

# WOODSTOCK FIRST NATION

## CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

WOODSTOCK FIRST NATION  
CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

Page

Management's Responsibility for Financial Reporting

Independent Auditor's Report

Financial Statements

Consolidated Statement of Financial Position	1
Consolidated Statement of Change in Net Debt	2
Consolidated Statement of Operations and Accumulated Surplus	3
Consolidated Statement of Cash Flows	4
Notes to Consolidated Financial Statements	5

Consolidated Schedules of Operations by Program

Consolidated Summary Schedule of Operations by Program	19
General Administration - Schedule #1	20
Health - Schedule #2	22
Operations & Maintenance - Schedule #3	23
Capital - Schedule #4	24
Education - Schedule #5	25
Fisheries - Schedule #6	26
Economic Development - Schedule #7	27
Social Assistance - Schedule #8	28
Child and Family Services - Schedule #9	29
Forestry - Schedule #10	30

Mandatory reporting requirements

Schedule of government transfers	17
Schedule of segment disclosure	31
Review engagement report	32
Schedule of salaries, honoraria and travel expenses paid to elected officials	33

WOODSTOCK FIRST NATION  
CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

Page

Consolidated Schedules of Operations by Program, continued

Schedule of Health Canada funding and expenditures

34

Schedule of ISC funding and expenditures

35

WOODSTOCK FIRST NATION

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

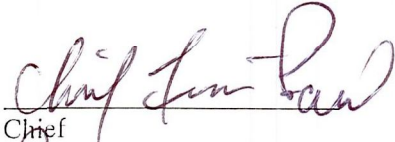
MARCH 31, 2020

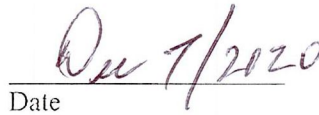
The accompanying consolidated financial statements of Woodstock First Nation are the responsibility of Chief and Council. The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards and necessarily include estimates which are based on management's best judgements.

Management is also responsible for implementing and maintaining a system of internal controls designed to give reasonable assurance that transactions are appropriately authorized, assets are safeguarded from loss and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

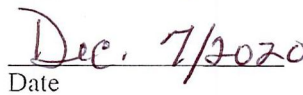
Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The consolidated financial statements have been reviewed and approved by Chief and Council.

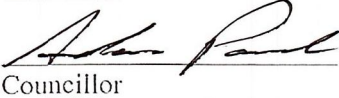
Walter Logue, CPA Professional Corporation Inc., an independent accountant firm, has been engaged to examine the consolidated financial statements in accordance with Canadian generally accepted auditing standards. The report stating the scope of the examination and opinion on the consolidated financial statements, follows.

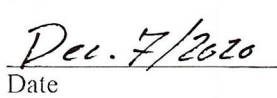
  
Chief

  
Date

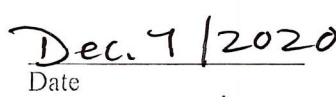
  
Councillor

  
Date

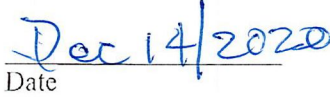
  
Councillor

  
Date

  
Councillor

  
Date

  
Councillor

  
Date

  
Councillor

  
Date

## Independent Auditor's Report

To the Members of  
Woodstock First Nation

### *Opinion*

I have audited the consolidated financial statements of Woodstock First Nation, which comprise the consolidated statement of financial position as at March 31, 2020, and the consolidated statements of operations and accumulated surplus, change in net debt and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2020, and the results of its consolidated operations, its changes in its consolidated net debt, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### *Basis for Opinion*

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

### *Other Matter*

The consolidated financial statements of the Woodstock First Nation for the year ended March 31, 2019 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on September 20, 2019.

This audit was conducted for the purpose of forming an opinion on the basic financial statements of First Nation taken as a whole. The supplementary information included on the schedules on pages 20 - 30 is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the First Nation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the 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*

My 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 my 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. As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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 Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I 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 I identify during my audit.


