



Consolidated Financial Statements

Acadia First Nation

March 31, 2022

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Independent Auditor's Report

To the Chief and Council of
Acadia First Nation

Opinion

We have audited the consolidated financial statements of **Acadia First Nation** (the "Band"), which comprise the statement of financial position as at March 31, 2022, and the consolidated statements of operations, accumulated surplus, changes 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 and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of **Acadia First Nation** as at March 31, 2022, and the results of its consolidated operations, changes in net debt and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Other Matters

Our audit was conducted for the purposes of forming an opinion on the consolidated financial statements taken as a whole. The Schedules of revenues and expenditures on pages 26 to 38 are presented for purposes of additional information and are not a required part of the consolidated financial statements. Such information has been subject to the auditing procedures applied, only to the extent necessary to express an opinion, in the audit of the consolidated financial statements taken as a whole.

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 financial statements* section of our report. We are independent of the Band in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and Chief and Council for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Band's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Band or to cease operations, or has no realistic alternative to do so.

Chief and Council are responsible for overseeing the Band's financial reporting process.

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

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Band's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Band's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 Band 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 Band and its subsidiaries 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 Chief and Council 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.



Yarmouth, Canada
July 26, 2022

Chartered Professional Accountants

Acadia First Nation

Management's Responsibility for Financial Reporting

March 31, 2022

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

The consolidated financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards. Consolidated financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the consolidated financial statements are presented fairly, in all material respects.

The band maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the band's assets are appropriately accounted for and adequately safeguarded.

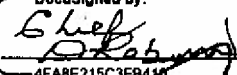
The band council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements.

The council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the consolidated financial statements and the external auditor's report.

The external auditors, Grant Thornton LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Acadia First Nation and meet when required.

On behalf of Acadia First Nation:

Chief

DocuSigned by:

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Band Manager



Acadia First Nation

Consolidated Statement of Operations

Year Ended March 31

	<u>Budget</u> <u>2022</u>	<u>Actual</u> <u>2022</u>	<u>Actual</u> <u>2021</u>
Revenues			
Federal government operating transfers	\$ 4,234,301	\$ 7,353,952	\$ 4,172,752
Federal government capital transfers	250,000	2,698,455	1,568,152
Provincial government operating transfers	200,000	153,726	108,558
Economic activities	10,850,000	12,810,017	10,784,796
Economic activities – incorporated entities	22,400,000	26,773,886	22,478,458
Other	<u>1,766,014</u>	<u>3,502,691</u>	<u>1,876,094</u>
	<u>39,700,315</u>	<u>53,292,727</u>	<u>40,988,810</u>
Expenses			
Band management and support	12,666,550	12,920,811	11,302,487
Education	871,464	987,750	742,333
Community maintenance	1,498,000	514,320	636,737
Social services	857,490	1,413,620	1,088,094
Community health	490,230	739,558	545,078
Housing	614,550	600,285	577,645
Fisheries	2,881,050	3,887,078	2,765,333
Training	432,500	434,948	380,858
Forestry	2,000	62,731	14,945
Incorporated entities	<u>17,549,500</u>	<u>23,017,439</u>	<u>18,059,730</u>
	<u>37,863,334</u>	<u>44,578,541</u>	<u>36,113,240</u>
Annual surplus	<u>\$ 1,836,981</u>	<u>\$ 8,714,186</u>	<u>\$ 4,875,570</u>

Federal government transfers (Note 20)

Consolidated Statement of Accumulated Surplus

	2022	2021
1. Operating income	1,000	1,000
2. Operating expenses	800	800
3. Operating income	200	200
4. Operating expenses	100	100
5. Operating income	100	100
6. Operating expenses	50	50
7. Operating income	50	50
8. Operating expenses	25	25
9. Operating income	25	25
10. Operating expenses	12.5	12.5
11. Operating income	12.5	12.5
12. Operating expenses	6.25	6.25
13. Operating income	6.25	6.25
14. Operating expenses	3.125	3.125
15. Operating income	3.125	3.125
16. Operating expenses	1.5625	1.5625
17. Operating income	1.5625	1.5625
18. Operating expenses	0.78125	0.78125
19. Operating income	0.78125	0.78125
20. Operating expenses	0.390625	0.390625
21. Operating income	0.390625	0.390625
22. Operating expenses	0.1953125	0.1953125
23. Operating income	0.1953125	0.1953125
24. Operating expenses	0.09765625	0.09765625
25. Operating income	0.09765625	0.09765625
26. Operating expenses	0.048828125	0.048828125
27. Operating income	0.048828125	0.048828125
28. Operating expenses	0.0244140625	0.0244140625
29. Operating income	0.0244140625	0.0244140625
30. Operating expenses	0.01220703125	0.01220703125
31. Operating income	0.01220703125	0.01220703125
32. Operating expenses	0.006103515625	0.006103515625
33. Operating income	0.006103515625	0.006103515625
34. Operating expenses	0.0030517578125	0.0030517578125
35. Operating income	0.0030517578125	0.0030517578125
36. Operating expenses	0.00152587890625	0.00152587890625
37. Operating income	0.00152587890625	0.00152587890625
38. Operating expenses	0.000762939453125	0.000762939453125
39. Operating income	0.000762939453125	0.000762939453125
40. Operating expenses	0.0003814697265625	0.0003814697265625
41. Operating income	0.0003814697265625	0.0003814697265625
42. Operating expenses	0.00019073486328125	0.00019073486328125
43. Operating income	0.00019073486328125	0.00019073486328125
44. Operating expenses	0.000095367431640625	0.000095367431640625
45. Operating income	0.000095367431640625	0.000095367431640625
46. Operating expenses	0.0000476837158203125	0.0000476837158203125
47. Operating income	0.0000476837158203125	0.0000476837158203125
48. Operating expenses	0.00002384185791015625	0.00002384185791015625
49. Operating income	0.00002384185791015625	0.00002384185791015625
50. Operating expenses	0.000011920928955078125	0.000011920928955078125
51. Operating income	0.000011920928955078125	0.000011920928955078125
52. Operating expenses	0.0000059604644775390625	0.0000059604644775390625
53. Operating income	0.0000059604644775390625	0.0000059604644775390625
54. Operating expenses	0.00000298023223876953125	0.00000298023223876953125
55. Operating income	0.00000298023223876953125	0.00000298023223876953125
56. Operating expenses	0.000001490116119384765625	0.000001490116119384765625
57. Operating income	0.000001490116119384765625	0.000001490116119384765625
58. Operating expenses	0.0000007450580596923828125	0.0000007450580596923828125
59. Operating income	0.0000007450580596923828125	0.0000007450580596923828125
60. Operating expenses	0.00000037252902984619140625	0.00000037252902984619140625
61. Operating income	0.00000037252902984619140625	0.00000037252902984619140625
62. Operating expenses	0.000000186264514923095703125	0.000000186264514923095703125
63. Operating income	0.000000186264514923095703125	0.000000186264514923095703125
64. Operating expenses	0.0000000931322574615478515625	0.00000009313

