

**Wagmatcook First Nation
Consolidated Financial Statements**

March 31, 2021

Independent Auditor's Report

To the Members of Wagmatcook First Nation:

Opinion

We have audited the consolidated financial statements of Wagmatcook First Nation (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2021, and the consolidated statements of operations, change in fund balances, 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.

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, 2021, and the results of its consolidated operations, 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

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.

Other Matter – Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information included on Pages 30 – 33 is presented for purposes of additional information and is not a required part of the consolidated financial statements. Such supplementary information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion on the audit of consolidated financial statements 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.

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 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,

- 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 First Nation 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.

Sydney, Nova Scotia
July 28, 2021

MNP LLP

Chartered Professional Accountants

Wagmatcook First Nation
Consolidated Financial Statements
For the year ended March 31, 2021

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MANAGEMENT'S REPORT

Management's Responsibility for the Financial Statements

The accompanying consolidated financial statements of Wagmatcook First Nation are the responsibility of management and have been approved by the Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards and as such include amounts that are the best estimates and judgments of management.

Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control 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 consolidated financial statements and the external auditor's report.

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

On behalf of Wagmatcook First Nation:

A handwritten signature in blue ink, appearing to read "Allan MacNeil", is written over a horizontal line.

Allan MacNeil
CFO

Wagmatcook First Nation
Consolidated Statement of Financial Position
As at March 31, 2021

	2021	2020
FINANCIAL ASSETS		
Cash (note 2)	\$ 1,841,013	\$ 507,945
Term deposits	3,200,000	—
Accounts receivable (note 3)	1,078,614	566,306
Inventories for resale (note 4)	192,715	129,885
Due from federal government (note 5)	735,839	1,496,800
Due from provincial government (note 6)	28,447	97,518
Trust funds – Indigenous Services Canada (note 7)	112,460	92,103
	<u>7,189,088</u>	<u>2,890,557</u>
FINANCIAL LIABILITIES		
Operating loans (note 8)	278,571	201,220
Accounts payable and accrued liabilities (note 9)	2,019,286	1,756,033
Deferred revenue (note 10)	3,974,465	817,622
Long-term debt (note 11)	13,581,321	13,969,901
	<u>19,853,643</u>	<u>16,744,776</u>
NET DEBT	(12,664,555)	(13,854,219)
NON-FINANCIAL ASSETS		
Tangible capital assets (note 12)	38,572,373	37,153,085
Intangible assets	14,395,680	14,395,680
Inventories held for use and prepaid expenses	257,149	322,102
	<u>53,225,202</u>	<u>51,870,867</u>
ACCUMULATED SURPLUS	\$ 40,560,647	\$ 38,016,648

Contingencies (note 18)

See accompanying notes to consolidated financial statements.

On behalf of Wagmatcook Band Council:










Wagmatcook First Nation
Consolidated Statement of Operations
For the year ended March 31, 2021

		2021	2020
	Budget (unaudited)	Actual	Actual
REVENUES			
Federal Government			
Indigenous Services Canada	\$ 6,820,801	\$ 8,095,302	\$ 5,527,314
Mi'kmaw Kina'matnewey	3,400,000	3,068,256	3,415,244
Indigenous Services Canada - Health	1,948,269	2,128,637	1,848,444
Fisheries and Oceans Canada	171,000	190,500	1,049,050
Employment and Social Development			
Canada	282,013	282,013	327,419
Canada Mortgage and Housing Corporation	159,670	130,151	55,130
Atlantic Canada Opportunities Agency	—	100,000	—
Heritage Canada	—	10,000	—
Province of Nova Scotia	12,000	188,530	147,765
Economic activities	10,594,672	12,297,313	13,225,076
Interest, rent and other	594,528	206,894	277,122
	23,982,953	26,697,596	25,872,564
EXPENSES			
Governance	2,032,030	2,365,860	2,071,449
Economic and employment development	448,143	527,518	368,331
Operations and maintenance	1,517,107	2,297,840	1,712,029
Social development	2,221,004	2,468,743	2,209,007
Education	3,594,899	3,430,438	3,920,760
Capital	2,412,200	—	3,452
Housing	1,060,465	1,088,329	1,154,274
Health program	1,800,535	1,985,318	1,700,188
Fisheries – treaty	184,487	205,239	214,080
Fisheries – commercial	2,833,050	3,033,082	3,003,849
Wagmatcook Gas Bar	3,137,805	3,319,392	3,738,916
Gaming	522,616	442,060	518,892
Enterprise, Heritage and Community Complex	999,218	1,258,978	1,362,714
Tobacco	1,778,435	1,751,157	1,997,824
	24,541,994	24,173,954	23,975,765
ANNUAL SURPLUS (DEFICIT)	\$ (559,041)	\$ 2,523,642	\$ 1,896,799

See accompanying notes to consolidated financial statements.