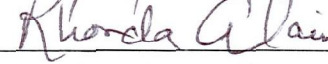



  
Chartered Professional Accountant


Fredericton, New Brunswick  
October 22, 2020

WOODSTOCK FIRST NATION  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
MARCH 31, 2020

	2020	2019
<b>Financial Assets</b>		
Cash (Note 3)	\$ 835,306	\$ 1,296,914
Restricted cash (Note 3)	510,922	510,922
Accounts receivable (Note 4)	489,615	550,976
Due from government and government organizations (Note 5)	4,724,095	3,753,588
Federal trust funds (Note 6)	3,507	3,439
Inventory (Note 7)	845,708	498,150
	<u>7,409,153</u>	<u>6,613,989</u>
<b>Liabilities</b>		
Accounts payable (Note 8)	1,953,782	3,286,853
Contribution funding repayable to ISC (Note 9)	197,222	130,677
Deferred revenue (Note 10)	1,773,909	427,729
Long-term debt (Note 11)	9,170,467	3,364,236
	<u>13,095,380</u>	<u>7,209,495</u>
<b>Net debt</b>	<u>(5,686,227)</u>	<u>(595,506)</u>
<b>Non-financial Assets</b>		
Capital assets (Note 12)	32,194,356	22,885,044
Prepaid expenses (Note 13)	796,865	698,690
	<u>32,991,221</u>	<u>23,583,734</u>
<b>Accumulated Surplus</b>	<u>\$ 27,304,994</u>	<u>\$ 22,988,228</u>

Approved on behalf of the Woodstock First Nation

, Chief  
, Councillor  
, Councillor  
, Councillor  
, Councillor

, Councillor  
\_\_\_\_\_, Councillor  
\_\_\_\_\_, Councillor  
\_\_\_\_\_, Councillor

The accompanying notes are an integral part of the financial statements

WALTER LOGUE  
Chartered Professional Accountant

WOODSTOCK FIRST NATION  
CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT  
FOR THE YEAR ENDED MARCH 31, 2020

	2020 Budget	2020 Actual	2019 Actual
<u>Surplus</u>	\$ 5,766,453	\$ 4,316,766	\$ 6,002,803
Acquisition of tangible capital assets	-	(11,060,501)	(4,250,744)
Amortization of tangible capital assets	-	1,751,189	1,003,348
	-	(9,309,312)	(3,247,396)
Acquisition of prepaid asset	-	(98,175)	(153,718)
Increase in net financial assets	5,766,453	(5,090,721)	2,601,689
Net debt at beginning of year	-	(595,506)	(3,197,195)
<u>Net debt at end of year</u>	<u>\$ -</u>	<u>\$ (5,686,227)</u>	<u>\$ (595,506)</u>

The accompanying notes are an integral part of the financial statements

WALTER LOGUE  
Chartered Professional Accountant



WOODSTOCK FIRST NATION

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

FOR THE YEAR ENDED MARCH 31, 2020

	2020 Budget	2020 Actual	2019 Actual
<b>Revenue</b>			
Federal Government:			
Indigenous Services Canada (Note 16)	\$ 8,439,000	\$ 10,163,096	\$ 8,606,444
Health Canada	820,000	838,093	819,436
HRD Funding	369,034	377,162	252,819
Canada Mortgage and Housing Corporation	142,000	141,078	85,279
Department of Fisheries and Ocean	676,500	680,843	226,795
Provincial Government	2,600,000	3,422,799	3,805,161
FNEII Funding	175,000	171,666	192,537
Other Revenue	27,500	28,349	165,386
Rental Income	36,000	36,000	36,000
Deferred revenue, opening	-	427,729	815,300
Deferred revenue, closing	-	(1,773,909)	-
Economic Activities	43,955,000	42,881,406	47,472,720
	57,240,034	57,394,312	62,477,877
<b>Expenditures</b>			
General Administration	4,400,350	4,943,961	4,096,082
Health	827,300	830,494	803,399
Operations & Maintenance	1,142,006	1,204,540	1,088,964
Capital	510,000	497,160	585,359
Education	2,272,800	2,339,449	2,288,761
Fisheries	1,983,500	1,999,283	2,034,188
Economic Development	37,650,000	36,737,706	42,088,641
Social Assistance	692,200	690,367	664,688
Child and Family Services	1,356,625	1,458,797	1,607,381
Forestry	638,800	624,600	214,263
	51,473,581	51,326,357	55,471,726
<b>Surplus before other expense</b>	5,766,453	6,067,955	7,006,151
<b>Other expense</b>			
Amortization	-	(1,751,189)	(1,003,348)
<b>Surplus</b>	5,766,453	4,316,766	6,002,803
<b>Accumulated surplus at beginning of year</b>	-	22,988,228	16,985,425
<b>Accumulated surplus at end of year</b>	\$ 5,766,453	\$ 27,304,994	\$ 22,988,228

