

Consolidated Financial Statements

Abegweit First Nation

March 31, 2022

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Management's responsibility for financial reporting

The accompanying consolidated financial statements and schedules of the Abegweit First Nation and all the information in this annual report are the responsibility of management and have been approved by the Chief on behalf of the Council.

The consolidated financial statements and schedules 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. Consolidated financial statements are not precise since they include certain amounts based on estimates and judgements. 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 Band Council maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Band's assets are appropriately accounted for and adequately safeguarded.

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

The Band 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 and schedules have been audited by Teed Saunders Doyle in accordance with Canadian generally accepted auditing standards on behalf of the members. Teed Saunders Doyle has full and free access to the Council.

Christopher A. Wright Chief
August 17, 2022 Date

INDEPENDENT AUDITORS' REPORT

To the Chief, Councillors, and Community Members of the Abegweit First Nation,

Opinion

We have audited the accompanying consolidated financial statements of Abegweit First Nation (the "Band"), which comprise the consolidated statement of financial position as at March 31, 2022, and the consolidated statements of operations, changes in net debt and cash flows, and schedules for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Band as at March 31, 2022, and the results of its 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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Band in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with those 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 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 financial statements, management is responsible for assessing the Band's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Band or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the 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 auditors' 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 financial statements.

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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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Band's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Band's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Band to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Saint John, New Brunswick
August 17, 2022


CHARTERED PROFESSIONAL ACCOUNTANTS

Abegweit First Nation

Consolidated statement of operations

March 31	Budget	2022	2021
Revenue			
Indigenous Services Canada (ISC)	\$ 5,921,660	\$ 5,587,155	\$ 3,996,563
ACOA	1,000,000	519,974	45,750
Canada Mortgage & Housing Corporation	1,428,621	1,629,690	116,665
Department of Fisheries & Oceans Canada	644,703	888,823	834,238
CANDO	-	-	189,464
Fuel & tobacco rebates	990,000	1,018,900	988,842
Government of Canada	-	159,300	34,630
Government of PEI	2,661,619	1,186,337	1,056,725
Health Canada	3,464,533	3,338,936	2,243,828
Heritage Canada	74,753	172,953	59,600
Epekwitk Assembly of Councils Inc.	456,807	733,370	908,942
PEI Mikmaq Holdings	136,000	312,500	-
Miscellaneous	561,960	524,238	648,949
Gain on sale of assets	-	-	13,340
Revenue from sale of products or services	<u>8,665,921</u>	<u>10,072,708</u>	<u>6,677,812</u>
	<u>26,006,576</u>	<u>26,144,884</u>	<u>17,815,348</u>
Expenditures			
Administration	1,935,582	2,340,815	1,841,687
Capital, Operating & Maintenance	1,564,130	2,179,020	2,254,358
Conservation Society	639,410	747,243	701,974
Early Years Centre	369,872	426,427	375,021
Economic Development	369,988	542,785	509,323
Education	1,537,196	1,634,653	1,365,784
Epekwitk Gas Bar	5,696,840	7,211,992	5,775,223
Fisheries	2,126,846	2,103,869	968,157
Fisheries – AFS	120,000	172,758	150,753
Hatchery	131,030	151,527	105,919
Health Services	2,419,245	2,633,151	2,440,101
Redstone Auto & Marine	354,800	359,894	353,633
Social Services	587,246	445,202	503,259
	<u>17,842,185</u>	<u>20,949,336</u>	<u>17,345,192</u>
Net revenue	<u>\$8,164,392</u>	<u>\$5,195,549</u>	<u>\$470,156</u>
<hr/>			
Accumulated surplus, beginning of year	\$8,273,032	\$8,273,032	\$7,802,876
Net revenue	<u>8,164,392</u>	<u>5,195,549</u>	<u>470,156</u>
Accumulated surplus, end of year	<u>\$16,437,423</u>	<u>\$13,468,581</u>	<u>\$8,273,032</u>
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See accompanying notes and schedules to the consolidated financial statements.

**Abegweit First Nation
Consolidated statement of financial position**

March 31	2022	2021
Financial assets		
Cash and cash equivalents	\$ 4,344,074	\$ 3,726,820
Accounts receivable (Note 3)	4,305,541	3,721,813
Inventory held for resale (Note 4)	174,909	172,817
Replacement reserve (Note 5)	158,107	149,394
Trust Funds ISC (Note 6)	14,641	14,608
Restricted cash	157,152	157,152
	<u>9,154,425</u>	<u>7,942,604</u>
Financial liabilities		
Accounts payable and accrued liabilities	643,683	489,672
Severance liability	132,582	98,580
Deferred revenue	6,140,444	6,215,478
Long-term debt (Note 9)	2,060,918	1,861,336
RRAP liability (Note 10)	34,334	88,670
	<u>9,011,960</u>	<u>8,750,736</u>
Net assets (debt)	<u>142,464</u>	<u>(808,132)</u>
Non financial assets		
Prepays (Note 7)	8,029	37,162
Intangible assets	445,000	445,000
Tangible capital assets (Page 21)	<u>12,873,088</u>	<u>8,599,002</u>
	<u>13,326,117</u>	<u>9,081,164</u>
Net assets	<u>\$ 13,468,581</u>	<u>\$ 8,273,032</u>
Accumulated surplus		
	<u>\$ 13,295,833</u>	<u>\$ 8,110,582</u>
Replacement reserve (Note 5)	158,107	148,118
Trust Funds ISC (Note 6)	14,641	14,332
	<u>\$ 13,468,581</u>	<u>\$ 8,273,032</u>

On behalf of the Band Council

See accompanying notes and schedules to the consolidated financial statements.