WAGMATCOOK FIRST NATION

Consolidated Statement of Change in Fund Balances

Year ended March 31, 2021, with comparative figures for 2020

	2021					2020				
	Operating	Capital	Trust	Housing Replacement	Equipment Replacement	Sewer Equity	Community Building Fund	Moveable Asset Reserve	Total	Total
BALANCE, BEGINNING OF YEAR	\$ 2,036,815	\$ 34,630,702	\$ 92,103	\$ 367,396	\$ 550,000	\$ 249,510	\$ 75,000	\$ 15,122	\$ 38,016,648	\$ 36,100,415
Annual surplus (deficit)	1,735,707	787,935	-	-	-	-	-	-	2,523,642	1,896,799
Internal transfers	(481,888)	382,451	-	(5,213)	75,000	29,650	-	-	-	-
	1,253,819	1,170,386	-	(5,213)	75,000	29,650	-	-	2,523,642	1,896,799
External contribution	-	-	18,548	-	-	-	-	-	18,548	18,008
Current year allocations	15,122	-	-	-	-	-	-	(15,122)	-	-
Matured housing units	8,522	-	-	(8,522)	-	-	-	-	-	-
Interest earned	-	-	-	1,809	-	-	-	-	1,809	1,426
BALANCE, END OF YEAR	\$ 3,314,278	\$ 35,801,088	\$ 112,460	\$ 353,661	\$ 625,000	\$ 279,160	\$ 75,000	\$ -	\$ 40,560,647	\$ 38,016,648

Wagmatcook First Nation
Consolidated Statement of Change in Net Debt
For the year ended March 31, 2021

	2021	2020
ANNUAL SURPLUS	\$ 2,523,642	\$ 1,896,799
Tangible capital assets		
Net acquisition of tangible capital assets	(2,773,867)	(1,164,492)
Amortization of tangible capital assets	1,354,579	1,275,226
Proceeds on disposal of tangible capital assets	—	278,038
Loss (gain) on disposal of tangible capital assets	—	(23,668)
	(1,419,288)	365,104
Other non-financial assets		
Decrease (increase) in inventories held for use and prepaid expenses	64,953	(49,691)
Acquisition of intangible assets	—	(9,446,180)
	64,953	(9,495,871)
Other		
Interest earned	1,809	1,426
External contributions to restricted funds	18,548	18,008
	20,357	19,434
DECREASE (INCREASE) IN NET DEBT	1,189,664	(7,214,534)
NET DEBT, BEGINNING OF YEAR	(13,854,219)	(6,639,685)
NET DEBT, END OF YEAR	\$ (12,664,555)	\$ (13,854,219)

See accompanying notes to consolidated financial statements.

Wagmatcook First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2021

	2021	2020
Cash provided by (used in)		
OPERATING ACTIVITIES		
Annual surplus	\$ 2,523,642	\$ 1,896,799
Items not involving cash		
Amortization of tangible capital assets	1,354,579	1,275,226
Loss (gain) on disposal of tangible capital assets	–	(23,668)
	3,878,221	3,148,357
Change in non-cash items		
Decrease (increase) in accounts receivable	(512,308)	51,415
Decrease (increase) in inventories for resale	(62,830)	56,473
Decrease in due from federal government	760,961	604,537
Decrease in due from provincial government	69,071	16,792
Decrease (increase) in inventories held for use and prepaid expenses	64,953	(49,691)
Increase (decrease) in accounts payable and accrued liabilities	263,253	(264,520)
Increase in deferred revenue	3,156,843	254,039
	3,739,943	669,045
FINANCING ACTIVITIES		
Principal payments on operating loans	(42,649)	(66,513)
Proceeds from operating loans	120,000	–
Issuance of long-term debt	30,756	8,949,991
Principal payments on long-term debt	(419,336)	(561,939)
	(311,229)	8,321,539
INVESTING ACTIVITIES		
Additions to tangible capital assets	(2,773,867)	(1,164,492)
Additions to intangible assets	–	(9,446,180)
Purchase of term deposits	(3,200,000)	–
Increase in trust funds	20,357	19,434
Proceeds on disposal of tangible capital assets	–	278,038
	(5,953,510)	(10,313,200)
INCREASE IN CASH AND CASH EQUIVALENTS	1,353,425	1,825,741
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	600,048	(1,225,693)
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 1,953,473	\$ 600,048
Cash and cash equivalents are comprised of the following		
Cash	\$ 1,841,013	\$ 507,945
Trust funds – Indigenous Services Canada	112,460	92,103
	\$ 1,953,473	\$ 600,048

See accompanying notes to consolidated financial statements.

NATURE OF OPERATIONS

Wagmatcook First Nation Council is comprised of a Chief and seven councilors under the Indian Act of Canada. The Council is accountable to the local Mi'kmaq community members for the delivery of programs and services, management of all financial resources and planning to support future community-based self-government.

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards.

(b) Reporting entity

The Wagmatcook First Nation reporting entity includes Wagmatcook First Nation government and all related entities which are accountable to the First Nation.

(c) Principles of consolidation

These consolidated financial statements consolidate the assets, liabilities and results of operations for the following entities which use accounting principles which lend themselves to consolidation:

Wagmatcook First Nation Operating and Capital Funds
Wagmatcook First Nation Trust Funds
Wagmatcook Enterprise, Heritage and Community Complex
Wagmatcook Education Authority Limited

The First Nation accounts for investments in non-controlling business partnerships on the cost basis

(d) Fund accounting

The resources and operations of the First Nation are comprised of the operating and capital funds. Transfers between funds are recorded as adjustments to the appropriate fund balance. Supporting schedules to the consolidated financial statements are included to show the financial activities and change in the balance of each fund.

(e) 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 government 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.

Wagmatcook First Nation
Notes to Consolidated Financial Statements
For the year ended March 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Segments

The First Nation conducts its business through various reportable segments. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives to aid in resource allocation decisions and to assess operational performance.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in the *Significant accounting policies*.

(g) Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks net of bank overdrafts and term deposits having a maturity of three months or less at acquisition which are held for the purpose of meeting short-term cash commitments.