The accompanying notes are an integral part of the financial statements

WALTER LOGUE  
Chartered Professional Accountant

WOODSTOCK FIRST NATION  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED MARCH 31, 2020

	2020	2019
<b>Cash flows from</b>		
<b>Operating activities</b>		
Surplus	\$ 4,316,766	\$ 6,002,803
Items not affecting cash		
Amortization expense	1,751,189	1,003,348
	6,067,955	7,006,151
Change in non-cash operating working capital		
Accounts receivable	61,361	94,433
A/R Gov't and Gov't organizations	(970,507)	(494,666)
Inventory	(347,558)	277,612
Prepaid expenses	(98,175)	(153,718)
Accounts payable	(1,333,070)	688,038
Deferred Revenue	1,346,180	(815,300)
Contribution funding repayable to ISC	66,545	(10,494)
	4,792,731	6,592,056
<b>Capital activities</b>		
Acquisition of tangible capital assets	(11,060,501)	(4,250,744)
<b>Financing activities</b>		
Proceeds from long term debt	7,031,400	-
Repayment of long term debt	(1,225,238)	(1,246,992)
	5,806,162	(1,246,992)
<b>Increase in cash and cash equivalents</b>	(461,608)	1,094,320
<b>Cash and cash equivalents, beginning of year</b>	1,807,836	713,516
<b>Cash and cash equivalents, end of year</b>	\$ 1,346,228	\$ 1,807,836
<b>Represented by</b>		
Cash	\$ 835,306	\$ 1,296,914
Restricted cash	510,922	510,922
	\$ 1,346,228	\$ 1,807,836

The accompanying notes are an integral part of the financial statements

WALTER LOGUE  
Chartered Professional Accountant

WOODSTOCK FIRST NATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

**1. Description of Entity**

The Woodstock First Nation operates a First Nations Band in Woodstock, New Brunswick for the benefit of its members.

**2. Basis of Presentation and Significant Accounting Policies**

These financial statements are prepared in accordance with Canadian public sector accounting standards for governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

**(a) Reporting entity**

The Woodstock First Nation reporting entity includes the Woodstock First Nation government, the Woodstock First Nation Economic Development Corporation, and all related entities which are accountable to the First Nation and are either owned or controlled by the First Nation. The Woodstock First Nation Economic Development Corporation includes the Eagle's Nest and three gas bar operations.

**(b) Principles of consolidation**

All controlled entities are fully consolidated on a line-by-line basis except for the commercial enterprises which meet the definition of government business enterprise, which are included in the Consolidated Financial Statements on a modified equity basis.

This method combines the accounts of distinct organizations. It requires uniform accounting policies for the organizations. Inter-organizational balances and transactions are eliminated under this method. This method reports the organizations as if they were one organization.

Under the modified equity method of accounting, only Woodstock First Nation's investment in the government business enterprise and the enterprise's net income and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprise that are different from those of Woodstock First Nation.