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Abegweit First Nation

Consolidated statement of cash flows

March 31	2022	2021
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Increase (decrease) in cash and cash equivalents

Operating activities

Net revenues	\$ 5,195,549	\$ 470,156
Items not affecting cash		
Amortization	1,058,296	1,003,150
Gain on sale	-	(13,340)
Change in non-cash working capital items		
Increase in accounts receivable	(583,728)	(1,584,413)
(Increase) decrease in inventory	(2,092)	2,352
(Increase) decrease in prepaid expenses	29,133	10,049
(Increase) in replacement reserve	(8,713)	(1,219)
Increase in trust funds ISC	(33)	(277)
Increase (decrease) in accounts payable and accrued liabilities	157,010	(324,441)
(Decrease) increase in deferred revenue	(75,034)	4,043,718
Increase (decrease) in severance liability	34,002	(29,282)
Forgivable ELP Loan	-	(40,000)
Increase in RRAP liabilities	<u>(54,336)</u>	<u>(24,465)</u>
	5,750,054	3,511,987

Financing activities

Proceeds from issuance of long term debt	327,900	148,822
Principal repayments of long term debt	<u>(128,318)</u>	<u>(150,015)</u>
	199,582	(1,193)

Investing activities

Purchase of tangible capital assets	(5,332,382)	(877,285)
Proceeds from disposal of assets	-	21,787
	<u>(5,332,382)</u>	<u>(855,498)</u>

Net change in cash and cash equivalents **617,255** **2,655,296**

Cash and cash equivalents,

Beginning of year	<u>3,726,820</u>	<u>1,071,524</u>
End of year	\$ 4,344,074	\$ 3,726,820

See accompanying notes and schedules to the consolidated financial statements.

Abegweit First Nation

Consolidated statement of changes in net debt

March 31	Budget	2022	2021
Net revenues	\$8,164,392	\$ 5,195,549	\$ 470,156
Gain on sale of asset	-	-	(13,340)
Amortization	975,000	1,058,296	1,003,150
Acquisition of tangible capital assets	(7,912,600)	(5,332,382)	(877,285)
Proceeds from sale of tangible capital assets	—	—	21,787
	1,226,791	921,464	604,467
Use of prepaid expense, net of acquisitions	30,000	29,133	10,049
Change in net debt	1,256,792	950,598	614,516
Net debt beginning of year	(808,132)	(808,132)	(1,422,648)
Net assets (debt), end of year	\$448,660	\$142,464	\$(808,132)

See accompanying notes and schedules to the consolidated financial statements.

Abegweit First Nation

Notes to the consolidated financial statements

March 31, 2022

1. Summary of significant accounting policies

Consolidation

These consolidated financial statements consolidate the assets, liabilities and results of operations of the Abegweit First Nation's reporting entity.

Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenues, expenditures, cash flows and changes in net debt of the reporting entity. The reporting entity is comprised of all organizations and committees that are accountable to the Band for administration of their financial affairs and resources and which are owned by the Band. Interdepartmental and organizational transactions and balances are eliminated.

Basis of presentation

The consolidated financial statements of Abegweit First Nation are the representations of management prepared in accordance with generally accepted accounting principles for local governments as established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

The focus of PSAB consolidated financial statements is on the consolidated financial position of the Band and the changes thereto. The Consolidated Statement of Financial Position includes all of the assets and liabilities of the Band.

Revenue recognition

Government transfers and rebates are recognized as revenues in the period in which the events giving rise to the transfer and rebates occur, providing the amounts are authorized, any eligibility criteria have been met and reasonable estimates of the amounts can be made. Transfers associated with capital projects are restricted in their use and are recorded as deferred revenue until the qualifying capital project funds have been expended. All other revenues and unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

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 from sales of fish products are recognized when the price is fixed or determinable, collectability is reasonably assured and upon shipment to, and acceptance by, the buyer.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks and term deposits net of any bank overdraft. Bank borrowings are considered to be financing activities.

Inventories for resale

Inventories of supplies and goods available for resale are recorded at the lower of cost and net realizable value. Inventory is tracked using the first in first out method.

Abegweit First Nation

Notes to the consolidated financial statements

March 31, 2022

1. Summary of significant accounting policies (cont'd)

Intangible assets

Fishing licenses have indefinite lives, are not amortized and are tested for impairment annually or more frequently, if events or changes in circumstances indicate that the assets might be impaired. Fishing licenses are determined to have infinite lives as the annual renewal fee is nominal, the Band has both the ability and intent to renew or extend the life of the license and there has been a history of being able to obtain renewals from government. The impairment test compares the fair value of fishing licenses to their carrying values. When the fair value is less than the carrying value then an impairment loss would be recognized in the consolidated statement of earnings and retained earnings.

