



Consolidated Financial Statements

Paqtnkek Mi'kmaw Nation

March 31, 2024

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Paqtnkek Mi'kmaw Nation

Management's responsibility for financial reporting

The accompanying consolidated financial statements of the Paqtnkek Mi'kmaw Nation 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 generally accepted accounting principles. Consolidated 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 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 First Nation's assets are appropriately accounted for and adequately safeguarded.

The First Nation is responsible for ensuring that management fulfils its responsibilities for financial reporting 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 annual report, the consolidated financial statements and the external auditor's report.

The consolidated financial statements have been audited by Doane Grant Thornton LLP in accordance with generally accepted auditing standards on behalf of the members. Doane Grant Thornton LLP has full and free access to the Council.

Signed by:

Evan Salter

Chief Financial Officer

Signed by:

Krista Thompson

Chief Administrative Officer

Independent auditor's report

To the Chief and Councillors of the
Paqtnkek Mi'kmaw Nation

Opinion

We have audited the consolidated financial statements of Paqtnkek Mi'kmaw Nation ("the First Nation"), which comprise the consolidated statement of financial position as at March 31, 2024, and the consolidated statements of operations, changes in net financial liabilities and cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly in all material respects, the financial position of Paqtnkek Mi'kmaw Nation as at March 31, 2024, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of 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 First Nation's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the First Nation or to cease operations, or has no realistic alternative but to do so.

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

Independent auditor's report (continued)

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 First Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 First Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the First Nation and the organizations it controls 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.

Membertou, Canada
November 15, 2024

Doane Grant Thornton LLP
Chartered Professional Accountants

Paqtnkek Mi'kmaw Nation

Consolidated Statement of Operations

Year ended March 31	Schedule	Budget	2024	2023
Revenue				
Education	B	\$ 1,428,666	\$ 2,198,822	\$ 1,874,776
Social services	C	2,130,559	2,492,674	2,638,128
Capital	D	528,519	335,478	471,516
Operations and maintenance	E	1,177,154	235,541	504,729
Economic development and native employment	F	865,148	1,293,587	2,529,829
First Nation financial management	G	346,632	3,470,270	2,868,654
Health Canada programs	H	1,230,350	771,799	1,207,793
CMHC subsidized housing				
- 13 537 394	I	4,030	690	4,507
- 19 042 894	I	398,870	224,862	276,174
Non-subsidized housing projects	J	-	900,153	193,350
Gaming	K	80,000	85,754	87,171
Paqtnkek Tobacco Fund	L	1,664,959	1,918,533	1,736,395
Paqtnkek Fisheries	M	1,164,372	1,480,061	1,139,268
Paqtnkek VLT	N	1,520,000	1,927,926	1,564,824
Bayside Development Corporation	O	-	966,944	191,435
Bayside Operations	P	15,142,400	12,777,992	11,745,519
		\$ 27,681,659	\$ 31,081,086	\$ 29,034,068
Expenditures				
Education	B	1,420,406	1,675,817	1,360,578
Social services	C	2,993,958	1,834,103	2,165,952
Capital	D	432,108	650,579	509,716
Operations and maintenance	E	126,470	113,531	144,467
Economic development and native employment	F	876,611	1,074,059	1,478,342
First Nation financial management	G	1,588,492	2,932,912	2,441,737
Health Canada programs	H	864,741	873,909	856,842
CMHC subsidized housing				
- 13 537 394	I	13,500	(7,725)	14,675
- 19 042 894	I	291,900	207,560	166,154
Non-subsidized housing projects	J	-	252,760	222,374
Paqtnkek Tobacco Fund	L	1,710,259	1,702,159	1,640,645
Paqtnkek Fisheries	M	1,432,443	1,039,455	1,174,235
Paqtnkek VLT	N	696,391	766,113	588,438
Bayside Development Corporation	O	349,800	1,189,488	1,157,340
Bayside Operations	P	13,954,048	11,593,974	10,952,650
Depreciation		-	1,327,485	1,328,606
		\$ 26,751,127	\$ 27,226,179	\$ 26,202,751
Loss on transfer of water assets to AFNWA		\$ -	\$ (2,148,059)	\$ -
Annual surplus		\$ 930,532	\$ 1,706,848	\$ 2,831,317
Accumulated surplus, beginning of year			22,981,658	20,150,341
Accumulated surplus, end of year			\$ 24,688,506	\$ 22,981,658

See accompanying notes to the consolidated financial statements.