Organizations consolidated in Woodstock First Nation's financial statements include:

1. General Administration
2. Health Program
3. Operations and Maintenance
4. Capital Program
5. Education Program
6. Fisheries Program
7. Social Assistance Program
8. Forestry Program

Organizations accounted for on a modified equity basis include:

9. Economic Development

WOODSTOCK FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

**2. Basis of Presentation and Significant Accounting Policies, continued**

**(c) Asset classification**

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

**(d) Cash and cash equivalents**

The Woodstock First Nation considers cash on hand, short-term deposits and balances with banks, net of overdrafts as cash or cash equivalents.

**(e) Accounts Receivable**

Accounts receivable arise from trade receivables, loan and advances, and federal and provincial government receivables. Amounts deemed uncollectible are written off and deducted from the carrying value of the receivable. Amounts subsequently recovered from accounts previously written off are credited to the allowance account in the period of recovery.

**(f) Inventory**

Inventory is recorded at the lower of cost and net realizable value. Cost is determined on the FIFO basis. Net realizable value is the estimated selling price in the normal course of business.

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WOODSTOCK FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

**2. Basis of Presentation and Significant Accounting Policies, continued**

**(g) Tangible capital assets**

Tangible capital assets include acquired, built, developed and improved tangible capital assets, whose useful life extends beyond one year and which are intended to be used on an ongoing basis for producing goods or delivering services.

Tangible capital assets are reported at net book value.

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

Land improvements	8% Declining balance
Buildings	4% Declining balance
Automotive equipment	30% Declining balance
Computer equipment	55% Declining balance
Furniture and equipment	20% Declining balance
Equipment (including fishing vessels)	20% Declining balance
Wastewater treatment plant	5% Declining balance
Storm Water Project	10% Declining balance
Well Upgrades	10% Declining balance

**(h) Employee Future Benefits**

Provision is made for benefits accruing to employees in respect of wages and salaries, sick leave, annual vacation leave, and defined contributions to employee benefit plans when it is probable that settlement will be required and they are capable of being measured reliably.

**(i) Net Debt**

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. Net debt is comprised of two components, non-financial assets and accumulated surplus.

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WOODSTOCK FIRST NATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2020

**2. Basis of Presentation and Significant Accounting Policies, continued**

**(j) Revenue recognition**

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

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

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

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

**(k) Expense Recognition**

Expenses are recorded on the accrual basis as they are incurred and measurable based on receipt of goods or services and obligations to pay.

**(l) Foreign currency translation**

Assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rate in effect at the balance sheet date. Revenues and expenses denominated in foreign currencies are translated using average exchange rate for the year.

**(m) Income Taxes**

The First Nation is an Indian Band and is not subject to income tax. Accordingly, no provision has been made for income taxes.

**(n) Measurement uncertainty**

In preparing the consolidated financial statements of Woodstock First Nation, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the period. Items requiring the use of significant estimates include determination of amortization rates and residual values of tangible capital assets. Actual results could differ from these estimates.

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WOODSTOCK FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

2. Basis of Presentation and Significant Accounting Policies, continued

(o) Financial instruments

All significant financial assets, financial liabilities and equity instruments of the entity are either recognized or disclosed in the financial statements together with other information relevant for making a reasonable assessment of future cash flows, interest rate risk and credit risk.

3. Cash and cash equivalents

Under the terms of an agreement with Canada Mortgage and Housing Corporation, Woodstock First Nation must set aside funds annually for the repair, maintenance and replacement of worn out assets. These funds are to be held in a separate bank account and invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as otherwise approved by the Canada Mortgage and Housing Corporation with any interest earned to be credited as revenue to the Apartment Replacement and Subsidy Fund. Cash and cash equivalents is comprised of the following:

	2020	2019
Unrestricted Cash		
Operating	\$ 835,306	\$ 1,296,914
Restricted cash		
Capital planning	510,922	510,922
	<u>\$ 1,346,228</u>	<u>\$ 1,807,836</u>

4. Accounts receivable

	2020	2019
Trade accounts receivable	\$ 352,118	\$ 427,150
Payroll advances	137,497	123,826
	<u>\$ 489,615</u>	<u>\$ 550,976</u>

WOODSTOCK FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

5. Due from government and government organizations

	2020	2019
Indigenous Services Canada	\$ 2,714,337	\$ 1,617,271
Health Canada	24,225	128,974
Department of Fisheries and Oceans	443,719	112,945
Province of New Brunswick-HST rebates	563,239	859,077
Province of New Brunswick-VLT rebates	376,859	272,158
Province of New Brunswick-Other rebates	536,166	650,931
Government remittances	65,550	112,232
	<u>\$ 4,724,095</u>	<u>\$ 3,753,588</u>

6. Trust funds held by federal government

As these are not the assets or liabilities of the First Nation, they have not been included in these consolidated financial statements.