	Investment in Capital Assets	Unrestricted Fund	Funds on deposit with ISC	Replacement Reserve	Total	Total
Opening balance, as previously stated	\$ 8,821,260	\$ 22,007,121	\$ 11,800	\$ 184,571	\$ 31,024,752	\$ 26,055,786
Surplus	-	8,714,186	-	-	8,714,186	4,875,570
Change in prepaid expenses	-	(60,039)	-	-	(60,039)	93,396
Current year allocations	-	(38,633)	-	38,633	-	-
Interest earned	-	(3,041)	227	2,814	-	-
Transfer to replacement reserve	-	(511,875)	-	511,875	-	-
Ending balance	\$ 8,821,260	\$ 30,107,720	\$ 12,027	\$ 737,893	\$ 39,678,900	\$ 31,024,752

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Acadia First Nation

Consolidated Statement of Financial Position

March 31

2022

2021

Financial assets

Cash and cash equivalents	\$ 17,612,351	\$ 9,459,812
Receivables (Note 6)	1,633,377	1,283,345
Inventory held for resale (Note 1)	1,204,642	1,037,337
Restricted cash and deposits		
Funds on deposit at DISC (Note 15 a))	12,027	11,800
Funds on deposit at FNFA (Note 15 b))	1,147,386	1,133,413
CMHC reserves (Note 10)	187,385	184,571
	<u>21,797,167</u>	<u>13,110,276</u>

Financial liabilities

Payables and accruals (Note 9)	1,401,014	3,055,230
Deferred revenue (Note 3)	6,652,751	2,093,779
Assessment of sales tax, penalties and interest (Note 17)	1,136,438	1,436,438
Long-term debt (Note 8)	19,804,776	21,056,208
	<u>28,994,980</u>	<u>27,641,655</u>

Net debt

(7,197,812) (14,531,379)

Non-financial assets

Portfolio investments (Note 22)	2	2
Tangible capital assets (Note 7)	42,376,296	41,002,677
Intangibles (Note 1)	4,437,000	4,430,000
Prepaid expenses	63,414	123,452
	<u>46,876,712</u>	<u>45,556,131</u>

Accumulated surplus

\$ 39,678,900 \$ 31,024,752

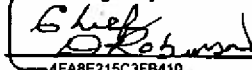
Accumulated surplus (Page 5)

\$ 39,678,900 \$ 31,024,752

Contingencies and commitments (Note 17)

On behalf of the Band

DocuSigned by:



Chief



Band Manager

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Acadia First Nation

Consolidated Statement of Changes in Net Debt

March 31	Budget	2022	2021
Surplus	\$ 1,836,981	\$ 8,714,186	\$ 4,875,570
Tangible capital asset additions	(4,000,000)	(3,914,464)	(12,480,527)
Loss on disposal of tangible capital assets	-	73,192	-
Addition of portfolio investments	-	-	(2)
Amortization of tangible capital assets	<u>2,300,000</u>	<u>2,460,653</u>	<u>1,937,905</u>
Decrease (Increase) in net debt	<u>\$ 136,981</u>	<u>7,333,567</u>	<u>(5,667,054)</u>
Net debt, beginning of year		<u>(14,531,379)</u>	<u>(8,864,325)</u>
Net debt, end of year		<u>\$ (7,197,812)</u>	<u>\$(14,531,379)</u>

Acadia First Nation

Consolidated Statement of Cash Flows

March 31 2022 2021

Increase (decrease) in cash and cash equivalents

Operations

Annual surplus	\$ 8,714,186	\$ 4,875,570
Amortization	2,460,653	1,937,905
Loss on disposal of tangible capital assets	73,192	-
Changes in non-cash operating working capital balances (Note 11)	<u>2,070,404</u>	<u>419,868</u>
	<u>13,318,435</u>	<u>7,233,343</u>

Financing

Advances of long-term debt, net of repayments	<u>(1,251,432)</u>	<u>1,152,691</u>
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Capital transactions

Purchase of tangible capital assets	<u>(3,914,464)</u>	<u>(12,480,527)</u>
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Increase (decrease) in cash and cash equivalents 8,152,539 (4,094,493)

Cash and cash equivalents

Beginning of year	<u>9,459,812</u>	<u>13,554,305</u>
End of year	<u>\$ 17,612,351</u>	<u>\$ 9,459,812</u>

Acadia First Nation

Notes to the Consolidated Financial Statements

Year Ended March 31, 2022

1. Summary of significant accounting policies

Reporting entity and principles of financial reporting

The consolidated financial statements of Acadia First Nation (the "Band") are the representations of management prepared in accordance with Canadian public sector accounting standards for local governments, as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada.

