

WOODSTOCK FIRST NATION

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

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CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2021

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WOODSTOCK FIRST NATION

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

MARCH 31, 2021

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, 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

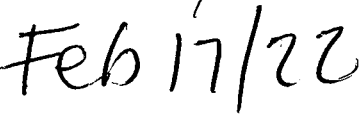

Councillor


Date

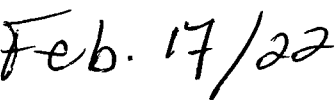

Councillor


Date


Peggy Wright


Feb 17/22


Rhonda Alain


Feb. 17/22

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, 2021, 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, 2021, 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

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 21 - 31 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 Accountants

Fredericton, New Brunswick
September 16, 2021

WOODSTOCK FIRST NATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
MARCH 31, 2021

	2021	2020
Financial Assets		
Cash (Note 3)	\$ -	\$ 835,306
Restricted cash (Note 3)	510,922	510,922
Accounts receivable (Note 4)	1,491,347	489,615
Due from government and government organizations (Note 5)	2,283,777	4,724,095
Federal trust funds (Note 6)	3,574	3,507
Inventory (Note 7)	904,997	845,708
	<u>5,194,617</u>	<u>7,409,153</u>
Liabilities		
Bank indebtedness	1,187,871	-
Accounts payable (Note 8)	1,914,209	1,953,782
Contribution funding repayable to ISC (Note 9)	171,087	197,222
Deferred revenue (Note 10)	240,735	1,773,909
Long-term debt (Note 11)	8,931,697	9,170,467
	<u>12,445,599</u>	<u>13,095,380</u>
Net debt	<u>(7,250,982)</u>	<u>(5,686,227)</u>
Non-financial Assets		
Capital assets (Note 13)	36,496,010	32,194,356
Prepaid expenses (Note 14)	929,295	796,865
	<u>37,425,305</u>	<u>32,991,221</u>
Accumulated Surplus	<u>\$ 30,174,323</u>	<u>\$ 27,304,994</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, 2021

	2021 Budget	2021 Actual	2020
<u>Surplus</u>	<u>\$ 5,041,453</u>	<u>\$ 2,869,329</u>	<u>\$ 4,316,766</u>
Acquisition of tangible capital assets	-	(6,541,272)	(11,060,501)
Amortization of tangible capital assets	-	2,239,618	1,751,189
	-	(4,301,654)	(9,309,312)
Acquisition of prepaid asset	-	(132,430)	(98,175)
Increase (decrease) in net financial assets	5,041,453	(1,564,755)	(5,090,721)
Net debt at beginning of year	-	(5,686,227)	(595,506)
<u>Net debt at end of year</u>	<u>\$ -</u>	<u>\$ (7,250,982)</u>	<u>\$ (5,686,227)</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, 2021

	2021 Budget	2021 Actual	2020 Actual
Revenue			
Federal Government:			
Indigenous Services Canada (Note 17)	\$ 7,114,000	\$ 6,593,604	\$ 10,163,096
Health Canada	820,000	1,087,261	838,093
HRD Funding	369,034	363,576	377,162
Canada Mortgage and Housing Corporation	142,000	107,743	141,078
Department of Fisheries and Ocean	236,500	247,384	680,843
Provincial Government	2,600,000	2,379,774	3,422,799
FNEII Funding	90,000	2,533	171,666
Other Revenue	27,500	48,647	28,349
Rental Income	36,000	64,875	36,000
Deferred revenue, opening	-	1,773,909	427,729
Deferred revenue, closing	-	(240,735)	(1,773,909)
Economic Activities	46,455,000	35,143,313	42,881,406
Royalties	-	134,378	-
	57,890,034	47,706,262	57,394,312
Expenditures			
General Administration	4,400,350	4,264,330	4,943,961
Health	827,300	1,055,375	830,494
Operations & Maintenance	1,187,006	1,009,915	1,204,540
Capital	935,000	1,577,413	497,160
Education	2,272,800	2,068,870	2,339,449
Fisheries	1,983,500	1,547,466	1,999,283
Economic Development	38,600,000	28,107,003	36,737,706
Social Assistance	692,200	842,166	690,367
Child and Family Services	1,356,625	1,441,113	1,458,797
Forestry	638,800	683,661	624,600
	52,893,581	42,597,312	51,326,357
Surplus before other expense	5,041,453	5,108,947	6,067,955
Other expense			
Amortization	-	(2,239,618)	(1,751,189)
Surplus	5,041,453	2,869,329	4,316,766
Accumulated surplus at beginning of year	-	27,304,994	22,988,228
Accumulated surplus at end of year	\$ 5,041,453	\$ 30,174,323	\$ 27,304,994