(h) Term deposits

Term deposits are valued at the lower of cost or market value.

(i) Inventories for resale

Inventory of goods available for resale, is recorded at the lower of cost and net realizable value.

(j) Tangible capital assets

Tangible capital assets acquired since 1987 are reported in the statement of financial position at cost net of accumulated amortization. All tangible capital assets acquired prior to 1987 have been written off. They are amortized on a straight-line basis over their estimated useful lives at the following rates:

Asset	Basis	Rate
Buildings	Straight-line	40 years
Equipment	Straight-line	5-10 years
Roads	Straight-line	50 years
Lagoons and water systems	Straight-line	40 years
Fishing vessels	Straight-line	15 years
Wharf	Straight-line	40 years

A full year's amortization is taken in the year of acquisition.

Wagmatcook First Nation
Notes to Consolidated Financial Statements
For the year ended March 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tangible capital assets are written down when conditions indicate that they no longer contribute to Wagmatcook First Nation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the consolidated statement of operations.

Contributed capital assets are recorded into revenues at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as tangible capital assets. Assets under construction are not amortized until the asset is available to be put into service.

(k) Intangible assets

Intangible assets consist of purchased fishing licenses and are recorded at cost. They are not amortized as they have an indefinite life.

(l) 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 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. Interest is recognized on the accrual basis as it is earned. All other revenue is recognized when a price is agreed and all significant contractual obligations have been satisfied and collectability is reasonably assured.

Wagmatcook First Nation
Notes to Consolidated Financial Statements
For the year ended March 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Financial instruments

Measurement of financial instrument

The First Nation initially measures its financial assets and financial liabilities at fair value and subsequently measures its financial assets and financial liabilities as follows:

Financial instrument	Measurement basis
Cash/cheques issued in excess of funds on deposit	Fair value
Term deposits	Fair value
Receivables	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Bank loans	Amortized cost
Long-term debt	Amortized cost

Transaction costs related to financial assets are expensed as incurred.

Impairment

Financial assets measured at cost or amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in income. A previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in income.

(n) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, the disclosure of contingencies and the reported amounts of revenues and expenditures in the consolidated financial statements and accompanying notes. Items requiring the use of significant estimates include the valuation of receivables, inventories, capital assets and intangible assets. Due to the inherent uncertainty in making estimates, actual results could differ from those estimates.

Wagmatcook First Nation
Notes to Consolidated Financial Statements
For the year ended March 31, 2021

2. CASH AND CASH EQUIVALENTS

	2021	2020
Externally restricted Replacement Reserve	\$ 502,952	\$ 496,891
Cash	\$ 1,338,061	\$ 11,054
Trust funds – Indigenous Services Canada	\$ 112,460	\$ 92,103

3. ACCOUNTS RECEIVABLE

	2021	2020
Fish settlements	\$ 644,501	\$ –
Employees	278,465	93,516
Other	94,588	358,123
Nova Scotia Community College	83,662	8,664
Ultramar fuel rebate and credit	42,655	34,748
Accrued interest	3,079	5,055
Insurance receivable	–	139,399
	1,146,950	639,505
Allowance for doubtful accounts	(68,336)	(73,199)
	\$ 1,078,614	\$ 566,306

4. INVENTORIES FOR RESALE

	2021	2020
Gas bar	\$ 127,267	\$ 79,354
Gift shop	20,669	25,235
Tobacco shop	33,213	15,298
Cleanwave Restaurant	11,566	9,998
	\$ 192,715	\$ 129,885

Wagmatcook First Nation
Notes to Consolidated Financial Statements
For the year ended March 31, 2021

5. DUE FROM FEDERAL GOVERNMENT

	2021	2020
Indigenous Services Canada	\$ 486,875	\$ 732,576
Employment and Social Development Canada	96,051	141,834
Fisheries and Oceans Canada	42,200	275,150
Canada Mortgage and Housing Corporation	4,801	133,330
Mi'kmaw Kina'matnewey	11,839	135,138
Public Safety Canada	—	43,772
Other	94,073	35,000
	\$ 735,839	\$ 1,496,800

6. DUE FROM PROVINCIAL GOVERNMENT

	2021	2020
Nova Scotia Gaming Commission	\$ 27,823	\$ 97,322
Province of Nova Scotia - other	624	196
	\$ 28,447	\$ 97,518

7. TRUST FUNDS HELD BY FEDERAL GOVERNMENT

Trust fund accounts arise from moneys derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

8. OPERATING LOANS

	2021	2020
BMO		
Term loan repayable in monthly installments of \$4,155 including interest at 3.98%, maturing August 2022	\$ 158,571	\$ 201,220
Ulnooweg Development Group Inc.		
Emergency Loan Program four non-interest-bearing loans maturing October 2024 with monthly payments of \$3,333 commencing September 2021	120,000	—
	\$ 278,571	\$ 201,220

Wagmatcook First Nation
Notes to Consolidated Financial Statements
For the year ended March 31, 2021

8. OPERATING LOANS (CONTINUED)

Principal payments required in each of the next four years are as follows:

2022	\$ 64,355
2023	154,216
2024	40,000
2025	20,000

The operating loan from BMO is part of the credit facilities with BMO Bank of Montreal as described in Note 11.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2021	2020
Trade payables	\$ 971,419	\$ 1,186,837
Employee future benefits payable	492,550	–
Accrued salaries and employee benefits payable	237,600	234,673
Other accrued liabilities	234,002	210,002
Government remittances payable	54,967	98,976
Harmonized sales tax payable	28,748	25,545
	<hr/> \$ 2,019,286	<hr/> \$ 1,756,033 <hr/>