Paqtnkek Mi'kmaw Nation
Consolidated Statement of Financial Position

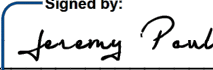
March 31 2024 2023

Financial assets		
Cash	\$ 12,737,365	\$ 10,861,054
Receivables (Note 3)	9,854,065	6,371,970
Inventory	620,752	476,723
Restricted cash		
Replacement reserve fund (Note 4)	519,135	482,935
Debt reserve fund	3,590,750	2,742,049
Promissory note receivable (Note 5)	<u>48,464,229</u>	<u>34,662,230</u>
	<u>75,786,296</u>	<u>55,596,961</u>
Financial liabilities		
Payables and accruals (Note 6)	1,151,122	1,161,580
Deferred revenue (Note 7)	13,790,569	7,695,220
Long-term debt (Note 8)	<u>63,597,983</u>	<u>49,878,750</u>
	<u>78,539,675</u>	<u>58,735,550</u>
Net financial liabilities	<u>(2,753,379)</u>	<u>(3,138,589)</u>
Non-financial assets		
Tangible capital assets (Note 9)	27,412,581	26,090,946
Prepays	<u>29,304</u>	<u>29,301</u>
	<u>27,441,885</u>	<u>26,120,247</u>
Accumulated surplus	<u>\$ 24,688,506</u>	<u>\$ 22,981,658</u>

Contingencies (Note 11)

On behalf of the First Nation

Signed by:

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Signed by:

 Chief
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Councillor

See accompanying notes to the consolidated financial statements.

Paqtnkek Mi'kmaw Nation
Consolidated Statement of Changes in Net Debt

March 31

2024

2023

Annual surplus	\$ 1,706,848	\$ 2,831,317
Depreciation	1,327,485	1,328,606
Gain on sale of property and equipment	(130,871)	-
Proceeds on sale of property and equipment	300,000	-
Loss on transfer of water assets to AFNWA	2,148,059	-
Purchase of property and equipment, net	<u>(4,966,308)</u>	<u>(2,024,569)</u>
	385,213	<u>2,135,354</u>
Acquisition of prepaid expenses, net of usage	<u>(3)</u>	<u>(27,649)</u>
Change in net financial liabilities	385,210	2,107,705
Net financial liabilities, beginning of year	<u>(3,138,589)</u>	<u>(5,246,294)</u>
Net financial liabilities, end of year	<u>\$ (2,753,379)</u>	<u>\$ (3,138,589)</u>

See accompanying notes to the consolidated financial statements

Paqtnkek First Nation

Consolidated Statement of Cash Flows

Year ended March 31

2024

2023

Increase in cash and cash equivalents

Operating		
Annual surplus	\$ 1,706,848	\$ 2,831,317
Gain on sale of property and equipment	(130,871)	-
Loss on transfer of water assets to AFNWA	2,148,059	-
Depreciation	<u>1,327,485</u>	<u>1,328,606</u>
	5,051,521	4,159,923
Change in non-cash operating working capital		
Receivables	(3,482,096)	(2,490,205)
Inventory	(144,028)	(31,049)
Prepays	(3)	(27,649)
Payables and accruals	(10,258)	(234,996)
Deferred revenue	<u>6,095,349</u>	<u>4,298,661</u>
	7,510,485	5,674,685
Financing		
Receipt of long-term debt	15,037,600	-
Repayment of long-term debt	<u>(1,318,565)</u>	<u>(1,397,852)</u>
	13,719,035	(1,397,852)
Investing		
Purchase of property and equipment, net	(4,966,308)	(2,024,569)
Proceeds on disposal of property and equipment	300,000	-
Receivable from First Nation Fisheries Interest Group	<u>(13,802,000)</u>	<u>460,555</u>
	(18,468,308)	(1,564,014)
Net increase in cash and cash equivalents	2,761,212	2,712,819
Cash and cash equivalents, beginning of year	<u>14,086,038</u>	<u>11,373,219</u>
Cash and cash equivalents, end of year	<u>\$ 16,847,250</u>	<u>\$ 14,086,038</u>
Cash and cash equivalent, consists of:		
Cash	\$ 12,737,365	\$ 10,861,054
Restricted cash		
Replacement reserve fund	519,135	482,935
Debt reserve fund	<u>3,590,750</u>	<u>2,742,049</u>
	<u>\$ 16,847,250</u>	<u>\$ 14,086,038</u>

See accompanying notes to the consolidated financial statements.

Paqtnkek Mi'kmaw Nation

Notes to the Consolidated Financial Statements

March 31, 2024

1. Summary of significant accounting policies

Reporting entity and principles of financial reporting

These financial statements have been prepared in accordance with Canadian public sector accounting standards, which encompass the principles common with First Nations.

The consolidated financial statements of the Paqtnkek Mi'kmaw Nation are the representations of management prepared in accordance with Canadian generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants.

The focus of PSAB financial statements is on the financial position of the First Nation and the changes thereto. The consolidated statement of financial position includes all the assets and liabilities of the First Nation.

The various funds have been amalgamated for the purpose of presentation in the consolidated financial statements. The Paqtnkek Mi'kmaw Nation maintains the following funds and unincorporated entities:

- The Operating Fund which reports the general activities of the First Nation Administration, including social services, band support, education, operations capital, operating and maintenance, economic development, community health and welfare, employment training, and miscellaneous.
- The Paqtnkek Mi'kmaw Nation Canada Mortgage and Housing Projects Fund which reports the social housing assets of the First Nation, together with related activities.
- The Paqtnkek Tobacco Fund which reports the First Nation's tobacco activities.
- The Paqtnkek Fisheries which reports the First Nation's commercial fishing operation.
- The Paqtnkek Gas Bar which reports the First Nation's commercial operations.
- The Paqtnkek VLT which reports the First Nation's gaming operations.
- Bayside Development Corporation reports the assets of the Bayside site.
- Bayside Operations reports the First Nation's operations at the Bayside site.