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

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

Principles of consolidation

The consolidated financial statements include the accounts of all funds and operations in which the Band has a controlling interest, after the elimination of inter-fund transactions and balances. The entities include the following Acadia First Nation Funds - Operating Fund, Capital Fund, Housing Fund, Development Fund, Fisheries Fund, Forestry Fund, Training Fund, Social Fund, Education Fund and Recreation Fund.

The Band had full control over the following enterprises during the year and their accounts have been consolidated. The enterprises recorded in this manner are Your Winner's World – AFN Ltd., Medway Entertainment – AFN, The Gold Nugget – AFN Ltd., Kespuwick Fisheries Incorporated, AFN Entertainment Centre/Winner's Corner – AFN, Hammonds Plains Entertainment AFN and 3321702 NS Ltd.

The retail enterprises operate a combination of video lottery terminals, bingo hall, convenience stores and gas bars. Kespuwick Resources manages the Fisheries operations on behalf of the Band. 3321702 NS Ltd. Operates the Tru By Hilton hotel located in Yarmouth.

Budget

The budget was approved by the Finance and Audit Committee on March 15, 2021 and by Chief and Council on March 23, 2021.

Revenues and expenditures – Canada Mortgage and Housing Corporation ("CMHC") Housing Projects

Revenues and expenditures are recorded according to the accrual basis of accounting. Rental revenue is recorded at a flat monthly rate and not on a rent-to-income basis as set out in the agreement with CMHC.

Rental revenue is only being collected from tenants on social assistance and all uncollected rental revenue is treated as bad debts. As part of consolidation, \$126,743 (2021 - \$154,256) was recorded as rental revenue in the Housing Fund and as rental expense in the Social Services Fund and \$219,190 (2021 – \$142,737) in contributions from the General Fund were eliminated.

Operating surplus reserve

The operating surplus reserve account is funded by an appropriation of surplus, including the annual charge to the replacement reserve as opposed to an annual charge to earnings for projects entered into under the 1997 Section 95 On-Reserve Housing Program.

Acadia First Nation

Notes to the Consolidated Financial Statements

Year Ended March 31, 2022

1. Summary of significant accounting policies (continued)

Replacement reserve

The replacement reserve account is funded by an annual charge against earnings as opposed to an appropriation of surplus and contributions received from CMHC.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks, bank overdrafts, and highly liquid temporary money market instruments with original maturities of three months or less. Bank borrowings are considered to be financing activities.

Tangible capital assets

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

Rates and bases of amortization applied to write-off the cost of property and equipment over their estimated lives are as follows:

Housing	25 yrs straight line basis
Commercial buildings	25 yrs straight line basis
Community buildings	25 yrs straight line basis
Furniture and equipment	10 yrs straight line basis
Paving and roads	30 yrs straight line basis
Forestry equipment	10 yrs straight line basis
Recreation	10 yrs straight line basis
Retail operations	10 yrs straight line basis
Motor vehicles	5 yrs straight line basis
Computers	4 yrs straight line basis
Fishing equipment and vessels	10 yrs straight line basis
Gas pumps	30 yrs straight line basis

Donated assets are recorded at a nominal value of \$1, unless otherwise noted. In the year of acquisition amortization of capital assets is calculated at the full annual rate as stated above.

Intangible assets

The Band classifies purchased fishing licenses and permits as intangible assets. These indefinite-lived fishing licenses and permits are recognized at cost and are not amortized.

The Band evaluates the carrying value of its licenses and permits annually for impairment. Should a permanent impairment be identified, the impairment will be recognized as a reduction in the carrying value and as a charge against income on the statement of operations in the period the impairment occurred.

RRAP expenditures

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

Inventory held for resale

Inventory is valued at the lower of cost and net realizable value. The cost of inventories includes the cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Costs such as storage costs, administrative overheads that do not contribute to bringing the inventories to their present location and condition, and selling costs are specifically excluded from the cost of inventories and are expensed in the period incurred. Inventory consists of tobacco products, gas and general retail products.

Acadia First Nation

Notes to the Consolidated Financial Statements

Year Ended March 31, 2022

1. Summary of significant accounting policies (continued)

Investments and portfolio investments

Investments, when held, are made up of treasury accounts with longer term maturities. Investments are recorded at cost which approximated market value. Share capital of the government business enterprises are recorded as long-term investments.

Portfolio investments are recorded at cost.

Interest rate risk

The Band has interest bearing loans on which general interest rate fluctuations apply. The financial risk is the risk to the Band's earnings that arises from fluctuations in interest rates and the degree of volatility of these rates. The Band does not use derivative instruments to reduce its exposure to interest and foreign currency risk.

Use of estimates

In preparing the Band's consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and reported amounts of revenue and expenses. Actual amounts could differ from these estimates. Estimates include expected useful lives of assets, accrued liabilities and allowances for doubtful accounts.

Concentrations of credit risk

Concentrations of credit risk exist if a number of customers are engaged in similar economic activities or are located in the same geographic region, and indicate the relative sensitivity of the Band's performance to developments affecting a particular segment of borrowers or geographic region. Geographic credit risk exists for the Band due to most of the fish buyers they are dealing with are all located in South West Nova Scotia. The exposure to credit risk associated with the non-performance of these customers can be directly impacted by a decline in economic conditions which would impair the buyers' ability to satisfy their obligations to the Band.