Wagmatcook First Nation
Notes to Consolidated Financial Statements
For the year ended March 31, 2021

10. DEFERRED REVENUE

	Balance March 31, 2020	Funding received (returned) 2021	Revenue recognized 2021	Balance March 31, 2021
Federal government				
Indigenous Services Canada - Health Canada				
Health Services Integration Fund	\$ 60,155	\$ —	\$ 908	\$ 59,247
Health Facilities – Capital				
Investments	26,270	—	—	26,270
Jordan's Principle – Respite Care	45,600	—	—	45,600
Child First Initiative	25,292	—	—	25,292
Capital investment	—	457,200	32,400	424,800
Aboriginal Diabetes Initiative	—	47,711	2,817	44,894
HCC service delivery	—	277,531	235,531	42,000
Health planning management	—	228,978	163,978	65,000
Mental health care	—	118,700	52,700	66,000
	157,317	1,130,120	488,334	799,103
Indigenous Services Canada				
Wastewater – sewage	22,770	—	—	22,770
Wastewater – Fisheries Road				
Lift Station	168,010	—	115,210	52,800
Housing starts	100,000	50,000	86,519	63,481
Williams Lane Subdivision	—	1,991,000	1,382,664	608,336
Planning solid waste management				
proposal	—	72,679	—	72,679
Emergency funding	129,000	—	129,000	—
Emergency management				
recovery – COVID	—	409,454	220,454	189,000
Fire protection – bunker fire gear	—	73,200	—	73,200
Firesmart – brush fire equipment	—	57,178	31,018	26,160
Basic needs – Covid 19 social	—	503,100	136,146	366,954
Water and wastewater systems	—	835,227	569,227	266,000
Water tower remediation	17,945	—	—	17,945
Delivery of elder housing on reserve	39,292	—	1,008	38,284
	477,017	3,991,838	2,671,246	1,797,609
Mi'kmaw Kina'matnewey				
New community generator	107,723	(107,723)	—	—
Post secondary	—	547,154	376,154	171,000
Renovation project	—	500,000	—	500,000
	107,723	939,431	376,154	671,000
Provincial government				
Province of Nova Scotia				
Back to work community				
partnership	—	304,575	—	304,575
Education other	—	329,500	—	329,500
Other	75,565	2,209	5,096	72,678
	\$ 817,622	\$ 6,697,673	\$ 3,540,830	\$ 3,974,465

Wagmatcook First Nation
Notes to Consolidated Financial Statements
For the year ended March 31, 2021

11. LONG-TERM DEBT

	2021	2020
Social Housing		
TD Bank		
Mortgage repayable in monthly instalments of \$928 including interest at 2.79% over a 5-year term ending February 1, 2022	\$ 9,165	\$ 19,882
Mortgage repayable in monthly instalments of \$642 including interest at 2.79% over a 5-year term ending April 1, 2022	39,281	45,802
Mortgage repayable in monthly instalments of \$719 including interest at 2.49% over a 5-year term ending June 1, 2021	68,948	75,773
Mortgage repayable in monthly instalments of \$1,080 including interest at 2.49% over a 5-year term ending August 1, 2021	118,905	128,789
Repaid during the year	—	59,792
BMO		
Mortgage repayable in monthly instalments of \$721 Including interest at 3.99% over a 5-year term ending June 30, 2024	26,308	33,753
Mortgage repayable in monthly instalments of \$2,109 including interest at 3.99% over a 5-year term ending October 31, 2024	386,112	395,841
Mortgage repayable in monthly instalments of \$525 including interest at 2.76% over a 6-year term ending May 31, 2026	30,303	—
	679,022	759,632

Wagmatcook First Nation
Notes to Consolidated Financial Statements
For the year ended March 31, 2021

11. LONG-TERM DEBT (CONTINUED)

	2021	2020
Carry forward	\$ 679,022	\$ 759,632
CMHC		
Mortgage payable in monthly instalments of \$683 including interest at 1.69% over a 5-year term ending September 1, 2024	98,914	105,389
Mortgage payable in monthly instalments of \$448 including interest at 1.30% over a 5-year term ending April 1, 2026	73,175	77,636
Mortgage payable in monthly instalments of \$406 including interest at 1.30% over a 5-year term ending April 1, 2026	66,646	70,685
Mortgage payable in monthly instalments of \$465 including interest at 1.48% over a 5-year term ending January 1, 2022	77,234	81,640
Mortgage repayable in monthly instalments of \$414 including interest at 1.84% over a 5-year term ending June 1, 2022	6,136	10,946
Mortgage payable in monthly instalments of \$506 including interest at 2.39% over a 5-year term ending February 1, 2023	84,516	88,533
Mortgage payable in monthly instalments of \$739 including interest at 2.39% over a 5-year term ending February 1, 2023	123,388	129,253
Mortgage payable in monthly instalments of \$506 including interest at 2.39% over a 5-year term ending February 1, 2023	84,516	88,533
Mortgage payable in monthly instalments of \$1,016 including interest at 0.71% over a 5-year term ending November 1, 2025	214,850	224,813
Mortgage payable in monthly instalments of \$433 including interest at 0.71% over a 5-year term ending November 1, 2025	91,638	95,888
	1,600,035	1,732,948

