>(1 118 697)</b>	<b>(830 438)</b>





## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at March 31, 2020

## 23. Segment Disclosure ( continuation)

	Other subsidized programs		Provincial tax rebates / VLT/ BOB (a)				Total	
	Budget	2020	2019	Budget	2020	2019	Budget	2019
	\$	\$	\$	\$	\$	\$	\$	\$
	(unaudited)			(unaudited)			(unaudited)	
<b>Revenues</b>								
Federal government operating transfers	347 191	841 208	353 320	-	-	-	2 072 504	2 112 766
Federal government capital transfers	75 338	1 428 943	395 860	-	-	-	75 338	395 660
Provincial government operating transfers	50 000	71 000	50 000	-	-	-	141 400	138 727
Provincial government capital transfers	-	16 000	-	-	-	-	-	-
Other revenues	685 550	697 441	595 450	20 200 000	18 156 576	21 366 214	20 988 150	22 062 792
<b>Total Revenues</b>	<b>1 158 079</b>	<b>3 054 592</b>	<b>1 394 430</b>	<b>20 200 000</b>	<b>18 156 576</b>	<b>21 366 214</b>	<b>23 277 392</b>	<b>24 709 945</b>
<b>Expenses</b>								
Salaries and fringe benefits	512 400	584 550	512 345	572 700	573 019	750 464	2 421 138	2 514 065
Other expenses	622 908	711 220	783 502	5 239 100	5 062 103	5 235 393	9 345 408	9 496 931
Debt servicing (interest)	-	-	-	-	-	-	20 000	140 387
Amortization	-	479 963	337 232	-	924 069	944 291	-	1 789 496
<b>Total Expenses</b>	<b>1 135 308</b>	<b>1 775 733</b>	<b>1 633 079</b>	<b>5 811 800</b>	<b>6 559 191</b>	<b>6 930 148</b>	<b>11 786 547</b>	<b>13 855 533</b>
<b>Annual surplus (deficit)</b>	<b>22 771</b>	<b>1 278 859</b>	<b>(238 649)</b>	<b>14 388 200</b>	<b>11 597 385</b>	<b>14 436 066</b>	<b>11 490 845</b>	<b>10 854 413</b>

(a) VLT: « Video Lottery Terminal»

BOB: « Band-Owned Businesses»