	2020	2019
Capital funds held in trust	\$ 180	\$ 180
Revenue funds held in trust	3,327	3,259
	<u>\$ 3,507</u>	<u>\$ 3,439</u>

	Opening Balance	Additions	March 31, 2020
Revenue	\$ 3,259	\$ 68	\$ 3,327
Capital	180	-	180
	<u>\$ 3,439</u>	<u>\$ 68</u>	<u>\$ 3,507</u>



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WOODSTOCK FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

7. Inventories for Resale

	2020	2019
Maliseet Fuels 1	\$ 172,875	\$ 101,320
Maliseet Fuels 2	281,342	196,151
Cardlock	264,116	172,238
Eagle's Nest	32,375	28,441
WFN Cannabis	95,000	-
Total Inventories for Resale	\$ 845,708	\$ 498,150

8. Accounts payable

	2020	2019
Trade payables	\$ 1,946,696	\$ 3,191,489
Accrued salaries and employee benefits payable	7,086	95,364
Total Accounts Payable and Accrued Liabilities	\$ 1,953,782	\$ 3,286,853

9. Contribution funding repayable to ISC

	2020	2019
Maintenance-Foster Homes (NPD1)	\$ (26,136)	\$ (130,677)
Leadership Gov Cap Dev (NG1A)	(140,000)	-
Admin & Support - Estates (NPJ0)	(31,086)	-
Total Contribution Funding repayable	\$ (197,222)	\$ (130,677)

WOODSTOCK FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

10. Deferred Revenue

Indigenous Services Canada

	2020	2019
Waste Water <1.5M	\$ -	\$ (150,000)
Flood Mitigation	(1,768,909)	(205,577)
Other Protection	-	(72,152)
Renovation	(5,000)	-
Total Deferred Revenue	\$ (1,773,909)	\$ (427,729)

11. Long-term debt

	2020	2019
Canadian Imperial Bank of Commerce Prime plus 1.5% loan, repayable in monthly installments of \$51,389 plus interest, due March 2020.	\$ -	\$ 616,667
Canadian Imperial Bank of Commerce Prime plus 1.5% loan, repayable in monthly installments of \$33,333 plus interest, due May 2021.	448,398	846,665
Canadian Imperial Bank of Commerce Prime plus 0.5% loan, repayable in monthly installments of \$5,135 plus interest, due February 2045.	1,535,397	-
Canadian Imperial Bank of Commerce Prime plus 0.5% loan, repayable in monthly installments of \$20,000 plus interest, due August 2046. \$6 million loan was not fully drawn as of Mar 31, 2020.	5,490,937	-
Canadian Imperial Bank of Commerce Prime plus 1.5% loan, repayable in monthly installments of \$3,417 plus interest, due November 2027.	314,333	355,333
Canadian Imperial Bank of Commerce 5.05% loan, repayable in monthly installments of \$455 including interest, due February 2028.	38,166	41,728
Canadian Imperial Bank of Commerce Prime plus 1.5% loan, repayable in monthly installments of \$642 plus interest, due November 2019.	-	5,135