Wagmatcook First Nation
Notes to Consolidated Financial Statements
For the year ended March 31, 2021

11. LONG-TERM DEBT (CONTINUED)

	2021	2020
Carry forward	\$ 1,600,035	\$ 1,732,948
CMHC (continued)		
Mortgage payable in monthly instalments of \$1,778 including interest at 1.03% over a 5-year term ending October 1, 2021	395,547	412,724
Mortgage payable in monthly instalments of \$2,080 including interest at 2.39% over a 5-year term ending March 1, 2023	427,269	441,902
Mortgage repayable in monthly instalments of \$714 including interest at 2.50% over a 5-year term ending June 1, 2023	54,971	62,075
Mortgage payable in monthly instalments of \$1,536 including interest at 2.49% over a 5-year term ending May 1, 2023	192,323	205,821
Mortgage payable in monthly instalments of \$512 including interest at 2.49% over a 5-year term ending May 1, 2023	64,073	68,569
Mortgage payable in monthly instalments of \$511 including interest at 2.49% over a 5-year term ending May 1, 2023	63,991	68,482
Mortgage repayable in monthly instalments of \$385 including interest at 2.49% over a 5-year term ending July 1, 2023	10,477	14,786
Mortgage repayable in monthly instalments of \$867 including interest at 2.49 % over a 5-year term ending April 1, 2023	21,103	30,853
Mortgages repayable in monthly instalments of \$1,930 including interest at 1.73% over a 5-year term ending August 1, 2024	445,910	461,255
Mortgage repayable in monthly instalments of \$1,394 including interest at 1.75% over a 5-year term ending October 1, 2024	323,258	334,258
Social housing	3,598,957	3,833,673

Wagmatcook First Nation
Notes to Consolidated Financial Statements
For the year ended March 31, 2021

11. LONG-TERM DEBT (CONTINUED)

	2021	2020
Carry forward	\$ 3,598,957	\$ 3,833,673
Capital Fund		
BMO		
Term loan repayable in monthly instalments of \$6,199 plus interest at 3.98%, maturing August 2022	248,022	314,728
Term loan repayable in annual principal instalments of \$114,286 interest paid monthly at prime plus 1%, maturing April 2028	800,000	800,000
Term loan repayable in monthly instalments of \$5,291 including interest of BMO prime plus 1.00% maturing February 2026	401,048	449,826
Mortgage repayable in monthly instalments of \$1,164 including interest at 3.99% over a 5-year term ending October 31, 2024	46,514	58,373
Term loan repayable in annual principal instalments of \$400,000 interest paid monthly at prime plus 1%, maturing July 31, 2035	5,600,000	5,600,000
Term loan repayable in annual principal instalments of \$206,199 interest paid monthly at prime plus 1%, maturing July 31, 2035	2,886,780	2,886,780
	9,982,364	10,109,707
Nova Scotia Fisheries and Aquaculture Loan Board Repaid during the year	—	26,521
Capital fund	9,982,364	10,136,228
	\$ 13,581,321	\$13,969,901

Wagmatcook First Nation
Notes to Consolidated Financial Statements
For the year ended March 31, 2021

11. LONG-TERM DEBT (CONTINUED)

Principal payments required in each of the next five years are as follows:

2022	\$ 1,685,000
2023	1,814,000
2024	1,186,000
2025	1,936,000
2026	1,179,000

The First Nation entered into credit facilities with BMO Bank of Montreal secured by an assignment of the First Nation's fishing revenue together with an Irrevocable Direction to Pay associated there with and executed commitment letter. Details are as follows:

	Approved credit facility	Interest rate	2021 amount outstanding
Overdraft lending account	\$ 2,000,000	BMO Prime +1.00%	\$ –
New school and renovations	434,392	Fixed 3.98%	406,593 (a)
On reserve housing loan program	1,000,000	To be established	–
Fishing	1,000,000	BMO prime + 1.00%	800,000
Crab licenses	10,000,000	BMO prime + 1.00%	8,486,780
Courthouse renovations	413,442	BMO prime + 1.00%	401,048
New home construction	1,700,000	BMO prime + 1.00%	442,723

(a) Management has classified the loan as operating and capital and reported the balance outstanding as \$158,571 and \$248,022, respectively.

Wagmatcook First Nation
Notes to Consolidated Financial Statements
For the year ended March 31, 2021

12. TANGIBLE CAPITAL ASSETS

	Cost				
	Opening Balance	Additions	Disposals	Transfer of assets	Closing Balance
Land	\$ 35,659	\$ –	\$ –	\$ –	\$ 35,659
Buildings					
Heritage and Cultural Centre	4,384,624	224,708	–	–	4,609,332
First Nation housing	2,146,761	87,527	–	–	2,234,288
Wharf and buildings	1,745,633	–	–	–	1,745,633
Other buildings	769,008	(13,920)	–	–	755,088
Gas Bar	1,618,665	–	–	–	1,618,665
Health Centre	2,097,645	–	–	–	2,097,645
New school	8,847,848	–	–	–	8,847,848
NSCC Learning Centre	3,193,471	–	–	–	3,193,471
Equipment					
Heritage and Cultural Centre	1,051,676	–	–	–	1,051,676
Fire equipment	249,543	–	–	–	249,543
Fishing vessels	2,751,894	420,000	–	–	3,171,894
Fishing equipment	60,317	–	–	–	60,317
Health Centre	67,624	–	–	–	67,624
School equipment and buses	216,386	–	–	–	216,386
Other					
Lagoon and water systems	11,043,866	188,904	–	–	11,232,770
Wharf	2,764,350	–	–	–	2,764,350
Fire hydrants, roads	1,708,496	1,382,664	–	–	3,091,160
	44,753,466	2,289,883	–	–	47,043,349
Social housing					
Land	145,200	–	–	–	145,200
Housing	9,824,725	154,486	–	226,408	10,205,619
Equipment	108,270	–	–	–	108,270
Work in progress	226,408	329,498	–	(226,408)	329,498
Total	\$ 55,058,069	\$ 2,773,867	\$ –	\$ –	\$ 57,831,936