Net debt

The Band's consolidated financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt of the Band is determined by its liabilities less its financial assets. Net debt is comprised of two components, non-financial assets and accumulated surplus.

Revenue

All revenue is recorded on the accrual basis whereby amounts received or recorded as receivable are recognized when revenue is earned and collection is reasonably expected.

Funding received under the terms of contribution agreements with the provincial or federal government are recognized as revenue when the transfer has been authorized and stipulations or eligibility criteria have been met. Funding is recorded as deferred revenue until all stipulations or eligibility criteria that meet the definition of a liability are met.

Revenue from economic activities and other sources is recognized when goods or services are provided, the exchange amount is measureable and collectability of the amount is reasonably assured.

Acadia First Nation

Notes to the Consolidated Financial Statements

Year Ended March 31, 2022

1. Summary of significant accounting policies (continued)

Revenue (continued)

In December 2017, the Band through several of its wholly owned enterprises entered into a new fuel supply agreement with Sobeys Atlantic Fuel Co., operating as Shell. From April 1, 2017 to November 30, 2017 fuel was supplied via Wilsons Fuels whereby the fuel was held on consignment, as a result no inventory was recognized and revenue was recognized on a net basis. Under the new agreement with Shell, the inventory is now owned by the Band or enterprise, as a result inventory is recognized and revenue is recognized on a gross basis.

Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or 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 the Band's services, may be consumed in normal operations and are not for resale. Non-financial assets include tangible capital assets, prepaid expenses and inventories of supplies.

2. Future accounting standards

The Band will be required to adopt the following future accounting standards:

PS 3280 – *Asset retirement obligations*

This new section establishes the standards on how to account for and report a liability for asset retirement obligations. An asset retirement obligation is a legal obligation associated with the retirement of a tangible capital asset. The new section is effective for fiscal years beginning on or after April 1, 2022 with early adoption permitted.

PS 3400 – *Revenues*

This new section establishes the standards on how to account for and report revenue. The section distinguishes between revenue that arises from transactions that include performance obligations and transactions that do not have performance obligations. The new section is effective for fiscal years beginning on or after April 1, 2023 with early adoption permitted.

PS 3450 – *Financial Instruments*

This section establishes standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives and enhanced disclosure. The new section is effective for fiscal years beginning on or after April 1, 2022 with early adoption permitted.

The Band is currently assessing the impact of the new standards.

Acadia First Nation
Notes to the Consolidated Financial Statements
Year Ended March 31, 2022

3. Deferred revenue

	<u>Balance</u> <u>March 31, 2021</u>	<u>Funding</u> <u>Received</u>	<u>Funding</u> <u>Recognized</u>	<u>Balance</u> <u>March 31, 2022</u>
Indigenous Services Canada (ISC)				
– Contribution Funding	\$ 2,093,779	\$ 9,214,573	\$8,720,904	\$ 2,587,448
Canada Mortgage and Housing Corporation (CMHC)				
– Rapid Housing Initiative	-	4,468,145	402,842	4,065,303
	<u>\$ 2,093,779</u>	<u>\$13,682,718</u>	<u>\$9,123,746</u>	<u>\$ 6,652,751</u>

For the above projects, funding received was deferred as they were not substantially complete by year end. Indigenous Services Canada (ISC) contribution projects will be completed at various dates over the next year(s). The Rapid Housing Initiative project had secured a 10% deposit with T&C Homes at year end.

Acadia First Nation

Notes to the Consolidated Financial Statements

Year Ended March 31, 2022

4. Replacement reserve

Under the terms of the agreement with CMHC, the replacement reserve account is to be credited annually with an amount established by CMHC as a charge against earnings plus interest. For projects entered into under the pre 1997 Section 95 On-Reserve Housing Program (Series 14-283-576) a combined amount of \$750 is charged annually, and for projects entered into under the 1997 Section 95 On-Reserve Housing Program (Series 19-042-795) an amount of \$1,000 per unit is charged annually unless otherwise specified by Acadia First Nation.

These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. The funds in the account may only be used as approved by CMHC under the pre 1997 Section 95 On-Reserve Program. Under the 1997 Section 95 On-Reserve Program, funds may be withdrawn in accordance with Replacement Reserve Criteria, CMHC 3022. Withdrawals are credited to interest first and then principal.

5. Operating surplus reserve

Under the terms of the agreement with CMHC, excess revenues over expenditures, including the annual allocation to the Replacement Reserve, for projects entered into under the 1997 Sections 95 On-Reserve Program (Series 19-042-795) are to be maintained as an operating reserve fund. The fund is to be credited annually with future surpluses of such projects plus interest. The projects operating reserve fund may only be used for the on-going operating costs of the housing projects and future years' deficits.

This reserve is to be comprised of monies deposited in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by Canada Mortgage and Housing Corporation from time to time.

6. Receivables

	<u>2022</u>	<u>2021</u>
Mi'kmaw Kina'matnewey	\$ 83,175	\$ 2,800
Province of Nova Scotia	153,654	53,887
Indigenous Services Canada	692,500	1,155,000
Canada Mortgage and Housing Corporation	500,000	-
Mi'kmaq Employment/Training Secretariat	77,901	10,062
Other	<u>126,150</u>	<u>61,596</u>
	<u>\$ 1,633,379</u>	<u>\$ 1,283,345</u>