Significant aspects of the accounting policies adopted by the First Nation are as follows:

Principles of consolidation

The First Nation maintains a separate self-balancing set of accounts for the Operating Fund, the Capital Fund, the Canada Mortgage and Housing Projects Fund and the Bayside Operations and Development Corporation. The Operating Fund includes the following statement of operations:

Social development	Education program
Band government	Economic development
Capital projects	Employment development
Operations and maintenance	Health Canada programs
Band operated school	Gaming
Miscellaneous	

Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks, and term deposits net of bank overdraft.

Paqtnkek Mi'kmaw Nation

Notes to the Consolidated Financial Statements

March 31, 2024

1. Summary of significant accounting policies (continued)

Inventory

The cost of inventories is comprised of directly attributable costs and includes the purchase price plus other costs incurred in bringing the inventories to their present location and condition, such as freight. The cost is reduced by the value of rebates and allowances received from vendors. The First Nation estimates net realizable value as the amount that inventories are expected to be sold. Inventories are written down to net realizable value when the cost of inventories is not estimated to be recoverable due to obsolescence, damage or declining selling prices. When circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in selling price, the amount of the write-down previously recorded is reversed. Costs that do not contribute to bringing inventories to their present location and condition, such as storage and administrative overheads, are specifically excluded from the cost of inventories and are expensed in the period incurred.

The cost of inventory recognized as an expense in these financial statements during fiscal 2024 was \$12,166,618 (2023 - \$11,995,354). There were no write downs of inventory below cost to net realizable value during the year. There were no reversals of inventories written down previously that are no longer estimated to sell below cost.

Tangible capital assets

Tangible capital assets are recorded at cost, which includes all amounts directly attributable to their acquisition, construction or betterment of the asset. Interest on construction is also included in cost. Depreciation, at rates noted below, is expensed in the current year.

Rates and methods of depreciation applied to write off the cost of tangible capital assets over their estimated useful lives are as follows:

Buildings	2.5 - 5% declining balance
Housing properties	25 years, straight line
Infrastructure and roads	4 - 10% declining balance
Equipment	20% declining balance
Motor vehicles	30% declining balance
Vessels	15% declining balance
Radio equipment	5% declining balance

Capital projects under construction

Costs related to specific capital projects under construction and development are identified as capital projects under construction until projects are completed (see Note 9). Once completed, the costs are transferred to tangible capital assets and amortized in accordance with the rates and methods of depreciation as set forth above.

Revenue recognition

Unconditional and conditional transfers from other governments for operating and capital purposes are recognized as revenue in the period in which all eligibility criteria and/or stipulations have been met and the amounts are authorized. Any funding received prior to satisfying these conditions is deferred until the conditions have been met. When revenue is

Paqtnkek Mi'kmaw Nation

Notes to the Consolidated Financial Statements

March 31, 2024

1. Summary of significant accounting policies (continued)

Revenue recognition (continued)

received without eligibility criteria or stipulations, it is recognized when the transfer is authorized.

All non-government contributions or grant revenues that are externally restricted for specified purpose are recognized as revenue in the period in which the resources are used for the purpose or purposes specified. Any externally restricted revenues not yet used for the purpose or purposes specified are reported as deferred revenue.

Unrestricted revenue including commercial sales revenues are recognized when product is sold or when services are provided if the amounts can be reasonably estimated, and collection is reasonably assured.

Revenue from housing is recognized on a monthly basis as rents are received. Rents are based on the First Nation's established market rent for on reserve housing programs.

Gaming revenue from video lottery net of corresponding direct expenses are recognized at the time of play and are recorded net of commissions and credits paid out. Other gaming revenues are recognized as earned when received or receivable as long as collection is reasonably assured.

Use of estimates

In preparing the First Nation's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

Income taxes

The First Nation is exempt from income taxes under Section 149(l)(c) of the *Canadian Income Tax Act*.

RRAP expenditures

Repairs and renovations incurred under the CMHC Residential Renovations Assistance Program (RRAP) are expensed in the Operating Fund in the year incurred.

Net financial liabilities

The First Nation's financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt of the First Nation is determined by its liabilities less its financial assets.

Trust Funds

The Trust Funds being administered by the First Nation are not considered to be part of the government reporting entity and therefore not consolidated with the accounts of the Nation. Trust Funds administered by the First Nation are disclosed in Note 10 to the consolidated financial statements.

Paqtnekek Mi'kmaw Nation

Notes to the Consolidated Financial Statements

March 31, 2024

1. Summary of significant accounting policies (continued)

Asset retirement obligation

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- a) There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- b) The part transaction or event giving rise to the liability has occurred;
- c) Is it expected that future economic benefits will be given up;
- d) A reasonable estimate of the amount can be made.

The liability is measured at the First Nation's best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the financial statement date. The estimate includes costs directly attributable to the asset retirement activities. The costs also include post-retirement operation, maintenance and monitoring that are an integral part of the retirement of the tangible capital asset and the costs of tangible capital assets acquired as part of asset retirement activities to the extent those assets have no alternative use.