Tangible capital assets

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development and betterment of the asset. The cost of the tangible capital asset is amortized using the declining balance method at the following rates:

Boats	15%
Buildings	4%
Computer hardware	30%
Computer software	100%
Equipment	20%
Fencing	8%
Furniture and equipment	20%
Headstart renovations	33.3%
Housing – CMHC Section 95	10%
Infrastructure	10%
Landscaping	8%
Office furniture	20%
Parking lot	8%
Sign	20%
Vehicles	30%

Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenue over expenditures, provides the consolidated change in net debt for the year.

Liability for contaminated sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all of the following criteria are met:

- I. an environmental standard exists;
- II. contamination exceeds the environmental standards;
- III. the Municipality is directly responsible or accepts responsibility; and
- IV. a reasonable estimate of the amount can be made.

Management has reviewed potential sites where they feel a material liability may exist and has concluded there is no known liability at this time.

Abegweit First Nation

Notes to the consolidated financial statements

March 31, 2022

1. Summary of significant accounting policies (cont'd)

Use of estimates

The preparation of consolidated financial statements in conformity with Canadian generally accepting accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the year. Significant items subject to such estimates and assumptions include valuation of accounts receivable and the estimated useful lives of property and equipment. Actual results could differ from these estimates used in these consolidated financial statements.

2. Band employee benefits

The Band matches employee's contributions to a Registered Retirement Savings Plan (RRSP). During the year there was \$126,142 (2021 - \$88,466) contributed to RRSP plans. This represented both the Band's and the employees' portion of the contribution and was included in expenses for the year.

3. Accounts receivable	2022	2021
Indigenous Services Canada	\$2,265,478	\$1,105,000
ACOA	-	4,575
Department of Fisheries and Oceans	880,524	717,892
Government of Prince Edward Island	538,750	351,564
CMHC	80,044	10,474
Epekwitk Assembly of Councils Inc.	176,736	151,260
Health Canada	-	1,033,790
Lennox Island	-	6,700
Government of Canada	41,379	-
Miscellaneous	95,229	100,773
Payroll advances	9,622	1,817
Province of PEI tax rebates	36,773	37,877
Ultramar	162,603	188,149
Canada Revenue Agency	18,401	11,943
	<hr/> <u>\$4,305,541</u>	<hr/> <u>\$3,721,813</u>

Abegweit First Nation

Notes to the consolidated financial statements

March 31, 2022

4. Inventory held for resale

Inventory held for resale included in the consolidated statement of financial position are comprised of the following amounts:

	<u>2022</u>	<u>2021</u>
Gas bar inventory	\$ 125,871	\$ 123,779
Redstone Auto and Marine inventory	<u>49,038</u>	<u>49,038</u>
	<u><u>\$ 174,909</u></u>	<u><u>\$ 172,817</u></u>

5. Replacement reserve

Under the terms of an agreement with Canada Mortgage and Housing Corporation, the replacement reserve is being credited annually based on \$1,000 per unit, per year pro rated in the year of acquisition. The funds for this reserve are maintained in accounts that are secured by the Canadian Deposit Insurance Corporation and may be used as approved by Canada Mortgage and Housing Corporation.

6. Trust funds ISC

	<u>March 31, 2021</u>	<u>Additions 2022</u>	<u>Withdrawals 2022</u>	<u>March 31, 2022</u>
Trust funds	<u>\$ 14,608</u>	<u>\$ 33</u>	<u>\$ -</u>	<u>\$ 14,641</u>

The trust funds 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. The management of these funds is primarily governed by Sections 63 to 69 of the *Indian Act*.

7. Prepays

Prepaid expenses included in the consolidated statement of financial position are comprised of the following amounts:

	<u>2022</u>	<u>2021</u>
Post-secondary education – living allowance	\$ 3,730	\$ 3,725
Construction deposits	-	29,050
Social assistance	<u>4,299</u>	<u>4,387</u>
	<u><u>\$ 8,029</u></u>	<u><u>\$ 37,162</u></u>

8. Bank indebtedness

The Band has access to operating lines of credit with approved borrowing amounts of \$750,000 from January 15 to April 2 and a borrowing limit of \$500,000 for the remainder of the year. The credit facility bears interest at a rate of prime plus 0.90%. As of March 31, 2022, \$750,000 (2021- \$ 750,000) of the line of credit was unused.