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, 2021

	2021	2020
Cash flows from		
Operating activities		
Surplus	\$ 2,869,329	\$ 4,316,766
Items not affecting cash		
Amortization expense	2,239,618	1,751,189
	5,108,947	6,067,955
Change in non-cash operating working capital		
Accounts receivable	(1,001,732)	61,361
A/R Gov't and Gov't organizations	2,440,318	(970,507)
Inventory	(59,289)	(347,558)
Prepaid expenses	(132,430)	(98,175)
Accounts payable	(39,573)	(1,333,070)
Deferred Revenue	(1,533,174)	1,346,180
Contribution funding repayable to ISC	(26,135)	66,545
	4,756,932	4,792,731
Capital activities		
Acquisition of tangible capital assets	(6,541,273)	(11,060,501)
Financing activities		
Proceeds from long term debt	575,735	7,031,400
Repayment of long term debt	(814,571)	(1,225,238)
	(238,836)	5,806,162
Increase in cash and cash equivalents	(2,023,177)	(461,608)
Cash and cash equivalents, beginning of year	1,346,228	1,807,836
Cash and cash equivalents, end of year	\$ (676,949)	\$ 1,346,228
Represented by		
Cash	\$ -	\$ 835,306
Cash	(1,187,871)	-
Restricted cash	510,922	510,922
	\$ (676,949)	\$ 1,346,228

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, 2021

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, 2021

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.

WOODSTOCK FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2021

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.

WOODSTOCK FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2021

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.

WOODSTOCK FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

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:

	2021	2020
Unrestricted Cash		
Operating	\$ (1,187,871)	\$ 835,306
Restricted cash		
Capital planning	510,922	510,922
	\$ (676,949)	\$ 1,346,228

4. Accounts receivable

	2021	2020
Trade accounts receivable	\$ 1,340,687	\$ 352,118
Payroll advances	150,660	137,497
	\$ 1,491,347	\$ 489,615

WOODSTOCK FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2021

5. Due from government and government organizations

	2021	2020
Indigenous Services Canada	\$ 824,424	\$ 2,714,337
Health Canada	-	24,225
Department of Fisheries and Oceans	247,384	443,719
Province of New Brunswick-HST rebates	565,916	563,239
Province of New Brunswick-VLT rebates	188,363	376,859
Province of New Brunswick-Other rebates	391,554	536,166
Government remittances	66,136	65,550
	<u>\$ 2,283,777</u>	<u>\$ 4,724,095</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.

	2021	2020
Capital funds held in trust	\$ 180	\$ 180
Revenue funds held in trust	3,394	3,327
	<u>\$ 3,574</u>	<u>\$ 3,507</u>

	Opening Balance	Additions	March 31, 2021
Revenue	\$ 3,327	\$ 67	\$ 3,394
Capital	180	-	180
	<u>\$ 3,507</u>	<u>\$ 67</u>	<u>\$ 3,574</u>

WOODSTOCK FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

7. Inventories for Resale

	2021	2020
Maliseet Fuels 1	\$ 284,542	\$ 172,875
Maliseet Fuels 2	243,583	281,342
Cardlock	196,142	264,116
Eagle's Nest	27,014	32,375
WFN Cannabis	153,716	95,000
Total Inventories for Resale	\$ 904,997	\$ 845,708

8. Accounts payable

	2021	2020
Trade payables	\$ 1,896,835	\$ 1,946,696
Accrued salaries and employee benefits payable	17,374	7,086
Total Accounts Payable and Accrued Liabilities	\$ 1,914,209	\$ 1,953,782