Upon initial recognition of the liability for an asset retirement obligation, the carrying amount of the corresponding tangible capital asset (or component thereof) is increased by the same amount. The capitalized asset retirement cost is expensed in a rational and systematic manner over the useful life of the tangible capital asset (or a component thereof). For obligations for which there is no tangible capital asset recognized or for tangible capital assets that are no longer in productive use, the asset retirement costs are expensed immediately. Subsequently, the liability is reviewed at each financial statement reporting date and adjusted for (1) changes as a result of the passage of time with corresponding accretion expense and (2) adjusted for any revisions to the timing, amount of the original estimate of undiscounted cash flows, or the discount rate. Adjustments to the liability as a result of revisions to the timing, amount of the estimate of undiscounted cash flows or the discount rate are adjusted to the cost of the related tangible capital asset and the revised carrying amount of the related tangible capital asset is amortized except for adjustments related to tangible capital assets that are not recognized or no longer in productive use, which are expensed in the period they are incurred.

The asset retirement costs are amortized in accordance with the amortization accounting policies described above.

Financial instruments

All financial instruments are recorded at their cost or amortized cost except for portfolio investments in equity instruments quoted in an active market and derivatives which are recorded at their fair value with unrealized remeasurement gains and losses recorded in the statement of remeasurement gains and losses. Once realized, remeasurement gains and losses are transferred to the statement of operations. Changes in the fair value on restricted assets are recognized as a liability until the criterion attached to the restrictions has been met, upon which the gain or loss is recognized in the statement of operations. Transaction costs related to financial instruments measured at cost or amortized cost are added to the carrying value of the financial instrument. Transaction costs related to financial instruments recorded at their fair values are expensed as incurred.

Financial liabilities (or part of a financial liability) are removed from the statement of financial position when, and only when, they are discharged or cancelled or expire.

Paqtnkek Mi'kmaw Nation

Notes to the Consolidated Financial Statements

March 31, 2024

2. Change in accounting policy

Effective April 1, 2023, the First Nation adopted new Public Sector Accounting Standards Section PS 3400 *Revenues*. New Section PS 3400 *Revenue* establishes standards on how to account for and report on revenue. It does not apply to revenues for which specific standards already exist, such as government transfers, tax revenue or restricted revenues. The section distinguishes between revenue that arises from transactions that include performance obligations (i.e., exchange transactions) and transactions that do not have performance obligations (i.e., non-exchange transactions). Revenue from transactions with performance obligations will be recognized when (or as) the performance obligation is satisfied by providing the promised goods or services to the payor. Revenue from transactions with no performance obligations will be recognized when a public sector entity has the authority to claim or retain the revenue and identifies a past transaction or event that gives rise to an asset. The adoption of this new standard did not have a significant impact on the financial results of the First Nation.

3. Receivables	2024	2023
Indigenous Services Canada	\$ 4,390,213	\$ 3,061,080
Mi'kmaw Employment Training Secretariat	158,388	97,660
Canada Mortgage and Housing Corporation	68,253	52,796
Province of Nova Scotia	172,925	139,774
Commodity taxes	289,953	231,112
Trade receivables	1,263,570	377,905
Interest receivable	<u>3,538,372</u>	<u>2,439,252</u>
	9,881,674	6,399,579
Less: allowance for doubtful accounts	<u>(27,609)</u>	<u>(27,609)</u>
	<u>\$ 9,854,065</u>	<u>\$ 6,371,970</u>

4. Replacement reserve fund

Under the terms of the agreement with the CMHC, the replacement reserve account is to be increased by annual charges to equity. The charge in the current year is \$36,800 (2023 - \$36,800). These funds, along with accumulated interest, must be held 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 the CMHC from time to time. The funds in the account may only be used as approved by the CMHC. Withdrawals are credited to interest first and then principal.

Paqtnkek Mi'kmaw Nation

Notes to the Consolidated Financial Statements

March 31, 2024

5. Promissory note receivable

	<u>2024</u>	<u>2023</u>
6.14% loan to First Nations Fisheries Interest Group Partnership, repayable in equal annual blended instalments of principal plus interest in the amount of \$2,607,176 payable quarterly on each of March 1, June 1, September 1, December 1, maturing in fiscal 2051.	\$ 34,178,509	\$ 34,662,230
8% loan receivable with no set terms of repayment	<u>14,285,720</u>	-
	<u>\$ 48,464,229</u>	<u>\$ 34,662,230</u>

Repayments in each of the next five (5) years are as follows:

2025	\$ 2,607,176
2026	\$ 2,607,176
2027	\$ 2,607,176
2028	\$ 2,607,176
2029	\$ 2,607,176

6. Payables and accruals

	<u>2024</u>	<u>2023</u>
Indigenous Services Canada	\$ 109,050	\$ 109,050
Trade payables and accruals	<u>1,042,072</u>	<u>1,052,530</u>
	<u>\$ 1,151,122</u>	<u>\$ 1,161,580</u>