Wagmatcook First Nation
Notes to Consolidated Financial Statements
For the year ended March 31, 2021

12. TANGIBLE CAPITAL ASSETS (CONTINUED)

	Accumulated amortization				Net book value	
	Opening Balance	Amortization	Disposals, write-offs and other adjustments	Closing Balance	Total 2021	Total 2020
Land	\$ —	\$ —	\$ —	\$ —	\$ 35,659	\$ 35,659
Buildings						
Heritage and Cultural Centre	1,613,451	115,231	—	1,728,682	2,880,650	2,771,173
First Nation housing	1,339,782	55,858	—	1,395,640	838,648	806,979
Wharf and buildings	738,320	43,640	—	781,960	963,673	1,007,313
Other buildings	100,086	18,852	—	118,938	636,150	668,922
Gas Bar	635,112	40,466	—	675,578	943,087	983,553
Health Centre	714,570	52,439	—	767,009	1,330,636	1,383,075
New school	1,775,914	221,196	—	1,997,110	6,850,738	7,071,934
NSCC Learning Centre	479,016	79,836	—	558,852	2,634,619	2,714,455
Equipment						
Heritage and Cultural Centre	897,867	46,416	—	944,283	107,393	153,809
Fire equipment	249,543	—	—	249,543	—	—
Fishing vessels	1,981,597	96,042	—	2,077,639	1,094,255	770,297
Fishing equipment	60,317	—	—	60,317	—	—
Health Centre	27,050	13,525	—	40,575	27,049	40,574
School equipment and buses	216,386	—	—	216,386	—	—
Other						
Lagoon and water systems	3,107,942	280,820	—	3,388,762	7,844,008	7,935,924
Wharf	1,314,815	69,109	—	1,383,924	1,380,426	1,449,535
Fire hydrants, roads	255,102	61,824	—	316,926	2,774,234	1,453,394
Social housing						
Land	—	—	—	—	145,200	145,200
Housing	2,289,844	159,325	—	2,449,169	7,756,450	7,534,881
Equipment	108,270	—	—	108,270	—	—
Work in progress	—	—	—	—	329,498	226,408
Total	\$ 17,904,984	\$ 1,354,579	\$ —	\$ 19,259,563	\$ 38,572,373	\$ 37,153,085

Wagmatcook First Nation
Notes to Consolidated Financial Statements
For the year ended March 31, 2021

13. GOVERNMENT TRANSFERS

	2021			2020		
	Operating	Capital	Total	Operating	Capital	Total
Federal government transfers						
Indigenous Services						
Canada	\$ 5,902,292	\$ 2,193,010	\$ 8,095,302	\$ 4,176,196	\$ 1,351,118	\$ 5,527,314
Mi'kmaw Kina'matnewey	3,068,256	—	3,068,256	3,415,244	—	3,415,244
Indigenous Services						
Canada - Health	2,045,747	82,890	2,128,637	1,848,444	—	1,848,444
Fisheries and Oceans						
Canada	190,500	—	190,500	171,000	878,050	1,049,050
Employment and Social						
Development Canada	282,013	—	282,013	327,419	—	327,419
Canada Mortgage and						
Housing Corporation	130,151	—	130,151	55,130	—	55,130
Atlantic Canada Opportunities						
Agency	100,000	—	100,000	—	—	—
Heritage Canada	10,000	—	10,000	—	—	—
Total	11,728,959	2,275,900	14,004,859	9,993,433	2,229,168	12,222,601
Provincial government transfers	188,530	—	188,530	147,765	—	147,765
	\$ 11,917,489	\$ 2,275,900	\$ 14,193,389	\$ 10,141,198	\$ 2,229,168	\$ 12,370,366

Wagmatcook First Nation
Notes to Consolidated Financial Statements
For the year ended March 31, 2021

14. SEGMENT DISCLOSURE

	Band Government		Economic Development		Operations and Maintenance	
	Budget 2021	Actual 2021	Budget 2021	Actual 2021	Budget 2021	Actual 2020
REVENUES						
Federal government operating transfers	\$ 517,568	\$ 517,568	\$ 386,424	\$ 460,293	\$ 1,036,402	\$ 1,429,344
Federal government capital transfers	–	–	–	–	–	–
Provincial government operating transfers	–	–	–	–	–	–
Mi'kmaw Kina'matnewey	–	–	–	–	–	–
Economic activities	–	–	–	172,654	–	–
Other revenue	492,724	810,746	80,000	–	–	–
	1,010,292	1,328,314	466,424	632,947	1,036,402	1,429,344
				517,512		732,701
EXPENSES						
Salaries and benefits	1,371,493	1,819,010	180,000	345,435	268,666	351,997
Debt servicing	85,000	28,399	–	–	–	14,715
Other expenses	525,537	443,741	268,143	182,083	1,248,441	1,429,159
	1,982,030	2,291,150	448,143	527,518	1,517,107	1,795,871
				368,331		1,217,247
Balance before amortization and other	(971,738)	(962,836)	18,281	105,429	(480,705)	(366,527)
				149,181		(484,546)
Amortization	–	(74,710)	–	–	–	(501,969)
Consolidation revenue entries	(422,724)	(411,200)	–	–	–	–
Consolidation expense entries	(50,000)	–	–	–	–	–
ANNUAL SURPLUS (DEFICIT)	\$(1,444,462)	\$(1,448,746)	\$ 18,281	\$ 105,429	\$ (480,705)	\$ (868,496)
				\$ 149,181		\$ (979,328)