9. Contribution funding repayable to ISC

	2021	2020
Maintenance-Foster Homes (NPD1)	\$ -	\$ (26,136)
Leadership Gov Cap Dev (NG1A)	(140,000)	(140,000)
Admin & Support - Estates (NPJ0)	(31,087)	(31,086)
Total Contribution Funding repayable	\$ (171,087)	\$ (197,222)

WOODSTOCK FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

10. Deferred Revenue

Indigenous Services Canada

	2021	2020
Flood Mitigation	\$ (235,735)	\$ (1,768,909)
Renovation	(5,000)	(5,000)
Total Deferred Revenue	\$ (240,735)	\$ (1,773,909)

11. Long-term debt

	2021	2020
Canadian Imperial Bank of Commerce Prime plus 1.5% loan, repayable in monthly installments of \$33,333 plus interest, due May 2021.	\$ 46,667	\$ 448,398
Canadian Imperial Bank of Commerce Prime plus 0.5% loan, repayable in monthly installments of \$5,135 plus interest, due February 2045.	1,473,776	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.	5,842,000	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.	273,333	314,333
Canadian Imperial Bank of Commerce 5.05% loan, repayable in monthly installments of \$455 including interest, due February 2028.	34,436	38,166
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.	1,179,472	1,268,558
CNH Capital Canada Ltd. Loan payable in monthly principal installments of \$1,115, due December 2021.	10,840	24,220

WOODSTOCK FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2021

11. Long-term debt, continued

	2021	2020
Scotiabank 6.59% loan, repayable in monthly installments of \$904 including interest, due January 2022.	8,774	18,688
National Leasing Group 5.39% loan, repayable in monthly installments of \$3,288 including interest, due January 2021.	-	31,770
Ford Credit Canada 8.77% lease, repayable in monthly installments of \$1,632 including interest, due Dec 2024.	62,399	-
	8,931,697	9,170,467
Current portion	517,310	787,079
	<u>\$ 8,414,387</u>	<u>\$ 8,383,388</u>

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

2022	\$ 517,310
2023	453,981
2024	452,444
2025	449,424
2026 and thereafter	7,058,538
	<u>\$ 8,931,697</u>

	2021	2020
Interest expense for the year on long-term debt	<u>\$ 264,451</u>	<u>\$ 237,377</u>

WOODSTOCK FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2021

12. Contingent Liabilities

Woodstock First Nation entered into a limited partnership with Wisokolamson Energy LP. The nature of this partnership is constructing, maintaining, and operating a wind power generation facility in Albert County, NB. Woodstock First Nation will receive annually, \$100,000 or 2.4% of the income earned in the previous calendar year, whichever is greater.

As part of this partnership, 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 Woodstock First Nation's financial statements.

As at the independent auditor's report date, no liability or expense is recorded nor anticipated.

WOODSTOCK FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2021

13. Tangible Capital Assets

	Cost	Additions	Accumulated amortization	2021 Net book value
Land	\$ 1,812,504	\$ 153,957	\$ -	\$ 1,966,462
Buildings	25,136,666	3,038,742	7,374,100	20,801,308
Automotive equipment	1,382,314	357,148	1,254,730	484,731
Computer equipment	113,316	13,859	116,973	10,202
Furniture & Fixtures	306,624	17,151	268,707	55,067
Equipment	4,694,283	45,063	3,838,553	900,793
Wastewater treatment plant	1,081,625	-	757,407	324,218
Storm Water project	2,413,942	2,915,354	527,124	4,802,171
Well upgrades	3,435,697	-	1,738,084	1,697,613
Land improvements (new subdivision)	6,284,899	-	831,454	5,453,445
	\$ 46,661,870	\$ 6,541,274	\$ 16,707,132	\$ 36,496,010

	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
	\$ 35,369,432	\$ 11,292,438	\$ 14,467,514	\$ 32,194,356

WOODSTOCK FIRST NATION

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14. Prepaid expenses

	2021	2020
Insurance	\$ 307,654	\$ 225,258
Tuition	292,354	262,454
Honorariums (Core)	292,525	219,275
Living Allowances	17,335	18,292
Wages	8,092	14,582
Other prepaid expenses	11,335	57,004
	<u>\$ 929,295</u>	<u>\$ 796,865</u>

