

WOODSTOCK FIRST NATION

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023

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WOODSTOCK FIRST NATION

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

MARCH 31, 2023

The accompanying consolidated financial statements are the responsibility of management. 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 judgments.

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.

Lenehan McCain & Associates, an independent firm of accountants, has been engaged to examine the consolidated financial statements in accordance with Canadian generally accepted auditing standards. Their report stating the scope of their examination and opinion on the consolidated financial statements, follows.

Chief

Al Paethos
Councillor

Councillor

Councillor

Councillor

Councillor

Councillor

Councillor

Councillor

Councillor

Date

March 26/2023

Independent Auditor's Report

To the Council and Members of
Woodstock First Nation

Opinion

We have audited the consolidated financial statements of Woodstock First Nation, which comprise the consolidated statement of financial position as at March 31, 2023, and the consolidated statements of operations and accumulated surplus, change in net financial assets (debt) and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2023, and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

This audit was conducted for the purpose of forming an opinion on the basic financial statements of the First Nation taken as a whole. The supplementary information included on the schedules on pages 20 - 29 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.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

Independent Auditor's Report, continued

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

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

Chartered Professional Accountants

Woodstock, New Brunswick
December 14, 2023

WOODSTOCK FIRST NATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
MARCH 31, 2023

	2023	2022
Financial Assets		
Cash (Note 2)	\$ 9,027,312	\$ 8,889,835
Restricted cash (Note 2)	510,922	510,922
Accounts receivable (Note 3)	1,517,691	1,352,419
Due from government and government organizations (Note 4)	9,078,950	12,386,331
Federal trust funds (Note 5)	3,756	3,643
Inventory (Note 6)	804,803	829,548
	20,943,434	23,972,698
Liabilities		
Accounts payable (Note 7)	3,797,192	2,470,399
Contribution funding repayable to ISC (Note 8)	31,087	31,087
Deferred revenue (Note 9)	6,338,023	14,641,043
Long-term debt (Note 10)	8,513,564	8,984,743
	18,679,866	26,127,272
Net financial assets (debt)	2,263,568	(2,154,574)
Non-financial Assets		
Tangible capital assets (Note 12)	41,178,903	36,609,208
Prepaid expenses (Note 13)	1,109,365	1,154,746
	42,288,268	37,763,954
Accumulated Surplus	\$ 44,551,836	\$ 35,609,380

Approved on behalf of the Woodstock First Nation

Chief Dan Paul, Chief
Wendy Paul, Councillor
Deb Pal-Boblet, Councillor
Shawn Paul, Councillor
Jerry Fota, Councillor
Deb Pal-Boblet, Councillor

Dawn M. Paul, Councillor
Clay Polashuk, Councillor
S. McEllan, Councillor
Jaclyn Paul, Councillor
Dawn M. Paul, Councillor

WOODSTOCK FIRST NATION

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS (DEBT)

FOR THE YEAR ENDED MARCH 31, 2023

	2023 Budget	2023 Actual	2022 Actual
Surplus	\$ 5,511,037	\$ 8,942,454	\$ 5,435,057
Acquisition of tangible capital assets	-	(7,084,916)	(2,557,375)
Amortization of tangible capital assets	2,500,000	2,515,223	2,431,176
Diposal of tangible capital asset	-	-	13,000
	2,500,000	(4,569,693)	(113,199)
Decrease (increase) of prepaid assets	45,381	45,381	(225,451)
Increase in net financial assets	8,056,418	4,418,142	5,096,407
Net debt at beginning of year	(2,154,574)	(2,154,574)	(7,250,981)
Net assets (debt) at end of year	\$ 5,901,844	\$ 2,263,568	\$ (2,154,574)