Abegweit First Nation
Notes to the consolidated financial statements
March 31, 2022

9. Long-term debt	2022	2021
0.68% demand loan maturing in 2025, repayable in equal monthly instalments of principal and interest of \$460.	\$ 67,390	\$ 72,433
3.05% demand loan maturing in 2024, repayable in equal monthly instalments of principal and interest of \$577.	70,474	75,174
1.88% demand loan maturing in 2027, repayable in equal monthly instalments of principal and interest of \$548.	85,211	90,284
2.27% demand loan maturing in 2027, repayable in equal monthly instalments of principal and interest of \$569.	87,271	92,421
2.27% demand loan maturing in 2027, repayable in equal monthly instalments of principal and interest of \$569.	87,269	92,418
2.27% demand loan maturing in 2027, repayable in equal monthly instalments of principal and interest of \$578.	88,325	93,569
1.13% demand loan maturing in 2026, repayable in equal monthly instalments of principal and interest of \$542.	85,230	90,747
1.13% demand loan maturing in 2026, repayable in equal monthly instalments of principal and interest of \$542.	85,230	90,747
2.44% demand loan maturing in 2022, repayable in equal monthly instalments of principal and interest of \$1,658.	181,065	196,336
2.4% demand loan maturing in 2022, repayable in equal monthly instalments of principal and interest of \$553.	59,795	64,926
2.4% demand loan maturing in 2022, repayable in equal monthly instalments of principal and interest of \$553.	59,795	64,926
2.49% demand loan maturing in 2023, repayable in equal monthly instalments of principal and interest of \$530.	61,672	66,580
2.49% term loan maturing in 2023, repayable in equal monthly instalments of principal and interest of \$627.	99,479	104,484

Abegweit First Nation
Notes to the consolidated financial statements
March 31, 2022

9. Long term debt (cont'd)	2022	2021
0.73% term loan maturing in 2025, repayable in equal monthly instalments of principal and interest of \$539.	104,416	110,105
0.68% term loan maturing in 2025, repayable in equal monthly instalments of principal and interest of \$540.	103,056	108,816
1.22% demand loan maturing in 2026, repayable in equal monthly instalments of principal and interest of \$546.	110,495	115,749
Prime plus 1.1% term loan maturing in 2027, to be repaid as follows: \$21,225 per year, including principal and interest payable on June 1 of each year, from June 1, 2022 to and including June 1, 2026.	90,000	108,000
1.22% term loan maturing in 2026, repayable in equal monthly instalments of principal and interest of \$617.	139,263	138,912
1.5% term loan maturing in 2027, repayable in equal monthly instalments of principal and interest of \$1,104.	176,592	-
4.17% term loan maturing in 2025, repayable in equal monthly instalments of principal and interest of \$2,775.	150,000	-
0.00% term loan maturing in 2025, repayable in monthly instalments of \$833 beginning September 2021.	25,000	30,000
0.00% term loan maturing in 2025, repayable in monthly instalments of \$278 beginning February 2022.	9,444	10,000
0.00% term loan maturing in 2025, repayable in monthly instalments of \$278 beginning February 2022.	9,444	10,000
0.00% term loan maturing in 2024, repayable in monthly instalments of \$833 beginning September 2021.	25,000	30,000
Loans repaid during the year	—	4,709
	<u>\$ 2,060,918</u>	<u>\$1,861,336</u>

Abegweit First Nation

Notes to the consolidated financial statements

March 31, 2022

9. Long term debt (cont'd)

Based on these terms the principal repayments in the next five years are due as follows:

2023	\$ 177,994
2024	\$ 180,904
2025	\$ 172,802
2026	\$ 160,327
2027	\$ 163,510
Thereafter	\$ 1,205,381

Demand loans are secured by a general security agreement constituting a first ranking security interest in all property and irrevocable Band Council resolution authorizing borrowings.

10. RRAP liability

Canada Mortgage and Housing Corporation ("CMHC") has granted forgivable loans to Abegweit First Nation through the Residential Rehabilitation Assistance Program to finance modifications for the accessibility of disabled members. The loans are only forgivable if the First Nation fulfills a list of conditions proposed by CMHC and must be repaid if these conditions are not met. The loans are forgivable over periods of three to five years and give rise to a liability until the funds are fully forgiven. The liability for the remaining balance of the loans to be forgiven as of March 31, 2022, totals \$34,334 (2021 - \$88,670).

11. CMHC funding

Abegweit First Nation is an eligible recipient under the Section 95 housing program operated by Canada Mortgage and Housing Corporation.

12. Commitments

The Abegweit First Nation has provided a letter of guarantee to Ultramar Ltd. and has a franchise agreement with Merrik Franchising (Maritimes) Limited relating to the gas bar operation.

13. Economic dependence

The Abegweit First Nation receives a major portion of its revenues pursuant to a funding arrangement with Indigenous Services Canada. As this is the major source of revenues, the Band's ability to continue viable operations is dependent upon maintaining this funding source.

Abegweit First Nation

Notes to the consolidated financial statements

March 31, 2022

14. Contingencies

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

In addition, in the normal course of its operations, Abegweit First Nation may become involved in legal actions. Some other potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded on the Abegweit First Nation consolidated financial statements.

15. Government transfers

	2022			2021		
	Operating	Capital	Total	Operating	Capital	Total
Federal Government Transfers:						
Indigenous Services Canada	\$ 4,280,502	\$ 1,305,653	\$ 5,587,155	\$ 3,682,366	\$ 314,197	\$ 3,996,563
Atlantic Canada Opportunities Agency	-	519,974	\$19,974	45,750	-	45,750
Canada Mortgage & Housing Corporation	276,069	1,353,621	1,629,690	116,665	-	116,665
Department of Fisheries & Oceans	744,823	144,000	888,823	724,238	110,000	834,238
Government of Canada	59,200	100,100	159,300	34,630	-	34,630
Health Canada	2,417,011	921,925	3,338,936	2,241,728	2,100	2,243,828
Heritage Canada	172,958	-	172,958	59,600	-	59,600
Total	7,950,557	4,346,273	12,296,831	6,904,977	426,297	7,331,274
Provincial Government Transfers						
	1,086,337	100,000	1,186,337	874,375	182,350	1,056,725
	\$ 9,036,895	\$ 4,446,273	\$ 13,483,168	\$ 7,779,352	\$ 608,647	\$ 8,387,999

16. Budgeted figures

Budgeted figures have been provided for comparison purposes and have been derived from the estimates approved by the Band Council.