7. Deferred revenue

	<u>2024</u>	<u>2023</u>
Indigenous Services Canada	\$12,619,524	\$ 6,787,945
Canada Mortgage and Housing Corporation	313,250	-
First Nation Land Management	560,915	560,915
Husky	<u>296,880</u>	<u>346,360</u>
	<u>\$13,790,569</u>	<u>\$ 7,695,220</u>

Paqtnkek Mi'kmaw Nation

Notes to the Consolidated Financial Statements

March 31, 2024

8. Long-term debt	<u>2024</u>	<u>2023</u>
Canada Mortgage and Housing Corporation		
Housing mortgages, maturing in 2023 to 2043, bearing interest at 1.01% to 2.50%, repayable under various terms	\$ 1,576,264	\$ 1,559,369
Bank of Nova Scotia		
4.25% mortgages maturing in February 2028, payable in equal monthly instalments of principal and interest of \$508	64,759	80,803
4.25% mortgages maturing in February 2029, payable in equal monthly instalments of principal and interest of \$327	114,091	137,776
4.99% forklift financing maturing in August 2024, payable in equal monthly instalments of principal and interest of \$778	-	9,137
First Nations Finance Authority		
2.72% loan, payable in equal annual instalments of principal and interest of \$457,267, maturing June 2028	8,215,124	8,441,660
3.41% loan, payable in equal annual instalments of principal and interest of \$85,700, maturing June 2028	1,346,248	1,383,956
2.15% loan, payable in equal annual instalments of principal and interest of \$116,539, maturing June 2030	2,399,014	2,463,243
1.90% loan, payable in equal annual instalments of principal and interest of \$1,570,588, maturing June 2030	34,824,817	35,728,590
4.28% loan, payable in equal annual instalments of principal and interest of \$166,163, maturing June 2034	14,991,014	-
Ulnooweg Development Group Inc.		
4.00% term loan, maturing in August 2031 repayable in blended monthly instalments of \$867	66,652	74,216
	<u>\$ 63,597,983</u>	<u>\$ 49,878,750</u>

Paqtnkek Mi'kmaw Nation

Notes to the Consolidated Financial Statements

March 31, 2024

8. Long-term debt (continued)

As security, the Band has provided a Band Council Resolution providing an irrevocable authorization to the Indigenous Services Canada to assign all funding until all loans are repaid to the bank and a floating charge on the assets of the Band Council.

The aggregate maturities of long-term debt, assuming mortgages are renewed under the same terms and conditions currently in effect, for each of the next five years subsequent to March 31, 2024, are as follows:

2025	\$	1,457,344
2026	\$	1,644,568
2027	\$	1,640,059
2028	\$	1,628,081
2029	\$	9,503,376

Paqtneq Mi'kmaw Nation
Notes to the consolidated financial statements

March 31, 2024

9. Tangible capital assets

	Opening Cost	Additions	Disposals	Closing Cost	Opening Accumulated Depreciation	Depreciation	Accumulated Depreciation on Disposals	Closing Accumulated Depreciation	2024 Net Book Value	2023 Net Book Value
Land	1,708,483	-	-	1,708,483	-	-	-	-	1,708,483	1,708,483
Buildings										
Band office	2,602,186	43,583	-	2,645,769	1,386,927	51,225	-	1,438,152	1,207,617	1,215,259
Bayside Development	11,543,236	482,124	-	12,025,358	1,260,139	420,966	-	1,681,105	10,344,253	10,283,099
Community housing	650,859	-	-	650,859	126,561	20,972	-	147,533	503,326	524,298
Entertainment centre	59,937	-	-	59,937	24,085	1,793	-	25,878	34,059	35,852
Fisheries	351,232	-	-	351,232	88,905	6,558	-	95,463	255,769	282,328
Gas bar	87,270	-	-	87,270	31,449	1,396	-	32,845	54,425	55,821
Non-subsidized housing	2,525,583	222,941	(618,581)	2,129,943	828,588	44,001	(618,581)	254,008	1,875,935	1,696,995
School	1,668,447	76,926	-	1,745,373	97,506	64,376	-	161,882	1,583,491	1,570,943
Seniors complex	1,169,160	-	-	1,169,160	231,060	37,524	-	268,584	900,576	938,100
Sheds	20,637	-	-	20,637	1,343	738	-	2,081	18,556	19,294
Tiny homes	1,665,952	247,418	-	1,913,370	83,501	68,246	-	151,747	1,761,623	1,582,451
Computer	6,668	-	-	6,668	1,867	3,259	-	5,126	1,542	4,801
Construction in Progress	297,164	343,500	-	640,664	-	-	-	-	640,664	297,164
Equipment	1,158,426	1,458,223	-	2,616,649	441,848	272,383	-	714,231	1,902,418	716,579
Fishing equipment	400,635	107,491	-	508,126	210,068	47,555	-	257,623	250,503	190,567
Fishing vessels	1,236,154	56,894	(404,755)	888,293	867,255	36,927	(235,626)	668,556	219,737	368,899
Housing properties	6,119,330	1,771,591	-	7,890,921	4,326,326	134,434	-	4,460,760	3,430,161	1,793,003
Infrastructure & roads	4,898,097	192,200	(4,444,867)	645,430	2,511,365	59,568	(2,260,229)	310,704	334,726	2,386,730
Radio equipment	412,416	-	-	412,416	94,875	15,877	-	110,752	301,664	317,540
Vehicles	936,333	-	-	936,333	813,593	39,687	-	853,280	83,053	122,740
	<u>39,518,205</u>	<u>5,002,891</u>	<u>(5,468,203)</u>	<u>39,052,891</u>	<u>13,427,261</u>	<u>1,327,485</u>	<u>(3,114,436)</u>	<u>11,640,310</u>	<u>27,412,581</u>	<u>26,090,945</u>