The accompanying notes are an integral part of the financial statements

WOODSTOCK FIRST NATION

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

FOR THE YEAR ENDED MARCH 31, 2023

	2023 Budget	2023 Actual	2022 Actual
Revenue			
Federal Government:			
Indigenous Services Canada	\$ 5,796,100	\$ 8,989,435	\$ 22,623,984
Health Canada	1,250,000	1,242,292	1,569,796
Service Canada	390,000	667,299	812,729
Department of Fisheries and Oceans	250,000	268,975	461,570
Canada Mortgage and Housing Corporation	110,000	126,048	106,505
ISC late funding adjustment 22/23 year	-	471,539	-
Economic Activities	52,625,000	54,045,777	50,881,232
Provincial Government	3,610,000	4,346,420	4,103,414
Rental Income	215,000	215,980	215,980
Royalties	120,000	118,070	121,126
Other Revenue	695,000	762,915	189,999
Deferred revenue, opening	14,641,043	14,641,043	240,735
Deferred revenue, closing	(5,000,000)	(6,338,023)	(14,641,043)
	74,702,143	79,557,770	66,686,027
Expenditures			
General Administration	10,265,000	6,013,148	4,768,561
Health	1,272,500	1,380,891	1,254,926
Operations & Maintenance	1,059,306	1,446,007	1,284,156
Capital	1,165,000	1,258,145	1,158,152
Education	2,735,200	3,532,324	2,531,155
Fisheries	1,956,000	2,116,592	2,255,103
Economic Development	45,200,000	48,682,094	42,618,804
Social Assistance	876,500	1,049,659	942,234
Child and Family Services	1,521,000	1,775,915	1,431,340
Forestry	640,600	845,318	614,863
	66,691,106	68,100,093	58,859,294
Surplus before other expense	8,011,037	11,457,677	7,826,733
Other expense			
Amortization	(2,500,000)	(2,515,223)	(2,431,176)
Gain on asset disposal	-	-	39,500
	(2,500,000)	(2,515,223)	(2,391,676)
Surplus	5,511,037	8,942,454	5,435,057
Accumulated surplus at beginning of year	35,609,380	35,609,380	30,174,323
Accumulated surplus at end of year	\$ 41,120,417	\$ 44,551,834	\$ 35,609,380

The accompanying notes are an integral part of the financial statements

WOODSTOCK FIRST NATION
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2023

	2023	2022
Cash flows from Operating activities		
Surplus	\$ 8,942,454	\$ 5,435,057
Items not affecting cash		
Amortization expense	2,515,223	2,431,176
Gain on disposal of asset	-	(39,500)
	11,457,677	7,826,733
Change in non-cash operating working capital		
Accounts receivable	(165,272)	138,928
A/R Gov't and Gov't organizations	3,307,381	(10,102,554)
Inventory	24,745	75,449
Prepaid expenses	45,381	(225,451)
Accounts payable	1,326,794	556,190
Increase in trust funds	(113)	(69)
Deferred revenue increase (decrease)	(8,303,020)	14,400,308
Contribution funding repayable to ISC	-	(140,000)
	7,693,573	12,529,534
Capital activities		
Acquisition of tangible capital assets	(7,084,916)	(2,557,375)
Proceeds on disposal of tangible capital assets	-	52,500
	(7,084,916)	(2,504,875)
Financing activities		
Proceeds from long term debt	-	600,000
Repayment of long term debt	(471,180)	(546,953)
	(471,180)	53,047
Increase in cash and cash equivalents	137,477	10,077,706
Cash and cash equivalents, beginning of year	9,400,757	(676,949)
Cash and cash equivalents, end of year	\$ 9,538,234	\$ 9,400,757
Represented by		
Cash	\$ 9,027,312	\$ 8,889,835
Restricted cash	510,922	510,922
	\$ 9,538,234	\$ 9,400,757

The accompanying notes are an integral part of the financial statements

WOODSTOCK FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2023

1. 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 Chartered Professional Accountants of Canada.

(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 retail fuel operations.

(b) Principles of consolidation

All controlled entities are fully consolidated on a line-by-line basis.

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

1. General Administration
2. Health
3. Operations and Maintenance
4. Capital
5. Education
6. Fisheries
7. Social Assistance
8. Forestry
9. Child and Family Services
10. Woodstock First Nation Economic Development Corp.

(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 capital 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.

WOODSTOCK FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2023

1. Basis of Presentation and Significant Accounting Policies, continued

(e) Accounts Receivable

Accounts receivable arise from trade receivables, loan and advances, and funding partner organizations. 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.