Abegweit First Nation

Notes to the consolidated financial statements

March 31, 2022

17. Funding reconciliation

Programs	Funding received	Unexpended federal funding beginning of year		Total federal funding available	Federal funding expended	Unexpended funding at year end
		Adjustments / Transfers				
INAC:						
Block - Indian Government Support - Band	\$ 345,642	\$ -	\$ 294,566	\$ 640,208	\$ 640,208	\$ -
Block - AFA Bloc Corp Fun Reg & Mem	4,065	-	935	5,000	5,000	-
Block - P&P School Formula	1,006,340	-	146,428	1,152,768	1,152,768	-
Block - FN School Formula	321,476	-	(72,565)	248,911	248,911	-
Block - Post Secondary education	132,949	-	(119,711)	13,238	13,238	-
Block - Income Assistance	436,584	-	(249,653)	186,931	186,931	-
Block - Assisted living - block funding	35,633	-	-	35,633	35,633	-
Block - LEDSP Ec Dev Allocations	47,413	-	-	47,413	47,413	-
Block - Other - Capital	158,933	-	-	158,933	158,933	-
Block - Other - Facilities O&M	124,922	-	-	124,922	124,922	-
Fixed - Case Management Capacity	108,000	-	12,145	120,145	120,145	-
Fixed - Clients supports	45,000	121,154	(11,767)	154,387	7,192	147,195
Fixed - Services Delivery	27,000	-	(378)	26,622	26,622	-
Fixed - First Nation and Inuit - Skill Link Prog	103,950	51,228	-	155,178	155,184	-
Fixed - FN School second level	35,289	-	-	35,289	35,289	-
Fixed - Pro/Priv Protect Tuition	42,417	-	-	42,417	42,417	-
Fixed - First Nation and Inuit - Summer Work Exp	37,986	-	-	37,986	37,986	-
Fixed - Post Secondary Student Supplement Program	92,053	-	-	92,053	79,796	12,257
Fixed - Daycares	-	14,286	-	14,286	14,286	-
Fixed - Service Delivery	11,493	11,493	-	22,986	-	22,986
Fixed - A&C Water	24,500	-	-	24,500	-	24,500
Fixed - A&C Wastewater	26,500	79,184	-	105,684	6,754	98,931
Fixed - Planning design construction	100,000	200,000	-	300,000	100,000	200,000
Fixed - Major renos, Extensions & Repair	119,938	-	-	119,938	119,938	-
Fixed - Recreation	25,000	-	-	25,000	25,000	-
Fixed - Admin - Other Infrastructure	61,491	-	-	61,491	61,491	-
Fixed - Comm Oppor Readiness	-	18,400	-	18,400	18,400	-
Fixed - Comm Oppor Readiness	794,345	-	-	794,346	794,346	-
Fixed - Comm Oppor Readiness	12,000	-	-	12,000	-	12,000
Fixed - Comm Oppor Readiness	8,000	-	-	8,000	-	8,000
Fixed - Land use planning	29,925	-	-	29,925	-	29,925
Fixed - Covid 19 - CORP	97,518	-	-	97,518	48,482	49,036
Fixed - Covid 19 LEDSP	82,460	-	-	82,460	-	82,460
Fixed - Covid 19 - OSR Com Serv FN	219,887	-	-	219,887	-	219,887
Fixed - Water Systems	149,483	44,433	-	193,916	142,135	51,781
Fixed - Construction	235,000	-	-	235,000	-	235,000
Fixed - Renovations and additions	75,000	-	-	75,000	75,000	-
Fixed - Lot servicing	25,000	-	-	25,000	-	25,000
Flexible - Basic Needs	415,873	628,760	-	1,044,633	62,641	981,992
Flexible - Basic Needs - Covid	88,725	29,040	-	117,765	17,400	100,365
Flexible - Special Needs	24,401	-	-	24,401	24,401	-
Flexible - Service Delivery	153,831	-	-	153,831	153,831	-
Flexible - In home Care	4,715	-	-	4,715	4,715	-
Flexible - Roof Project	-	263,539	-	263,539	7,926	255,614
Flexible - Preparedness	22,146	25,443	-	47,589	26,093	21,496
Flexible - Svc agreements & engagement	66,091	-	-	66,091	66,091	-
Flexible - Water - Under \$1.5M	629,000	900,000	-	1,529,000	447,630	1,081,370
Flexible - Response - Dorian	-	50,000	-	50,000	-	50,000
Flexible - Storm water study	-	35,000	-	35,000	-	35,000
Flexible - ICSF - DIR ALL EMAP	201,498	77,542	-	279,040	227,319	51,121
Flexible - ICSF - Need Basa EMAP	23,850	-	-	23,850	7,400	16,450
Subtotal ISC	6,839,323	2,549,501	[0]	9,382,824	5,570,465	3,812,366