Paqtnkek Mi'kmaw Nation

Notes to the consolidated financial statements

March 31, 2024

10. Funds held in trust

The Trust Fund arises 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 Sections 63 to 69 of the *Indian Act*.

	<u>2024</u>	<u>2023</u>
Assets		
Indigenous Services Canada	\$ <u>538,350</u>	\$ <u>538,350</u>
Equity		
Trust Equity	\$ <u>538,350</u>	\$ <u>538,350</u>

The changes in net assets of the Trust Fund during the year are as follows:

	<u>2024</u>	<u>2023</u>
Net assets, beginning of year	\$ <u>538,350</u>	\$ <u>538,350</u>
Contributions	-	-
Interest earned	-	-
Net assets, end of year	\$ <u>538,350</u>	\$ <u>538,350</u>

11. Contingencies

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

12. Standby letter of credit

The First Nation has a \$350,000 and \$100,000 standby letter of credit with Bank of Nova Scotia at a 1% commission rate. The balance of the standby letter of credit's as at March 31, 2024, was nil (2023 – nil).

13. Pension costs and obligations

The First Nation is required to match contributions to a group registered retirement savings plan for certain full-time employees. Total contributions during the year amounted to \$141,465 (2023 - \$135,774).

Paqtnkek Mi'kmaw Nation

Notes to the consolidated financial statements

March 31, 2024

14. Expenditures by object	<u>2024</u>	<u>2023</u>
Business development and promotion	28,590	12,103
Cash shortages (overage)	3,771	7,131
Community support	577,959	936,421
Contracted services	779,556	627,235
Depreciation	1,327,485	1,328,606
Dues and fees	205,690	216,766
Education and training	814,765	507,041
Fuel, bait, and boat maintenance	551,498	144,106
Infrastructure	955,267	852,201
Insurance	351,955	291,085
Interest	1,319,152	1,139,663
Purchases	12,166,618	11,885,738
Repairs and maintenance	428,767	467,751
Salaries, wages, and benefits	5,678,900	5,382,568
Social	1,595,264	1,924,200
Supplies	146,336	266,080
Travel	294,606	214,056
	<u>\$ 27,226,179</u>	<u>\$ 26,202,751</u>

15. Government transfers

	2024			2023		
	Operating	Capital	Total	Operating	Capital	Total
Federal government transfers						
Indigenous Services Canada	\$ 4,174,570	\$ 245,658	\$ 4,420,228	\$ 6,046,328	\$ 918,335	\$ 6,964,663
Canada Mortgage and Housing Corporation	101,044	-	101,044	90,325	-	90,325
Confederacy of Mainland Mi'kmaw	220,457	-	220,457	119,215	-	119,215
Department of Fisheries and Oceans	825,472	-	825,472	174,256	-	174,256
Employment and Social Development	-	-	-	13,583	-	13,583
Mi'kmaw Kina'matnewey	2,128,302	-	2,128,302	1,856,757	-	1,856,757
Mi'kmaw Employment Training Secretariat	516,634	-	516,634	187,166	-	187,166
KMKNO	-	-	-	-	-	-
Government Canada Solar Funding	-	89,899	89,899	-	-	-
Subtotal	7,966,479	335,557	8,302,036	8,487,630	918,335	9,405,965
Provincial government transfers						
Province of Nova Scotia	135,654	-	135,654	107,587	-	107,587
Province of Nova Scotia Solar Funding	-	527,611	527,611	-	-	-
Provincial School Board	25,308	-	25,308	16,619	-	16,619
Subtotal	160,962	527,611	688,573	124,206	-	124,206
Total	<u>\$ 8,127,441</u>	<u>\$ 863,168</u>	<u>\$ 8,990,609</u>	<u>\$ 8,611,836</u>	<u>\$ 918,335</u>	<u>\$ 9,530,171</u>

Paqtnkek Mi'kmaw Nation

Notes to the consolidated financial statements

March 31, 2024

16. Accumulated surplus

The First Nation segregates its accumulated surplus into the following categories:

	<u>2024</u>	<u>2023</u>
Unallocated	\$ 2,431,713	\$ 5,719,053
Operating Reserve	32,518	32,518
Replacement Reserve	476,655	439,855
Tangible Capital Asset Reserve	<u>21,747,620</u>	<u>16,790,232</u>
	<u>\$ 24,688,506</u>	<u>\$ 22,981,658</u>

The funds on deposits have been set aside to be spent on specific projects.