(g) Tangible capital assets

Tangible capital assets include acquired, constructed, 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) Net Debt/Assets

The First Nation's financial statements are presented so as to highlight financial assets or net debt as the measurement of financial position. The net assets or 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, 2023

1. Basis of Presentation and Significant Accounting Policies, continued

(i) 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.

(j) 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.

(k) 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.

(l) 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 as well as provision for uncollectible accounts receivable. Actual results could differ from these estimates.

(m) 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.

WOODSTOCK FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2023

2. 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 certain housing 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 Replacement Reserve Fund. Cash and cash equivalents is comprised of the following:

	2023	2022
Unrestricted Cash		
Operating	\$ 9,027,312	\$ 8,889,835
Restricted cash		
CMHC replacement reserve	510,922	510,922
	\$ 9,538,234	\$ 9,400,757

3. Accounts receivable

	2023	2022
Trade accounts receivable		
Payroll advances	\$ 1,260,699	\$ 1,163,487
	256,992	188,932
Total	\$ 1,517,691	\$ 1,352,419

4. Due from government and government organizations

	2023	2022
Indigenous Services Canada		
ISC late funding adjustment 22/23 year	\$ 7,392,386	\$ 9,452,248
Health Canada	471,539	-
Department of Fisheries and Oceans	-	14,694
Province of New Brunswick	403,876	521,570
Government remittances	650,239	2,333,727
	160,910	64,092
	\$ 9,078,950	\$ 12,386,331

WOODSTOCK FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2023

5. Trust funds held by federal government

	Opening Balance		Additions		March 31, 2023
Revenue	\$ 3,463		\$ 113		\$ 3,576
Capital	180		-		<u>180</u>
	<hr/>		<hr/>		<hr/>
	\$ 3,643		\$ 113		\$ 3,756

6. Inventories for Resale

	2023	2022
Maliseet Fuels 1	\$ 199,845	\$ 233,945
Maliseet Fuels 2	286,386	256,788
Cardlock	183,667	202,598
Eagle's Nest	47,064	24,358
WFN Cannabis	87,841	111,859
<hr/>		
Total Inventories for Resale	<hr/>	<hr/>
	\$ 804,803	\$ 829,548

7. Accounts payable

	2023	2022
Trade payables	\$ 3,748,068	\$ 2,389,638
Accrued salaries and employee benefits payable	49,124	80,761
<hr/>		
Total	<hr/>	<hr/>
	\$ 3,797,192	\$ 2,470,399

8. Contribution funding repayable to ISC

	2023	2022
Admin & Support - Estates (NPJ0)	\$ (31,087)	\$ (31,087)

WOODSTOCK FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2023

9. Deferred Revenue

	2023	2022
ISC-Q3TO OSR replacement Covid-19	\$ 500,000	\$ 5,000,000
Health Canada-Q3OO Capital Investment (isolation bunker)	76,135	76,135
Health Canada-Q3U1 FNIHB-FES2020-Vent-HF	6,685	-
ISC-Q2C3 CFS Prevention	550,000	-
ISC-Q2BY Maintenance-Foster Homes	117,138	-
ISC-Q35N FNWWAP-WATER->1.5M	4,440,919	4,459,300
ISC-Q3TD Water-Over \$1.5M	-	4,683,500
ISC-Q32N Comprehensive Community Plan	29,566	50,000
ISC-Q3VO ICSF Need Base EMAP	-	36,398
ISC-Q3XM Capacity-Innovation	-	24,027
ISC-Q32H IM/IT Government capacity development	-	16,200
ISC-Q3QP Covid-19 LEDSP	-	70,784
ISC-Q3X7 Water-Over \$1.5M	603,000	-
ISC-Q3VT Comm Support Readiness Prg	14,580	-
ISC-Q3V9 ICSF Dir All EMAP	-	224,699
	\$ 6,338,023	\$ 14,641,043