Abegweit First Nation

Notes to the consolidated financial statements

March 31, 2022

17. Funding reconciliation (cont'd)

Programs	Funding received	Unexpended federal funding beginning of year	Adjustments / Transfers	Total federal funding available	Federal funding expended	Unexpended funding at year end
<i>Health Canada</i>						
Block - Q22G - Prenatal	9,286	-	(7,594)	1,692	1,692	-
Block - Q22I - Maternal Child Health	76,692	-	(3,775)	72,917	14,317	58,600
Block - Q22U - COHI - Child Oral Health	7,865	7,000	(11,283)	3,582	3,582	-
Block - Q21G - Mental Wellness Program	805,128	-	(151,322)	653,806	458,745	195,061
Block - Q30S - Health Research & engagement	25,000	-	-	25,000	-	25,000
Block - Q22K - AHSOR	86,270	24,653	-	110,923	58,012	52,911
Block - Q10 - Covid -19 Safe restart	46,262	44,307	-	90,569	-	90,569
Block - Q221 - Aboriginal Diabetes Initiative	57,465	9,091	4,746	71,303	71,303	-
Block - Q227 - HL Pub Health & Chr	144,608	-	24,608	169,216	169,216	-
Block - Q23C - Drinking water	23,459	-	(20,660)	2,799	2,799	-
Block - Q22U - HCC Service Delivery	169,831	-	(13,517)	156,914	156,914	-
Block - Q23R - Imm Prev Promo & Education	1,200	-	985	2,185	2,185	-
Block - Q23Z - HIV/AIDS Prev Promo & Education	1,435	-	(1,435)	-	-	-
Block - Q23X - CDE Planning & Response	87,438	-	314	87,752	87,752	-
Block - Q30P - Health Planning management	112,205	-	84,833	197,038	197,038	-
Block - K100 - MAR fund	-	157,127	-	157,127	-	157,127
Block - Q30Q - Accreditation Services	38,690	-	(36)	38,654	38,654	-
Block - Q302 - Community Facilities O&M	55,772	-	76,830	132,602	147,117	-
Block - Q30T - HSIF	-	77,000	3,786	80,786	80,786	-
Flexible - Capital Investment	326,191	1,268,110	-	1,594,301	921,925	672,376
Flexible - Jordan's Principle	287,831	361,153	(0)	648,984	371,420	277,554
Flexible - Mental wellness program	23,950	-	-	23,950	-	23,950
Flexible - Federal Tobacco	10,600	-	72	10,672	10,672	-
Fixed - Q21M - IRS Resolution	110,000	-	8,741	118,741	123,909	-
Fixed - Q3RF - Covid 19 AHSOR	31,710	-	-	31,710	-	31,710
Set - Victims of Family Violence	81,000	-	(1,811)	79,189	79,189	-
Set - Q010 MT Client Insured services	36,607	-	(8,824)	27,783	27,783	0
Set - Q01D MT CA Admin	42,500	-	(42,500)	-	-	-
Set - Q0E Vans	69,375	28,247	51,190	148,812	148,812	-
Set - Q01R - Mental Health Care	120,000	-	5,901	125,901	125,901	0
Set - Q01S - Mental Health Care Admin	38,000	-	-	38,000	38,000	-
Set - Q01T - MHC Traditional Healer	8,050	-	(50)	8,000	8,000	-
Set - 21M IRS Resolution workers	5168	-	0	5,168	5,168	-
Set - Q30B - Electric Med/health records	7,527	-	800	8,327	8,327	-
Total Health Canada	2,947,116	1,976,688	0	4,923,804	3,358,618	1,584,869
<i>Department of Fisheries and Oceans (DFO)</i>						
AICFI Component 2.3	40,000	-	-	40,000	40,000	-
AICFI Component 4.0	54,000	-	-	54,000	54,000	-
AFS	215,000	-	-	215,000	215,000	-
AFSAR Midgell	99,387	-	-	99,387	99,387	-
IHPP	117,095	-	-	117,095	115,745	1,350
CNF 20-21	354,952	4,550	-	359,502	359,502	-
Harvester Training	5,215	-	-	5,215	5,215	-
Subtotal DFO	955,649	4,550	-	960,199	958,849	1,350
Headstart EYC	238,951	45,516	-	284,467	214,583	69,884
Total funding	\$ 10,975,038	\$ 4,576,255	\$ (0)	\$ 15,551,294	\$ 10,102,514	\$ 5,468,469

Abegweit First Nation

Notes to the consolidated financial statements

March 31, 2022

19. Segmented reporting

The presentation by segment is based on the same accounting policies as described in the summary of significant accounting policies as described in Note 1. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations. Band services are provided by departments and their activity is reported in these funds. The services provided by these departments are as follows:

Administrative

This segment includes departments that are responsible for the overall financial and local government administration. The tasks include, but are not limited to, daily accounting functions, preparation and coordination of the annual audited financial statements, coordination of the development of the annual budget, human resource functions for the entire municipal unit, economic development initiatives and maintenance of bylaws and policies. This would also include administrative and policy support for the Chief and all members of the Council.