WOODSTOCK FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

**11. Long-term debt, continued**

	2020	2019
Canada Mortgage and Housing Corporation Various mortgages at interest rates from 1.05% to 2.68%, repayable in blended monthly installments ranging from \$232 to \$1,448, guaranteed by the Minister of Indigenous Services Canada. These loans are related to CMHC housing projects and have varying repayment terms and maturity dates.	1,268,558	1,364,697
CNH Capital Canada Ltd. Loan payable in monthly principal installments of \$1,115, due December 2021.	24,220	37,601
Scotiabank 6.59% loan, repayable in monthly installments of \$904 including interest, due January 2022.	18,688	27,972
National Leasing Group 5.39% loan, repayable in monthly installments of \$3,288 including interest, due January 2021.	31,770	68,438
	9,170,467	3,364,236
Current portion	787,079	1,222,895
	\$ 8,383,388	\$ 2,141,341

Principal portion of long-term debt due within the next five years:

2021	\$ 787,079
2022	504,351
2023	437,946
2024	434,970
2025 and thereafter	7,006,121
	\$ 9,170,467

	2020	2019
Interest expense for the year on long-term debt	\$ 237,377	\$ 207,931

WOODSTOCK FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

12. Tangible Capital Assets

	Cost	Additions	Accumulated amortization	2020 Net book value
Land	\$ 930,967	\$ 881,537	\$ -	\$ 1,812,504
Buildings	20,666,547	4,470,119	6,570,686	18,565,980
Automotive equipment	1,328,314	54,000	1,123,519	258,795
Computer equipment	68,375	44,941	94,680	18,636
Furniture & Fixtures	286,319	20,305	257,084	49,540
Equipment	4,229,132	465,151	3,618,988	1,075,295
Wastewater treatment plant	1,081,625	-	740,343	341,282
Storm Water project	696,333	1,717,609	155,513	2,258,429
Well upgrades	3,435,697	-	1,549,460	1,886,237
Land improvements (new subdivision)	2,646,123	3,638,776	357,241	5,927,658
	<u>\$ 35,369,432</u>	<u>\$ 11,292,438</u>	<u>\$ 14,467,514</u>	<u>\$ 32,194,356</u>

	Cost	Additions	Accumulated amortization	2019 Net book value
Land	\$ 1,226,714	\$ (295,747)	\$ -	\$ 930,967
Buildings	17,070,423	3,596,124	5,717,564	14,948,982
Automotive equipment	1,177,934	150,380	988,125	340,189
Computer equipment	51,023	17,352	36,981	31,394
Furniture & Fixtures	282,333	3,986	247,238	39,081
Equipment	4,159,494	69,638	3,432,221	796,911
Wastewater treatment plant	1,081,625	-	722,381	359,244
Storm Water project	-	696,333	-	696,333
Well upgrades	3,408,163	27,534	1,339,878	2,095,819
Land improvements (new subdivision)	2,363,478	282,645	-	2,646,123
Fishing Licenses	297,500	(297,500)	-	-
	<u>\$ 31,118,687</u>	<u>\$ 4,250,745</u>	<u>\$ 12,484,388</u>	<u>\$ 22,885,043</u>

WOODSTOCK FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

13. Prepaid expenses

	2020	2019
Insurance	\$ 225,258	\$ 204,938
Tuition	262,454	262,454
Honorariums	219,275	192,775
Living Allowances	18,292	21,890
Wages	14,582	8,595
Other prepaid expenses	57,004	8,038
	<u>\$ 796,865</u>	<u>\$ 698,690</u>

14. Expenses by Object

	2020 Budget	2020 Actual	2019 Actual
Wages and benefits	\$ 4,564,000	\$ 4,595,936	\$ 4,277,021
Travel and accomodations	209,500	212,293	205,985
Training-HRD Expenses	412,000	446,251	447,600
Repairs, maintenance, renovations	2,107,306	2,291,323	2,052,553
Insurance	208,225	208,448	238,450
Interest and bank charges	294,000	290,092	177,344
Materials & supplies	400,200	424,356	354,589
Professional fees	281,000	274,204	289,400
Utilities and telephone	360,300	360,139	315,405
Contribution funding repayable	-	171,087	131,669
Health Expenses	359,800	374,820	370,166
Own source revenue expenses (Gas Bars, Eagle's Nest, Cannabis)	37,650,000	36,737,705	42,088,641
Forestry	513,000	514,660	95,179
Cultural-community events	245,500	309,236	286,419
Resource revenue sharing	500,000	510,879	457,000
Miscellaneous and members assistance	212,000	329,369	219,266
Elders	235,000	233,966	176,142
Social assistance	608,000	606,764	587,401
Fisheries expenses	302,500	288,227	646,121
Education	1,796,500	1,858,785	1,812,237
Other	214,750	287,817	243,138
	<u>\$ 51,473,581</u>	<u>\$ 51,326,357</u>	<u>\$ 55,471,726</u>