WOODSTOCK FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2023

10. Long-term debt

	2023	2022
Canadian Imperial Bank of Commerce Prime plus 0.5% loan, repayable in monthly installments of \$5,135 plus interest, due February 2046.	\$ 1,351,333	\$ 1,412,155
Canadian Imperial Bank of Commerce Prime plus 0.5% loan, repayable in monthly installments of \$20,000 plus interest, due July 2045.	5,365,287	5,600,000
Canadian Imperial Bank of Commerce Prime plus 1.5% loan, repayable in monthly installments of \$3,417 plus interest, due December 2027.	191,978	232,333
Canadian Imperial Bank of Commerce 2.18% loan, repayable in monthly installments of \$452 including interest, due January 2028.	24,880	29,709
Canadian Imperial Bank of Commerce Prime plus 0.5% loan, repayable in monthly installments of \$2,000 plus interest, due February 2046.	550,759	574,000
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 Canada. These loans are related to CMHC housing projects and have varying repayment terms and maturity dates.	997,660	1,088,842
Ford Credit Canada 8.77% lease, repayable in monthly installments of \$1,632 including interest, due Dec 2024.	31,667	47,704
<u>Current portion</u>	<u>8,513,564</u>	<u>8,984,743</u>
	<u>476,986</u>	<u>478,629</u>
	\$ 8,036,578	\$ 8,506,114

WOODSTOCK FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2023

10. Long-term debt, continued

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

2024	\$ 476,986
2025	473,887
2026	458,031
2027	457,106
2028 and thereafter	<u>6,647,554</u>
	<hr/> <u>\$ 8,513,564</u>

11. Contingent Liabilities

Woodstock First Nation has entered into contribution agreements with various federal government departments. Funding received under these contribution agreements is subject to repayment if the First Nation fails to comply with the terms and conditions of the agreements. The likelihood of compliance reviews and any potential findings are not determinable as at the date on the auditor's report.

In the normal course of operations, the First Nation becomes involved in legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occurs 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 is recorded on the First Nation's financial statements. When the future event and/or ability to estimate involves more uncertainty, the action or claim is considered a contingent liability.

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, 2023

12. Tangible Capital Assets

	Cost	Additions	Accumulated amortization	2023 Net book value
Land	\$ 1,922,076	\$ -	\$ -	\$ 1,922,076
Buildings	29,756,667	3,152,669	9,210,086	23,699,251
Automotive equipment	1,766,841	195,310	1,573,919	388,233
Computer equipment	158,358	-	148,965	9,393
Furniture & Fixtures	323,774	29,119	291,444	61,449
Equipment	4,799,426	618,765	4,163,538	1,254,653
Wastewater treatment plant	1,081,625	-	789,018	292,607
Storm Water project	5,879,373	-	1,519,298	4,360,075
Well upgrades	3,435,697	-	2,060,630	1,375,067
Land improvements (new subdivision)	<u>6,545,679</u>	<u>3,089,053</u>	<u>1,818,633</u>	<u>7,816,099</u>
	<hr/> <u>\$ 55,669,516</u>	<hr/> <u>\$ 7,084,916</u>	<hr/> <u>\$ 21,575,531</u>	<hr/> <u>\$ 41,178,903</u>

	Cost	Additions	Accumulated amortization	2022 Net book value
Land	\$ 1,966,462	\$ (44,386)	\$ -	\$ 1,922,076
Buildings	28,175,408	1,581,260	8,285,958	21,470,710
Automotive equipment	1,739,461	27,380	1,415,957	350,884
Computer equipment	127,175	31,183	137,484	20,874
Furniture & Fixtures	323,774	-	279,721	44,053
Equipment	4,739,346	60,080	3,946,719	852,707
Wastewater treatment plant	1,081,625	-	773,618	308,007
Storm Water project	5,329,295	550,078	1,034,845	4,844,528
Well upgrades	3,435,697	-	1,907,845	1,527,852
Land improvements (new subdivision)	<u>6,284,899</u>	<u>260,780</u>	<u>1,278,161</u>	<u>5,267,518</u>
	<hr/> <u>\$ 53,203,142</u>	<hr/> <u>\$ 2,466,375</u>	<hr/> <u>\$ 19,060,308</u>	<hr/> <u>\$ 36,609,209</u>

WOODSTOCK FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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13. Prepaid expenses

	2023	2022
Insurance	\$ 379,376	\$ 358,131
Tuition	490,413	420,819
Honorariums (Core)	183,000	332,500
Post secondary living allowances	32,960	24,190
Wages	11,212	1,365
Other prepaid expenses	12,404	17,741
	<hr/> \$ 1,109,365	<hr/> \$ 1,154,746