Capital/Housing

This segment is responsible for providing housing and capital infrastructure for the Band's residents. This includes the operation of water and sewer utilities.

Social Services

This segment is responsible for providing social assistance to band members in need. This includes the basic needs and social needs programs.

Education Services

This segment is responsible for providing education funding. This includes tuition agreements, student's costs and supplies as required.

Health Services

Services provided by the Health department are included in this segment. The following tasks are delivered by this department: Aboriginal diabetes initiatives, adult care, brighter futures program, the early learning centre, health planning and various other programs depending on the funding obtained.

Epikwitk Gas Bar

The Band operates a gas station on the reserve. The revenues and expenses associated with the operations of the gas station are included in this segment.

Fisheries/Fisheries AFS

This segment is responsible for the commercial fishing of lobster, snow crab, etc. and other related fishing projects such as the hatchery.

Redstone Auto & Marine

The Band operates an auto and marine mechanic shop on the reserve. The revenues and expenses associated with the operations of the mechanic shop are included in this segment.

Economic Development

The Band is involved in activities to promote economic development that benefits its community and members.

Abegweit Conservation Society

This segment is a registered charity, with the purpose of protecting the environment of Prince Edward Island by saving, supporting, protecting and assisting stressed and endangered fish, plant and animal species as well as cleaning, remediating and protecting streams, rivers, watersheds and forests.

Abegweit First Nation

Schedule of segmented disclosure

March 31, 2022

The following table presents the expenses incurred and the revenue generated by main object of expense and by major revenue type. The segment results for the period are as follows:

	Admin	Capital/ Housing	Social Services	Education Services	Health Services	Epatwkit Gas Bar	Fisheries	Hatchery	Fisheries AFS	Redstone Auto & Marine	Economic Development	Abegweit Conservation Society	Total	Less Intercompany Eliminations	2022
Revenues															
Indigenous Services Canada	\$ 753,028	\$ 1,497,647	\$ 735,204	\$ 1,677,939	\$ 16,685	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 908,641	\$ -	\$ 5,587,155	\$ -	\$ 5,587,155
Other Federal Government	129,753	1,629,690	-	-	3,393,136	-	-	99,215	-	215,000	-	668,274	574,608	6,709,676	6,709,676
Provincial Government	95,249	181,227	-	-	347,926	-	-	-	55,000	-	456,936	50,000	1,186,337	1,186,337	
Mikmaq Confederacy of PEI	388,934	89,916	-	-	175,003	-	-	41,855	8,305	-	13,668	6,940	733,370	733,370	
Economic activities	312,500	-	-	-	15,528	7,399,281	2,653,965	-	-	238,124	79,257	58	10,698,714	(313,506)	10,385,208
Fuel & tobacco rebates	-	-	-	-	1,018,900	-	-	-	-	-	-	1,018,900	1,018,900	1,018,900	1,018,900
Other revenue	91,717	84,620	-	-	176,957	-	-	5,340	31,315	-	132,260	99,310	621,520	(97,282)	524,238
Net revenues (revenue)	\$ 1,795,181	\$ 3,482,100	\$ 735,204	\$ 1,677,939	\$ 412,245	\$ 8,418,182	\$ 2,890,386	\$ 94,470	\$ 215,000	\$ 238,124	\$ 2,758,976	\$ 730,917	\$ 26,555,673	\$ (410,786)	\$ 26,144,884
Expenditures															
Salaries & benefits	\$ 1,221,240	\$ 506,027	\$ 130,874	\$ 426,775	\$ 1,746,772	\$ 663,632	\$ 1,269,337	\$ 116,975	\$ 219,455	\$ 204,871	\$ 350,325	\$ 6,980,733	\$ (45,020)	\$ 6,937,713	
Goods & services	1,248,351	1,043,794	353,191	1,205,267	1,253,993	6,471,815	686,963	34,553	48,309	212,533	337,914	323,697	13,220,378	(357,766)	12,832,610
Amortization	-	597,166	-	3,654	59,134	46,987	218,441	-	-	15,528	-	116,888	1,058,296	-	1,058,296
Interest	18,373	32,034	1,485	48	1,124	30,059	12,959	-	-	2,970	-	1,666	100,716	-	100,716
Other	2,487,954	2,179,020	485,550	1,635,744	3,061,022	7,211,992	2,187,699	151,527	172,758	451,497	542,785	792,575	21,350,174	(410,786)	20,949,396
Net revenues (expenditures)	\$ (708,786)	\$ 1,303,060	\$ 249,654	\$ 42,195	\$ 1,064,223	\$ 1,206,190	\$ 612,686	\$ (57,108)	\$ 47,742	\$ (213,353)	\$ 1,716,191	\$ (61,658)	\$ 5,195,549	\$ -	\$ 5,195,549