Acadia First Nation

Notes to the Consolidated Financial Statements

Year Ended March 31, 2022

7. Tangible capital assets

<u>Cost</u>	<u>Infrastructure</u>	<u>Land</u>	<u>Community Buildings</u>	<u>Commercial Buildings</u>	<u>Furniture & Equipment</u>	<u>Paving & Roads</u>	<u>Forestry Equipment</u>	<u>Housing</u>	<u>Balance Forward</u>
Balance, beginning of the year	\$ 1,442,476	\$ 1,375,173	\$10,680,520	\$ 28,237,660	\$ 289,171	\$1,100,160	\$ 181,248	\$ 9,753,270	\$ 53,059,678
Additions	2,164,678	2,500	552,474	211,536	4,821	-	43,400	168,963	3,148,372
Disposals	-	-	-	-	-	-	-	-	-
Balance, end of the year	<u>3,607,154</u>	<u>1,377,673</u>	<u>11,232,994</u>	<u>28,449,196</u>	<u>293,992</u>	<u>1,100,160</u>	<u>224,648</u>	<u>9,922,233</u>	<u>56,208,050</u>
<u>Accumulated depreciation</u>									
Balance, beginning of the year	28,850	-	6,491,863	2,333,008	228,424	419,068	172,743	4,702,691	14,376,647
Depreciation during the year	100,993	-	354,206	1,137,968	10,787	36,672	3,288	341,744	1,985,657
Disposals	-	-	-	-	-	-	-	-	-
Balance, end of the year	<u>129,843</u>	<u>-</u>	<u>6,846,069</u>	<u>3,470,976</u>	<u>239,211</u>	<u>455,740</u>	<u>176,031</u>	<u>5,044,435</u>	<u>16,362,304</u>
<u>Net Book Value</u>	<u>\$ 3,477,311</u>	<u>\$ 1,377,673</u>	<u>\$ 4,386,925</u>	<u>\$ 24,978,220</u>	<u>\$ 54,781</u>	<u>\$ 644,420</u>	<u>\$ 48,617</u>	<u>\$ 4,877,798</u>	<u>\$ 39,845,746</u>
<u>Cost</u>	<u>Balance Forward</u>	<u>Recreation</u>	<u>Motor vehicles</u>	<u>Fishing vessels & equipment</u>	<u>Retail Operations</u>	<u>Gas Pumps</u>	<u>Computers</u>	<u>2022 Total</u>	<u>2021 Total</u>
Balance, beginning of the year	\$ 53,059,678	\$ 106,620	\$ 928,040	\$ 4,264,011	\$ 847,642	\$ 777,567	\$ 197,955	\$60,181,513	\$ 47,701,175
Additions	3,148,372	17,960	95,004	609,011	31,474	-	12,643	3,914,464	12,480,339
Disposals	-	-	(456,427)	-	(81,308)	-	-	(537,735)	-
Balance, end of the year	<u>56,208,050</u>	<u>124,580</u>	<u>566,617</u>	<u>4,873,022</u>	<u>797,808</u>	<u>777,567</u>	<u>210,598</u>	<u>63,558,243</u>	<u>60,181,514</u>
<u>Accumulated depreciation</u>									
Balance, beginning of the year	14,376,647	82,015	806,047	2,839,090	558,843	363,635	152,561	19,178,838	17,240,932
Depreciation during the year	1,985,658	11,261	44,268	325,635	44,027	25,919	23,886	2,460,653	1,937,905
Disposals	-	-	(456,427)	-	(1,118)	-	-	(457,545)	-
Balance, end of the year	<u>16,362,304</u>	<u>93,276</u>	<u>393,888</u>	<u>3,164,725</u>	<u>601,752</u>	<u>389,554</u>	<u>176,447</u>	<u>21,181,946</u>	<u>19,178,837</u>
<u>Net Book Value</u>	<u>\$ 39,845,746</u>	<u>\$ 31,304</u>	<u>\$ 172,729</u>	<u>\$ 1,708,297</u>	<u>\$ 196,056</u>	<u>\$ 388,013</u>	<u>\$ 34,151</u>	<u>\$42,376,296</u>	<u>\$ 41,002,677</u>

Acadia First Nation
Notes to the Consolidated Financial Statements
Year Ended March 31, 2022

8. Long-term debt	<u>2022</u>	<u>2021</u>
2.06% mortgage, maturing November 1, 2039, payable in monthly instalments of \$351, including principal and interest.	\$ 62,644	\$ 65,540
1.57% mortgage, maturing December 1, 2041, payable in monthly instalments of \$553, including principal and interest.	112,660	117,594
0.74% mortgage, maturing February 1, 2041, payable in monthly instalments of \$390, including principal and interest.	82,607	86,662
2.06% mortgage, maturing September 1, 2039, payable in monthly instalments of \$1,018, including principal and interest.	179,427	187,865
2.06% mortgage, maturing November 1, 2042, payable in monthly instalments of \$456, including principal and interest.	92,141	95,686
1.89% mortgage, maturing November 1, 2044, payable in monthly instalments of \$1,509, including principal and interest.	333,762	345,460
2.06% mortgage, maturing October 1, 2033, payable in monthly instalments of \$652, including principal and interest.	80,588	86,689
Prime plus 1.5% BMO loan, repaid during the year	-	265,590
0.71% mortgage, maturing in November 1, 2035, payable in monthly instalments of \$1,426, including principal and interest	222,864	238,339
1.86% mortgage, maturing April 1, 2034, payable in monthly instalments of \$1,004, including principal and interest.	<u>130,371</u>	<u>139,909</u>
Total carried forward	<u>\$ 1,297,064</u>	<u>\$ 1,629,334</u>

Acadia First Nation
Notes to the Consolidated Financial Statements
Year Ended March 31, 2022