WOODSTOCK FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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14. Expenses by object

	2023	2022
Wages and benefits	\$ 5,300,569	\$ 4,717,127
Travel and accomodations	156,522	90,790
Training-HRD expenses	818,888	513,448
Repairs, maintenance, renovations	2,697,573	2,424,506
Insurance	379,998	360,217
Interest and bank charges	509,974	299,213
Materials and supplies	854,583	472,018
Professional fees	399,313	321,624
Utilities and telephone	450,316	413,860
Contribution funding repayable	-	8,260
Health expenses	774,096	759,208
Own source revenue expenses (gas bars, cannabis)	48,682,094	42,618,804
Forestry subcontractors	729,586	504,333
Cultural-community events	171,234	43,038
Resource revenue sharing	503,300	499,409
Miscellaneous and members assistance	235,669	228,451
Child maintenance and prevention	615,569	608,204
Health and recreation	106,348	157,874
Elders	231,143	91,700
Social assistance	684,206	556,758
Fisheries expenses	327,553	238,954
Education	2,591,500	2,182,791
Other	305,156	195,487
Election costs	23,378	-
Emergency measures-Covid 19	138,916	223,699
MNCC-ECCC expenses	120,649	94,054
FN land managernent	78,681	85,509
Economic development wages, travel, supplies, etc.	213,279	149,958
	\$ 68,100,093	\$ 58,859,294

WOODSTOCK FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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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. The nature and extent of this agreement is of such significance that the First Nation is economically dependent on these sources of revenue.

17. Annual surplus net of capital related revenues, principal payments and amortization

	2023	2022
Annual surplus (deficit)	\$ 8,942,454	\$ 5,435,057
Deduct: Federal government transfers for capital	(5,444,442)	(422,905)
Deduct: Principal payments on long term debt	(471,180)	(546,953)
Add: Amortization expense included in annual surplus	2,515,223	2,431,176
 Annual surplus net of capital related revenues and amortization	 \$ 5,542,055	 \$ 6,896,375

WOODSTOCK FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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18. Government Transfers

	<u>2023</u>		
	Operating	Capital	Total
Federal government transfers (net of deferrals)			
Indigenous Services Canada	\$ 7,263,313	\$ 1,726,122	\$ 8,989,435
Health Canada	1,148,468	93,824	1,242,292
Canada Mortgage and Housing Corporation	126,048	-	126,048
Department of Fisheries and Oceans Canada	268,975	-	268,975
Wolastoquey Tribal Council	598,880	-	598,880
First Nation Land Management Resource Centre	18,665	-	18,665
North Shore Mi'kmaq District Council	32,562	-	32,562
Total	9,456,911	1,819,946	11,276,857
Provincial government transfers	11,973,604	-	11,973,604
	\$ 21,430,515	\$ 1,819,946	\$ 23,250,461
<hr/>			
	<u>2022</u>		
	Operating	Capital	Total
Federal government transfers (net of deferrals)			
Indigenous Services Canada	\$ 13,365,484	\$ 9,258,500	\$ 22,623,984
Health Canada	1,277,326	292,470	1,569,796
Canada Mortgage and Housing Corporation	106,505	-	106,505
Department of Fisheries and Oceans Canada	461,570	-	461,570
Wolastoquey Tribal Council	827,001	-	827,001
First Nation Land Management Resource Centre	124,951	-	124,951
North Shore Mi'kmaq District Council	32,562	-	32,562
Total	16,195,399	9,550,970	25,746,369
Provincial government transfers	9,881,412	-	9,881,412
	\$ 26,076,811	\$ 9,550,970	\$ 35,627,781

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.

WOODSTOCK FIRST NATION
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20. Taxation agreement

In 2021, the First Nation was advised in writing by the Province of NB that it was providing twelve months notice that the tax sharing 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 will have a material impact to the First Nation's financial resources and various business operations.

As at the independent auditor's report date, there is no new tax agreement to replace the one that expired in January, 2023. Accordingly, the impact to the Community is expected to be significant.