Abegweit First Nation
Schedule of segmented disclosure
March 31, 2021

	Admin	Capital/ Housing	Social Services	Education Services	Health Services	Epekwitk Gas Bar	Fisheries	Hatchery	Fisheries AFS	Redstone Auto & Marine	Economic Development	Abegweit Conservation Society	Total	Less Intercompany Eliminations	2021
Revenues															
Indigenous Services Canada	\$ 604,860	\$ 1,018,549	\$ 734,646	\$ 1,375,015	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 263,493	\$ -	\$ 3,996,563	\$ -	\$ 3,996,563	
Other Federal government	64,570	306,129	-	2,273,488	-	174,140	-	31,610	110,000	39,710	45,750	510,388	3,524,175	3,524,175	
Provincial government	328,407	231,251	-	50,819	224,371	-	-	-	-	-	305,966	60,912	1,083,335	1,083,335	
Mikmaq Confederacy of PEI	357,158	187,273	-	-	258,573	-	71,263	-	-	-	-	34,675	508,942	908,942	
Economic activities	-	-	-	-	10,731	5,936,911	639,126	-	-	173,074	40,951	2,182	6,822,976	(145,164)	
Fuel & tobacco rebates	-	-	-	-	988,842	-	-	-	-	-	-	988,842	-	6,677,812	
Other revenue	91,463	72,696	-	13,340	3,09,437	-	20,000	-	-	83,320	91,764	37,165	719,185	(134,173)	
	\$ 1,246,457	\$ 1,815,898	\$ 734,646	\$ 1,439,175	\$ 3,076,600	\$ 6,925,754	\$ 924,530	\$ 81,610	\$ 110,000	\$ 296,104	\$ 747,924	\$ 645,322	\$ 18,044,018	\$ 129,337	\$ 17,764,581
Expenditures															
Salaries & benefits	\$ 761,539	\$ 373,331	\$ 163,832	\$ 260,930	\$ 1,610,767	\$ 552,111	\$ 411,689	\$ 93,975	\$ 118,941	\$ 153,118	\$ 118,964	\$ 248,043	\$ 4,867,841	\$ -	\$ 4,867,841
Goods & services	1,167,741	1,347,977	375,425	1,101,297	1,149,624	5,148,405	320,019	11,944	31,811	187,988	423,317	359,209	11,624,755	(279,337)	11,345,418
Amortization	512,100	-	3,667	54,431	49,048	262,269	-	-	-	22,451	-	99,184	1,093,150	-	1,003,150
Interest	12,164	26,900	-	364	301	25,660	9,060	-	-	2,427	-	1,242	76,117	-	78,117
Other	1,941,444	2,269,908	539,257	1,356,257	2,815,123	5,775,223	1,003,637	105,919	150,753	365,984	542,283	707,677	17,573,663	(279,337)	17,294,526
Net revenues (expenditures)	\$ (644,987)	\$ (445,010)	\$ 195,389	\$ 72,917	\$ 261,477	\$ 1,450,530	\$ 78,507	\$ (24,309)	\$ (40,753)	\$ (69,881)	\$ 205,644	\$ (82,356)	\$ 470,156	\$ -	\$ 470,156

Abegweit First Nation
Schedule of tangible capital assets
Year ended March 31, 2022

	<u>Boats</u>	<u>Infrastructure</u>	<u>Housing</u>	<u>Buildings</u>	<u>Vehicles</u>	<u>Equipment</u>	<u>2022</u>	<u>2021</u>
Cost:								
Opening balance	\$ 2,949,096	\$ 5,691,476	\$ 6,766,620	\$ 3,042,129	\$ 645,300	\$ 4,012,029	\$ 23,106,650	\$ 22,285,440
Acquisition of tangible capital assets	52,000	434,997	1,954,195	2,527,019	88,833	275,338	5,332,382	877,285
Disposal of tangible capital assets	-	-	-	-	-	-	-	<u>(56,075)</u>
Balance, end of year	<u>\$ 3,001,096</u>	<u>\$ 6,126,473</u>	<u>\$ 8,720,814</u>	<u>\$ 5,569,148</u>	<u>\$ 734,133</u>	<u>\$ 4,287,367</u>	<u>\$ 28,439,032</u>	<u>\$ 23,106,650</u>
Accumulated amortization								
Opening balance	\$ 1,961,443	\$ 3,673,378	\$ 4,449,833	\$ 1,110,356	\$ 427,149	\$ 2,885,491	\$ 14,507,648	\$ 13,552,126
Annual amortization	148,148	222,416	291,105	66,679	54,605	275,343	1,058,296	1,003,150
Accumulated amortization	-	-	-	-	-	-	-	<u>(47,628)</u>
On disposals	-	-	-	-	-	-	-	-
Balance, end of year	<u>2,109,591</u>	<u>3,895,794</u>	<u>4,740,938</u>	<u>1,177,035</u>	<u>481,752</u>	<u>3,160,834</u>	<u>15,565,944</u>	<u>14,507,648</u>
Net book value of tangible capital assets	<u>\$ 891,505</u>	<u>\$ 2,230,679</u>	<u>\$ 3,979,876</u>	<u>\$ 4,392,113</u>	<u>\$ 252,381</u>	<u>\$ 1,126,533</u>	<u>\$ 12,873,088</u>	<u>\$ 8,599,002</u>