Wagmatcook First Nation
Notes to Consolidated Financial Statements
For the year ended March 31, 2021

14. SEGMENT DISCLOSURE

	Social Development		Education		Capital	
	Budget 2021	Actual 2020	Budget 2021	Actual 2021	Budget 2021	Actual 2020
REVENUES						
Federal government operating transfers	\$ 2,699,244	\$ 2,936,429	\$ 2,716,808	\$ 28,528	\$ —	\$ —
Federal government capital transfers	—	—	—	—	2,195,331	1,964,966
Provincial government operating transfers	—	—	—	—	—	—
Mi'kmaw Kina'matnewey	—	—	3,400,000	3,068,256	—	33,000
Economic activities	—	—	—	295,624	—	—
Other revenue	—	—	60,028	(328,714)	—	—
	2,699,244	2,936,429	2,716,808	3,063,694	2,195,331	1,997,966
EXPENSES						
Salaries and benefits	318,000	430,303	415,604	2,309,689	—	—
Debt servicing	—	—	—	18,499	—	—
Other expenses	2,233,004	2,453,029	2,121,528	831,218	2,412,200	2,323,454
	2,551,004	2,883,332	2,537,132	3,159,406	2,412,200	2,323,454
Balance before amortization and other	148,240	53,097	179,676	(95,712)	(216,869)	(325,488)
Amortization	—	—	—	(301,032)	—	—
Consolidation revenue entries	—	—	—	(185,023)	—	—
Consolidation expense entries	330,000	414,589	328,125	30,000	—	2,320,002
ANNUAL SURPLUS (DEFICIT)	\$ 478,240	\$ 467,686	\$ 507,801	\$ (551,767)	\$ (216,869)	\$ 1,994,514

Wagmatcook First Nation
Notes to Consolidated Financial Statements
For the year ended March 31, 2021

14. SEGMENT DISCLOSURE

	Housing		Health		Other	
	Budget 2021	Actual 2021	Budget 2021	Actual 2021	Budget 2021	Actual 2020
REVENUES						
Federal government operating transfers	\$ 159,670	\$ 195,151	\$ 1,927,500	\$ 2,073,247	\$ 1,875,944	\$ 1,020,143
Federal government capital transfers	240,345	240,345	—	82,890	—	—
Provincial government operating transfers	—	—	—	160,707	60,076	27,823
Mi'kmaw Kina'matnewey	—	—	—	—	—	—
Economic activities	—	286,235	—	42,443	42,632	11,830,357
Other revenue	360,000	192,082	45,000	—	—	86,392
	760,015	913,813	1,972,500	2,359,287	1,978,652	12,964,715
						13,175,766
EXPENSES						
Salaries and benefits	353,925	416,647	678,227	1,006,620	741,382	1,740,846
Debt servicing	48,369	81,412	—	—	—	358,142
Other expenses	398,171	620,270	1,142,308	1,091,033	1,021,695	7,730,740
	800,465	1,118,329	1,820,535	2,097,653	1,763,077	9,829,728
						10,716,421
Balance before amortization and other	(40,450)	(204,516)	151,965	261,634	215,575	3,134,987
						2,459,345
Amortization	—	—	—	(65,964)	(65,964)	(410,904)
Consolidation revenue entries	(70,000)	(384,589)	—	185,023	185,023	(87,823)
Consolidation expense entries	(260,000)	30,000	20,000	178,299	128,853	230,724
					72,514	220,724
ANNUAL SURPLUS (DEFICIT)	\$ (370,450)	\$ (559,105)	\$ 171,965	\$ 558,992	\$ 463,487	\$ 2,866,984
						\$ 2,195,470

Wagmatcook First Nation
Notes to Consolidated Financial Statements
For the year ended March 31, 2021

14. SEGMENT DISCLOSURE

	Total before Adjustments		Consolidation Adjustments		Consolidation Total	
	Budget 2021	Actual 2020	Budget 2021	Actual 2021	Budget 2021	Actual 2020
REVENUES						
Federal government operating transfers	\$ 6,946,077	\$ 8,660,703	\$	\$	\$ 6,946,077	\$ 8,660,703
Federal government capital transfers	2,435,676	2,229,168	–	–	2,435,676	2,229,168
Provincial government operating transfers	12,000	147,765	–	–	12,000	147,765
Mi'kmaw Kina'matnewey	3,400,000	3,415,244	–	–	3,400,000	3,415,244
Economic activities	10,594,672	13,495,076	–	(330,000)	10,594,672	13,225,076
Other revenue	1,087,252	701,156	(492,724)	(553,612)	594,528	277,122
	24,475,677	27,581,208	(492,724)	(883,612)	23,982,953	25,872,564
EXPENSES						
Salaries and benefits	7,543,918	8,512,270	–	–	7,543,918	8,512,270
Debt servicing	514,159	335,618	–	–	514,159	335,618
Other expenses	16,508,577	17,536,416	(24,660)	(3,026,126)	16,483,917	14,498,712
	24,566,654	25,845,501	(24,660)	(3,026,126)	24,541,994	22,700,539
Balance before amortization and other	(90,977)	1,735,707	(468,064)	2,142,514	(559,041)	3,172,025
Amortization	–	(1,354,579)	–	–	–	(1,275,226)
Consolidation revenue entries	(492,724)	(883,612)	492,724	883,612	–	–
Consolidation expense entries	24,660	3,026,126	(24,660)	(3,026,126)	–	–
ANNUAL SURPLUS (DEFICIT)	\$ (559,041)	\$ 2,523,642	\$ –	\$ –	\$ (559,041)	\$ 2,523,642
						\$ 1,896,799