17. Investments

	<u>2024</u>	<u>2023</u>
E'sukutimkewey Limited Partnership	\$ 1	\$ 1
Mi'kmaq Resource Development Partnership	<u>1</u>	<u>1</u>
	<u>\$ 2</u>	<u>\$ 2</u>

The First Nation, together with 12 other First Nation entities in the Province of Nova Scotia, has entered into the above limited partnerships. No First Nation within the group controls the Partnerships, as such the investments are accounted for as portfolio investments and are carried at cost in these financial statements. Revenue is recorded only to the extent that distributions are received or receivable. During the year, the First Nation received \$65,393 (2023 – \$68,892) from E'sukutimkewey Limited Partnership which has been included in other revenue of the First Nation financial management department.

18. Commitments

The First Nation entered into an agreement on March 27, 2024 to purchase a new vessel and vessel upgrades supplied by Cheticamp Boat Builders and Nicks Nautical Repairs in the amount of \$914,413.

Purchases are funded 96% by Atlantic Integrated Commercial Fisheries Initiative and 4% by community contribution.

Paqtnkek Mi'kmaw Nation

Notes to the Consolidated Financial Statements

March 31, 2024

19. Disposal of water assets to AFNWA

Effective April 1, 2023, the First Nation entered into a community agreement with Atlantic First Nations Water Authority ("AFNWA"), in which all the First Nation's assets related to the water and wastewater management system would be transferred to AFNWA in exchange for closing consideration of \$5 and responsibility of AFNWA to deliver the operation and administration of water and wastewater services to the First Nation.

Tangible capital assets have been reduced by \$2,148,059, representing the carrying value of the water assets disposed of in the transfer. A corresponding loss on the disposal of the water assets of \$2,148,059 was recognized on the consolidated statement of operations.

20. Segmented information

Paqtnkek Mi'kmaw Nation provides a wide range of services to its members, including training, education, social, health care and housing. For management reporting purposes Paqtnkek Mi'kmaw Nation's operations and activities are organized and reported by divisions. The divisions were created for the purpose of recording activities to comply with specific regulations and requirements.

Divisions that have been separately disclosed in the consolidated schedules of revenues and expenditures on the following pages are:

- Social Development - social assistance provided to qualifying members.
- Band Government – all associated with the administration of the First Nation operations.
- Capital Projects – provides capital construction projects for the community.
- Operations and Maintenance – repairs and maintenance carried out during the year to the community building.
- Economic Development – specified development projects undertaken by the First Nation.
- Education – providing elementary, secondary and post-secondary tuition for qualifying members along with related programs and support.
- Gaming – Monies received from the Province of Nova Scotia from casino profits.
- Health Canada – activity of Health Centre which provides a variety of health care programs.
- Housing Fund – Section 95 and non-subsidized operations.
- Fisheries – management of the DFO fisheries operations.
- Tobacco – operating results from commercial enterprise.
- VLT – operating results from commercial enterprise.
- Bayside Development – operating results from commercial enterprise.
- Bayside Operations – operating results from commercial enterprise.

See the Schedule of Segment Disclosure for current year details.

Paqtnkek Mi'kmaw Nation

Schedule of Segment Disclosure

Year ended March 31, 2024

	Social		First Nation Financial Management		Capital		Operations and Maintenance		Economic Development and Native Employment		Education	
	Actual 2024	Actual 2023	Actual 2024	Actual 2023	Actual 2024	Actual 2023	Actual 2024	Actual 2023	Actual 2024	Actual 2023	Actual 2024	Actual 2023
Revenues												
Federal government operating transfers	\$ 2,492,674	\$ 2,638,128	\$ 462,369	\$ 331,592	\$ -	\$ -	\$ 230,285	\$ 57,610	\$ 1,178,551	\$ 2,337,464	\$ 2,039,197	\$ 1,856,757
Federal government capital transfers	-	-	-	-	240,552	471,516	5,106	446,819	-	-	-	-
Provincial government operating transfers	-	-	9,900	-	-	-	-	-	-	20,416	65,309	16,619
Provincial government capital transfers	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-
Economic activities	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	2,998,002	2,537,062	94,926	-	150	300	115,037	171,949	94,316	1,400
	\$ 2,492,674	\$ 2,638,128	\$ 3,470,270	\$ 2,868,654	\$ 335,478	\$ 471,516	\$ 235,541	\$ 504,729	\$ 1,293,587	\$ 2,529,829	\$ 2,198,822	\$ 1,874,776
Expenses												
Salaries and benefits	\$ 217,546	\$ 206,390	\$ 789,310	\$ 740,517	\$ 288,352	\$ 280,326	\$ 70,699	\$ 78,214	\$ 588,268	\$ 696,885	\$ 868,560	\$ 773,764
Amortization	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	1,206,945	1,032,000	-	-	-	-	-	-	-	-
Other	1,616,557	1,959,562	936,658	669,220	362,226	229,390	42,832	66,253	485,791	781,457	807,256	586,814
	\$ 1,834,103	\$ 2,165,952	\$ 2,932,913	\$ 2,441,737	\$ 650,579	\$ 509,716	\$ 113,531	\$ 144,467	\$ 1,074,059	\$ 1,478,342	\$ 1,675,817	\$ 1,360,578
Surplus (deficit) for the year	\$ 658,571	\$ 472,176	\$ 537,357	\$ 426,917	\$ (315,101)	\$ (38,200)	\$ 122,010	\$ 360,262	\$ 219,528	\$ 1,051,487	\$ 523,006	\$ 514,198