8. Long-term debt (continued)	<u>2022</u>	<u>2021</u>
Balance carried forward	\$ 1,297,064	\$ 1,629,334
0.56% mortgage, maturing December 1, 2022, payable in monthly instalments of \$337, including principal and interest.	3,024	7,037
1.86% mortgage, maturing January 1, 2024, payable in monthly instalments of \$301, including principal and interest.	7,356	10,787
2.14% mortgage, maturing January 1, 2024, payable in monthly instalments of \$354, including principal and interest.	6,952	11,006
0.76% mortgage, maturing August 1, 2025, payable in monthly instalments of \$301, including principal and interest.	12,186	15,693
1.57% mortgage, maturing October 1, 2026, payable in monthly instalments of \$291, including principal and interest.	15,555	18,821
1.30% mortgage, maturing May 1, 2027, payable in monthly instalments of \$295, including principal and interest.	17,677	20,964
3.67% BNS loan, repaid during the year.	-	29,023
1.97% mortgage, maturing December 1, 2027, payable in monthly instalments of \$298, including principle and interest.	19,457	22,622
1.13% mortgage, maturing July 1, 2036, payable in monthly instalments of \$1,414, including principle and interest.	224,378	238,718
2.39% mortgage, maturing March 1, 2043, payable in monthly instalments of \$3,761, including principle and interest.	745,501	772,555
2.72% First Nation Finance Authority (FNFA) debenture, maturing June 2028, payable in annual instalments of \$665,378 including principle and interest	<u>15,617,115</u>	<u>16,150,817</u>
Total carried forward	<u>\$ 17,966,265</u>	<u>\$18,927,377</u>

Acadia First Nation
Notes to the Consolidated Financial Statements
Year Ended March 31, 2022

8. Long-term debt (continued)	<u>2022</u>	<u>2021</u>
Balance carried forward	\$ 17,966,265	\$ 18,927,377
2.13% BNS loan, repaid during the year.	-	87,685
2.06% mortgage, maturing August 1, 2028, payable in monthly instalments of \$297, including principal and interest.	21,374	24,460
1.86% mortgage, maturing January 1, 2029, payable in monthly instalments of \$297, including principal and interest.	22,827	25,932
1.88% mortgage, maturing July 1, 2031, payable in monthly instalments of \$426, including principal and interest.	43,742	48,252
2.13% BNS loan, repaid during the year.	-	83,091
0.01% mortgage, maturing February 1, 2031, payable in monthly instalments of \$883, including principal and interest.	90,320	100,094
0.70% mortgage, maturing July 1, 2030 payable in monthly instalments of \$569, including principal and interest.	55,301	61,724
1.30% mortgage, maturing April 1, 2032 payable in monthly instalments of \$1,304, including principal and interest.	147,817	161,451
1.57% mortgage, maturing December 1, 2031 payable in monthly instalments of \$641, including principal and interest.	69,539	76,161
0.86% mortgage, maturing February 1, 2032 payable in monthly instalments of \$1,972, including principal and interest.	224,918	245,922
1.83% mortgage, maturing November 1, 2034 payable in monthly instalments of \$2,053, including principal and interest.	278,389	297,752
0.79% mortgage, maturing June 1, 2035 payable in monthly instalments of \$937, including principal and interest.	<u>141,339</u>	<u>151,419</u>
Total carried forward	<u>\$ 19,061,831</u>	<u>\$ 20,291,320</u>

Acadia First Nation
Notes to the Consolidated Financial Statements
Year Ended March 31, 2022

8. Long-term debt (continued)	<u>2022</u>	<u>2021</u>
Balance carried forward	\$ 19,061,831	\$ 20,291,320
1.01% mortgage, maturing January 1, 2036, payable in monthly instalments of \$468, including principle and interest.	72,541	77,512
1.84% mortgage, maturing September 1, 2037, payable in monthly instalments of \$1,493, including principle and interest.	241,483	254,833
1.30% mortgage, maturing June 1, 2037, payable in monthly instalments of \$944, including principle and interest.	156,711	165,945
1.08% mortgage, maturing March 1, 2042, payable in monthly instalments of \$817, including principle and interest.	176,363	183,905
4.00% Ulnooweg loan, maturing October 31, 2031, payable in monthly instalments of \$1,007, including principle and interest.	<u>95,847</u>	<u>82,691</u>
	<u>\$ 19,804,776</u>	<u>\$ 21,056,208</u>

The Minister of Indigenous Services Canada has provided guarantees for all Canada Mortgage and Housing Corporation mortgages.

The First Nation Finance Authority (FNFA) debenture is secured by Provincial Gaming Revenues.

The Band has a credit facility in the form of an operating loan with a credit limit of \$750,000 which bears interest at prime plus 0.75%. As at March 31, 2022 the amount drawn was \$nil (2021 - \$nil).

Principal instalments required in the next five years are as follows:

2023	\$ 877,552
2024	\$ 877,485
2025	\$ 875,805
2026	\$ 877,780
2027	\$ 879,256

9. Payables and accruals

	<u>2022</u>	<u>2021</u>
Vendors	\$ 399,480	\$ 355,025
Accruals	943,670	2,628,123
Harmonized sales tax	(43,304)	(49,573)
Government remittances	95,666	71,585
Other	<u>5,502</u>	<u>50,070</u>
	<u>\$ 1,401,014</u>	<u>\$ 3,055,230</u>

Acadia First Nation

Notes to the Consolidated Financial Statements

Year Ended March 31, 2022

10. Funded reserves

The Acadia First Nation operates thirty-three (33) CMHC subsidized housing projects. Replacement reserves for the Pre 1997 projects are funded through a joint Replacement Reserve bank account and replacement reserves for Post 1997 projects are to be funded through a second joint replacement reserve bank account.