15. Expenses by Object

	2021 Budget	2021 Actual	2020 Actual
Wages and benefits	\$ 4,489,000	\$ 4,333,820	\$ 4,595,936
Travel and accomodations	209,500	79,956	212,293
Training-HRD Expenses	412,000	326,063	446,251
Repairs, maintenance, renovations	2,577,306	2,996,080	2,291,323
Insurance	208,225	293,242	208,448
Interest and bank charges	294,000	290,111	290,092
Materials & supplies	400,200	356,994	424,356
Professional fees	281,000	304,015	274,204
Utilities and telephone	360,300	374,237	360,139
Contribution funding repayable	-	-	171,087
Health Expenses	359,800	554,103	374,820
Own source revenue expenses (Gas Bars, Cannabis)	38,600,000	28,107,003	36,737,705
Forestry	513,000	565,150	514,660
Cultural-community events	245,500	150,478	309,236
Resource Revenue sharing	500,000	450,012	510,879
Miscellaneous and members assistance	212,000	120,942	231,557
Elders	235,000	120,225	233,966
Social assistance	608,000	634,136	606,764
Fisheries expenses	302,500	224,341	288,227
Education	1,796,500	1,647,687	1,858,785
Other	214,750	357,743	214,216
Emergency Measures-Covid 19	-	200,213	97,812
Economic Development wages, travel, supplies, etc.	75,000	110,761	73,601
	<u>\$ 52,893,581</u>	<u>\$ 42,597,312</u>	<u>\$ 51,326,357</u>

WOODSTOCK FIRST NATION
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16. 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.

17. 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.

18. Annual surplus net of capital related revenues and amortization

	2021	2020
Annual surplus (deficit)	\$ 2,748,099	\$ 4,316,766
Deduct: Federal government transfers for capital	(2,287,996)	(3,423,495)
Add: Amortization expense included in annual surplus	2,239,618	1,751,189
Annual surplus net of capital related revenues and amortization	\$ 2,699,721	\$ 2,644,460

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19. Government Transfers

	2021		
	Operating	Capital	Total
Federal government transfers (net of deferrals)			
Indigenous Services Canada	\$ 4,231,258	\$ 2,287,996	\$ 6,519,254
Health Canada	1,087,261	-	1,087,261
Canada Mortgage and Housing Corporation	107,743	-	107,743
Department of Fisheries and Oceans Canada	247,384	-	247,384
Wolastoquey Tribal Council	329,712	-	329,712
First Nation Education Initiatives	2,533	-	2,533
North Shore Mi'kmaq District Council	33,864	-	33,864
First Nation Land Management Resource Centre	120,953	-	120,953
Wolastoquey Nation	68,022	-	68,022
Total	6,228,730	2,287,996	8,516,726
Provincial government transfers	7,712,110	-	7,712,110
	\$ 13,940,840	\$ 2,287,996	\$ 16,228,836
	2020		
	Operating	Capital	Total
Federal government transfers (net of deferrals)			
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
Total	8,925,648	3,423,495	12,349,143
Provincial government transfers	8,825,519	-	8,825,519
	\$ 17,751,167	\$ 3,423,495	\$ 21,174,662

20. 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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21. Subsequent events

1. 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.

2. During April, 2021, the First Nation was advised in writing by the Province of NB that it was providing twelve months notice that the agreement between the two parties related to the collection of provincial tobacco tax, gasoline and motive fuel tax, and the harmonized sales tax is being terminated.

Additionally, the Province expressed its' intent to engage with the First Nation in discussion on a new economic partnership between all NB First Nation Communities and the Government of NB. Further, the Province confirmed its' intention to create dependable and sustainable revenue streams that are fair and equitable.

These tax agreements have created considerable economic benefits to the First Nation such that any alteration to the calculation of benefits derived from the tax agreement would have a material impact to the First Nation's financial resources and various business operations.

As at the independent auditor's report date, any agreement to replace the one set to expire in April, 2022 is indeterminable. Therefore, the impact to the Community cannot yet be quantified.

The Chief and Council intend to work diligently with efforts to negotiate a fair remedy.