Paqtnkek Mi'kmaw Nation

Schedule of Segment Disclosure

Year ended March 31, 2024

	Gaming		Health Canada Programs		Non-Subsidized Housing		Subsidized Housing		Fisheries		Tobacco Fund	
	Actual 2024	Actual 2023	Actual 2024	Actual 2023	Actual 2024	Actual 2023	Actual 2024	Actual 2023	Actual 2024	Actual 2023	Actual 2024	Actual 2023
Revenues												
Federal government operating transfers	\$ -	\$ -	\$ 632,955	\$ 1,127,793	\$ -	\$ -	\$ 104,977	\$ 119,230	\$ 825,472	\$ 134,256	\$ -	\$ -
Federal government capital transfers	-	-	-	-	-	-	-	-	-	-	-	-
Provincial government operating transfers	85,754	87,171	-	-	-	-	-	-	-	-	-	-
Provincial government capital transfers	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-
Economic activities	-	-	-	-	-	-	-	-	462,516	945,435	1,918,533	1,736,395
Other	-	-	138,844	80,000	900,153	193,350	120,575	161,451	192,073	59,577	-	-
	\$ 85,754	\$ 87,171	\$ 771,799	\$ 1,207,793	\$ 900,153	\$ 193,350	\$ 225,552	\$ 280,681	\$ 1,480,061	\$ 1,139,268	\$ 1,918,533	\$ 1,736,395
Expenses												
Salaries and benefits	\$ -	\$ -	\$ 757,473	\$ 624,580	\$ -	\$ -	\$ -	\$ 11,000	\$ 576,443	\$ 525,057	\$ 68,871	\$ 62,817
Amortization	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	9,290	9,730	45,102	31,077	-	11,995	6,021	4,216
Other	-	-	116,435	232,262	243,470	212,644	154,733	138,752	463,011	637,183	1,627,267	1,573,612
	\$ -	\$ -	\$ 873,909	\$ 856,842	\$ 252,760	\$ 222,374	\$ 199,835	\$ 180,829	\$ 1,039,455	\$ 1,174,235	\$ 1,702,159	\$ 1,640,645
Surplus (deficit) for the year	\$ 85,754	\$ 87,171	\$ (102,110)	\$ 350,951	\$ 647,393	\$ (29,024)	\$ 25,717	\$ 99,852	\$ 440,606	\$ (34,967)	\$ 216,374	\$ 95,750

Paqtnkek Mi'kmaw Nation

Schedule of Segment Disclosure
Year ended March 31, 2024

	VLT		Bayside Development		Bayside Operations		Other		Total	
	Actual 2024	Actual 2023	Actual 2024	Actual 2023	Actual 2024	Actual 2023	Actual 2024	Actual 2023	Actual 2024	Actual 2023
Revenues										
Federal government operating transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,966,479	\$ 8,602,830
Federal government capital transfers	-	-	89,899	-	-	-	-	-	335,557	918,335
Provincial government operating transfers	-	-	-	-	-	-	-	-	160,963	124,206
Provincial government capital transfers	-	-	527,611	-	-	-	-	-	527,611	-
Contributed assets	-	-	-	-	-	-	-	-	-	-
Economic activities	1,783,094	1,529,610	-	-	12,777,992	11,745,519	-	-	16,942,135	15,956,959
Other	144,833	35,214	349,434	191,435	-	-	(2,148,059)	-	3,000,284	3,431,738
	\$ 1,927,926	\$ 1,564,824	\$ 966,944	\$ 191,435	\$ 12,777,992	\$ 11,745,519	\$ (2,148,059)	\$ -	\$ 28,933,027	\$ 29,034,068
Expenses										
Salaries and benefits	\$ 194,421	\$ 227,215	\$ 826,913	\$ 748,830	\$ 430,790	\$ 407,040	\$ -	\$ -	\$ 5,677,647	\$ 5,382,635
Amortization	-	-	-	-	-	-	1,327,485	1,328,606	1,327,485	1,328,606
Interest	5,253	6,357	3,029	3,569	-	-	-	-	1,275,639	1,098,944
Other	566,439	354,866	359,546	404,941	11,163,184	10,545,610	-	-	18,945,408	18,392,566
	\$ 766,113	\$ 588,438	\$ 1,189,488	\$ 1,157,340	\$ 11,593,974	\$ 10,952,650	\$ 1,327,485	\$ 1,328,606	\$ 27,226,179	\$ 26,202,751
Surplus (deficit) for the year	\$ 1,161,813	\$ 976,386	\$ (222,544)	\$ (965,905)	\$ 1,184,018	\$ 792,869	\$ (3,475,544)	\$ (1,328,606)	\$ 1,706,848	\$ 2,831,317