WALTER LOGUE

Chartered Professional Accountant

WOODSTOCK FIRST NATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2020

**15. Financial Instruments**

Woodstock First Nation is exposed to various risks through its financial instruments.

**Liquidity Risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Woodstock First Nation is exposed to this risk mainly in respect of its payment of funds for long-term debt, accounts payable, and government remittances payable.

**Interest Rate Risk**

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the entity manages exposure through its normal operating and financing activities. Woodstock First Nation is exposed to interest rate risk primarily through floating interest rates on certain bank loans.

**16. Economic Dependence**

The government of Woodstock First Nation receives a major portion of its revenue from Indigenous Services Canada and Health Canada. The nature and extent of this revenue is of such significance that the First Nation is economically dependent on this source of revenue.

**17. Annual surplus net of capital related revenues and amortization**

	2020	2019
Annual surplus (deficit)	\$ 4,371,650	\$ 6,002,803
Deduct: Federal government transfers for capital	(3,423,495)	(4,491,094)
Add: Amortization expense included in annual surplus	1,751,189	1,003,348
<u>Annual surplus net of capital related revenues and amortization</u>	<u>\$ 2,699,344</u>	<u>\$ 2,515,057</u>

WOODSTOCK FIRST NATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

**18. Government Transfers**

	<b>2020</b>		
	Operating	Capital	Total
<b>Federal government transfers (net of deferrals)</b>			
Indigenous Services Canada	\$ 6,739,601	\$ 3,423,495	\$ 10,163,096
Health Canada	838,093	-	838,093
Canada Mortgage and Housing Corporation	141,078	-	141,078
Department of Fisheries and Oceans Canada	680,843	-	680,843
Wolastoquey Tribal Council	285,107	-	285,107
First Nation Education Initiatives	171,666	-	171,666
North Shore Mi'kmaq District Council	69,260	-	69,260
<b>Total</b>	<b>8,925,648</b>	<b>3,423,495</b>	<b>12,349,143</b>
<b>Provincial government transfers</b>	<b>8,825,519</b>	<b>-</b>	<b>8,825,519</b>
	<b>\$ 17,751,167</b>	<b>\$ 3,423,495</b>	<b>\$ 21,174,662</b>

	<b>2019</b>		
	Operating	Capital	Total
<b>Federal government transfers (net of deferrals)</b>			
Indigenous Services Canada	\$ 4,115,350	\$ 4,491,094	\$ 8,606,444
Health Canada	819,436	-	819,436
Canada Mortgage and Housing Corporation	85,279	-	85,279
Department of Fisheries and Oceans Canada	226,795	-	226,795
Wolastoquey Tribal Council	220,285	-	220,285
First Nation Education Initiatives	192,537	-	192,537
North Shore Mi'kmaq District Council	102,287	-	102,287
<b>Total</b>	<b>5,761,969</b>	<b>4,491,094</b>	<b>10,253,063</b>
<b>Provincial government transfers</b>	<b>9,395,923</b>	<b>-</b>	<b>9,395,923</b>
	<b>\$ 15,157,892</b>	<b>\$ 4,491,094</b>	<b>\$ 19,648,986</b>

**19. Reclassification of prior year presentation**

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the overall reported results of operations.

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WOODSTOCK FIRST NATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

**20. Subsequent events**

The outbreak of the COVID-19 virus has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include travel bans, self-imposed quarantine periods, and social and physical distancing, have caused disruptions to businesses locally, nationally and globally. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of this world economic event is unknown and therefore, the impact on Woodstock First Nation, if any, is not determinable.