As at March 31, 2022, the Acadia First Nation has provided for funding of Reserves as follows:

(Pre 1997) Projects 1 to 11 Amount of reserve	(1997 Agreement) Projects 12 + Amount of reserve	Amount funded
<u>\$ 2,211</u>	<u>\$735,682</u>	<u>\$ 737,893</u>

At March 31, 2022, an amount of \$29,134 has been underfunded (2021 - \$52,500) and \$11,875 is receivable from CMHC.

11. Changes in non-cash operating working capital balances	<u>2022</u>	<u>2021</u>
Receivables	\$ (350,034)	\$ 652,382
Restricted cash and deposits	(17,014)	(380,046)
Inventory held for resale	(167,305)	(64,197)
Payables and accruals	(1,654,216)	604,197
Deferred revenue	4,558,972	(92,647)
Assessment of sales tax, penalties and interest	<u>(300,000)</u>	<u>(300,000)</u>
	<u>\$ 2,070,404</u>	<u>\$ 419,868</u>

12. Economic dependence

The Band receives a portion of its revenues pursuant to a funding arrangement with the Department of Indigenous Services Canada and other federal departments.

13. Federal assistance payments

The housing projects have received assistance through CMHC pursuant to Section 56.1 of the National Housing Act to reduce mortgage interest expense to enable the project to provide housing to low-income individuals. The amount of assistance received in the year ended March 31, 2022 was \$203,107 (2021 - \$204,971). Special contributions of \$511,875 were received during the year and transferred to the reserve.

Acadia First Nation

Notes to the Consolidated Financial Statements

Year Ended March 31, 2022

14. Non compliance

The Band does not apply the rent-to-income scale with respect to Section 95 housing units.

15. Funds on deposit

a) At Department of Indigenous Services Canada (DISC)

The Trust fund arises from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Section 63 to 69 of the Indian Act.

The changes in net assets of the Funds on deposit during the year are as follows:

	<u>2022</u>	<u>2021</u>
Net assets, beginning of year	\$ 11,800	\$ 11,576
Interest earned	<u>227</u>	<u>224</u>
	<u>\$ 12,027</u>	<u>\$ 11,800</u>
Represented by		
Restricted for capital projects	\$ 4,362	\$ 4,362
Unrestricted	<u>7,665</u>	<u>7,438</u>
	<u>\$ 12,027</u>	<u>\$ 11,800</u>

b) At First Nation Finance Authority (FNFA)

During the current and prior years, Acadia First Nation participated in the issuance of a debenture from FNFA. The Band borrowed \$16,527,000 to be used to finance the construction of the Tru Hotel by Hilton in Yarmouth and the Hammonds Plains retail store/office. Part of the obligation in this borrowing agreement was the creation of a 5% reserve, or \$855,359 (including interest of \$29,009), to be held by FNFA. This reserve is interest bearing and will be returned to the Band at the end of the agreement. The debt reserve fund was created by FNFA to assist in the event of payment difficulties or default by a borrower. As well Acadia First Nation has prepaid principal and interest of \$292,026 to the FNFA at March 31, 2022.

16. Related party transactions

The Band had the following transactions with related parties:

	<u>2022</u>	<u>2021</u>
Building rental charged to related companies	\$ 285,256	\$ 95,256
Royalties received from the gaming companies	2,967,590	3,457,271
Acadia Commodity Taxes charged	995,860	985,095
Agency fee charged from Kespuwick Resources	45,000	45,000

The rental charges, royalties and agency fees are charged on the basis of contractual agreement. The Acadia Commodity Tax is charged on the basis of the legal authority of the Band. These amounts have been eliminated on consolidation.

Acadia First Nation

Notes to the Consolidated Financial Statements

Year Ended March 31, 2022

17. Contingencies and commitments

Canada Revenue Agency

In prior years, a long-standing matter, arising between 1997 and 2002, with respect to the payment by the Band of HST on certain of its activities was confirmed. Acadia First Nation is a self-governing authority that has implemented an aboriginal taxation system which, it proposes, has dominance over the HST on the basis of the aboriginal right of self-government. Canada Revenue Agency ("CRA") disputed this belief.

As a result of the dispute, taxes including penalties and interest were assessed in the amount of \$8,392,939. Of this amount, taxes total approximately \$4,565,504 and the remaining \$3,827,435 is represented by the interest and penalties.

A wholly owned subsidiary, Your Winners World – AFN, was assessed by CRA under the same conditions as above. As the result, taxes including penalties and interest have been assessed in the amount of \$678,431. Of this amount, taxes total approximately \$190,852 and the remaining \$487,579 is represented by the interest and penalties.

During 2010, the Band filed an appeal under the provisions of the Fairness Legislation to seek administrative relief from some or all of the penalties and interest. CRA authorized relief for penalties and interest in written correspondence dated April 22, 2010 for both Your Winners World – AFN and the Acadia First Nation. Penalty and interest relief can only be granted back for 10 years, as this liability was initiated in 1999, the first year of penalties and interest will be included in the necessary repayment. As well, they have agreed to accept payments of \$25,000 per month until the original HST liability has been fulfilled. Each year that the payments are made in full, CRA waives the interest and penalties for the earliest year applicable.

The authorization of CRA was recognized in prior years' financial statements as a Government Transfer, reversing \$3,749,161 in penalties and interest in Acadia First Nation and \$372,431 in the wholly owned subsidiary.

With respect to the HST liability, if the Band fails to make their monthly payments, the penalties and interest that were waived will become payable. Management believes that all future payments will be made on time and that no future repayment of penalties and interest will be required.

The HST liability in the subsidiary has been fully repaid and all required payments have been made by the Band to date. During the current year, the Band made all 12 payments as required by CRA.

Contracts

In relation to the construction of the infrastructure project, the Band has entered into 2 contracts with Dexter Construction Limited and CBCL Limited on the Yarmouth community. Costs to March 31, 2022 for design, Phase 1 and 2 were \$3,068,424 and \$504,610 respectively. Estimated costs to completion in 2022/23 are approximately \$787,688 and \$42,113.

In the relation to the purchase of land, the Band had entered a purchase and sale agreement to acquire property near the Yarmouth community for \$1,500,000. A down payment of \$2,500 was made during the year and a subsequent payment was made of \$747,500 with the remainder to be paid over the next 5 years.

Acadia First Nation was awarded one of 12 new shelters under the National On-Reserve Shelter Enhancement Program with Canada Mortgage and Housing Corporation (CMHC). The new shelter, Weliankweyasimk Women's Shelter, will be constructed in 2022-2023 in Hammonds Plains. A contract with CMHC was signed subsequent to year end for \$4,129,080 with operational costs for the next 10 years covered substantially by Indigenous Services Canada. Construction is expected to begin in the fall of 2022.

Acadia First Nation

Notes to the Consolidated Financial Statements

Year Ended March 31, 2022

17. Contingencies and commitments (continued)

Contracts (continued)

Acadia First Nation was successful in receiving a Rapid Housing Initiative project with CMHC for \$4,468,145 during the fiscal year as well. This project is for 14 modular homes to be constructed and delivered to the communities over the next two fiscal years. The homes are to be constructed by T&C Homes under a contract signed December 8, 2021, for a value of \$4,028,422. The first of the 14 homes are scheduled to arrive Summer/Fall 2022.

18. Comparative figures

Certain of the 2021 comparative figures have been reclassified to conform with the financial statement presentation adopted for 2022. Certain balances within the consolidated financial statements may also be affected by rounding.

19. Post employment benefits

The Band has a defined contribution pension plan for its employees, the Band's obligation is limited to matching up to a maximum of 3% (2021 – 2%) of the contributions made by employees. Obligations for contributions to the defined contribution pension plan are recognized as an employee benefit expense in the statement of operations during which the services are rendered by the employees. During the year, the Band made contributions in the amount of \$45,391 (2021 - \$25,901) to the defined contribution pension plan.

20. Federal government transfers

<u>Operating transfers</u>	<u>2022</u>	<u>2021</u>
Indigenous Services Canada/First Nations and Inuit Health Branch	\$ 6,022,449	\$ 3,517,656
Canada Mortgage and Housing Corporation	226,023	204,971
Canada Mortgage and Housing Corporation - Special	511,875	-
Department of Fisheries and Oceans	208,995	67,500
Service Canada (Mi'kmaw Employment Training Secretariat)	<u>384,610</u>	<u>382,625</u>
	<u>7,353,952</u>	<u>4,172,752</u>
<u>Capital transfers</u>		
Indigenous Services Canada/First Nations and Inuit Health Branch	\$ <u>2,698,455</u>	\$ <u>1,568,152</u>

Included in the capital transfer is an amount of \$1,100,000 from a prior year, that was allocated to the band during the 2022 year.

Acadia First Nation

Notes to the Consolidated Financial Statements

Year Ended March 31, 2022

21. Segmented information

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

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

Band Support – all other activities not described in another fund. Mainly centralized and shared activities.

Education – providing elementary, secondary and post-secondary tuition for qualifying members along with related programs and support.

Community Maintenance – repairs and maintenance carried out during the year to Acadia First Nation's fixed assets except CMHC Section 95 mortgage properties. This includes garbage and snow removal.

Social Services – social assistance provided to qualifying members.

Community Health Representative – activity of the two Health Centres which provide a variety of health care programs and support.

Development Fund – inactive at this time.

Housing Fund – CMHC Section 95 housing and related expenditures.

Fisheries Fund – encompasses the fisheries activities of Acadia First Nation.

Training Fund – activities related to job training and skills.

Forestry Fund – logging and mill activities of Acadia First Nation.

Economic Activities – purchase and sale of band tobacco.

Retail Operations – operation of facilities with VLTs, store and gas stations.

See financial data on Page 35 and 36.

Acadia First Nation

Notes to the Consolidated Financial Statements

Year Ended March 31, 2022

22. Investments

The First Nation, together with 12 other First Nation entities in the Province of Nova Scotia, have entered into the following limited partnerships. No First Nation within the group controls the Partnerships, as such the investments are accounted for as portfolio investments and are carried at cost in these financial statements. Revenue is recorded only to the extent that distributions are received or receivable. During the year, the First Nation received \$233,547 from Mi'kmaq Resource Development Partnership which has been included in other revenue.

	<u>2022</u>	<u>2021</u>
E'sukitimkewey Limited partnership	\$ 1	\$ 1
Mi'kmaq Resource Development Partnership	<u>1</u>	<u>1</u>
	<u>\$ 2</u>	<u>\$ 2</u>

23. Impact of COVID-19

Since March 31, 2020, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

Acadia First Nation manages a First Nation community, as well as, several subsidiaries that operate in a retail environment which have Video Lottery Terminals (VLTs). When the State of Emergency was enacted in March 2020 in Nova Scotia, the Province halted use of all VLTs and the subsidiaries saw reduced traffic in their stores. In response, Acadia First Nation implemented measures to reduce controllable expenses. They temporarily closed locations to the public, reduced hours of operation for the drive throughs, laid off employees and then applied for the Canada Emergency Wage Subsidy. Beginning on June 9th, 2020 the Atlantic Lottery Corporation (ALC) allowed the VLTs to be turned back on under social distancing protocols.

On April 28, 2021, the Province once again halted the use of all VLTs until June 16, 2021.

COVID-19 will continue to impact Acadia First Nation in fiscal 2022, the full impact cannot be estimated at this time.