Wagmatcook First Nation
Notes to Consolidated Financial Statements
For the year ended March 31, 2021

15. EXPENSES BY OBJECT

The following is a summary of expenses by object.

	2021	2020
Salaries and wages	\$ 8,512,270	\$ 7,866,209
Staff development	131,201	143,672
Supplies and services	3,128,208	2,090,023
Interest	501,167	335,618
Cost of sales for economic activities	5,970,690	7,276,466
Professional services	128,750	223,580
Rental expenditures	118,489	102,025
Fees and contract services	358,212	417,146
Other	3,970,388	4,245,800
Amortization	1,354,579	1,275,226
	\$ 24,173,954	\$ 23,975,765

16. RETIREMENT PLAN

Wagmatcook First Nation provides a voluntary defined contribution RPP and a group RRSP for eligible employees. As part of this plan, the Wagmatcook First Nation matches employee contributions to the specified limit. The employer's portion for the years ended March 31, 2021 and 2020 was \$147,457 and \$99,385 respectively.

17. ECONOMIC DEPENDENCE

The Wagmatcook First Nation receives a major portion of its revenues pursuant to funding arrangements with the federal government and its agencies. The continued operation of the First Nation is dependent on the continuation of these funding arrangements.

18. CONTINGENCIES

The Wagmatcook First Nation has entered into contribution agreements with various federal government departments and agencies. 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.

19. INVESTMENT IN LIMITED PARTNERSHIPS

Wagmatcook First Nation business entities that are owned but not controlled by the First Nation and not dependent on the First Nation for their continuing operations are recorded at cost and any earnings are reported as they are distributed. As at March 31, 2021, no distributions have taken place for the investments, which include:

Mi'kmaq Resource Development Partnership ("MRDP")

MRDP holds investments in two Wind LP's, Beaubassin Mi'maq Wind LP and Whynott's Mi'kmaq Wind LP. As at March 31, 2021, the financial statements of MRDP have not been audited and the capital account of the First Nation was \$70,841 (2020 - \$70,841).

E'sukutimkewey Limited Partnership ("ELP")

ELP earns revenue from the surf clam industry. As at March 31, 2021, the financial statements of ELP have not been audited and the capital account of the First Nation was \$151,832 (2020 - \$151,832)

ANSMC Cannabis Holdings Partnership ("ANSMC")

ANSMC holds a 100% interest in ANSMC Cannabis GP Ltd. Which holds a 41% interest in Growforce AC Holdings Inc. which holds a 100% interest in Atlanticann Medical Inc. As at March 31, 2021, the financial statements of ANSMC have not been audited and the capital account of the First Nation has not been provided to Management.

20. FINANCIAL INSTRUMENTS

The First Nation is exposed to various risks through its financial instruments and includes the following significant risks at March 31, 2021.

Credit risk

The First Nation's credit risk results from trade accounts receivable and receivables from other levels of government.

The First Nation extends credit to members and also receives rebates from various sources. When required, the First Nation records an allowance for doubtful accounts for items where collection is no longer assured.

Amounts owing from other levels of government are based on funding agreements and subject to review by the applicable government body.

The First Nation is not exposed to significant concentration risk.

20. FINANCIAL INSTRUMENTS (CONTINUED)

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The First Nation's interest rate risk arises from long-term borrowings at a fixed rate that creates fair value interest rate risk. Changes in market interest rates cause the fair value of long-term debt with fixed interest rates to fluctuate but do not affect the statement of operations, as the First Nation's debt is carried at amortized cost and the carrying value does not change as interest rates change.

Liquidity risk

Liquidity risk is the risk that the First Nation will encounter difficulty in meeting obligations associated with financial liabilities. The First Nation manages this risk through preparing budgets and by monitoring forecasted and actual cash flows.

The First Nation's future obligations with respect to debt repayments are disclosed in notes 8 and 11.

21. BUDGETED FIGURES

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

22. IMPACT ON OPERATIONS OF COVID-19

In early March 2020 the impact of the global outbreak of COVID-19 (coronavirus) began to have a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders.

At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on Wagmatcook First Nation as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

Wagmatcook First Nation
Schedule A – Schedule of Operating Fund
For the year ended March 31, 2021
(Unaudited)

	2021		2020
	Budget	Actual	Actual
REVENUES			
Transfers from Federal Government			
Indigenous Services Canada	\$ 6,820,801	\$ 8,095,302	\$ 5,527,314
Mi'kmaw Kina'matnewey	3,400,000	3,068,256	3,415,244
Indigenous Services Canada - Health	1,948,269	2,128,637	1,848,444
Fisheries and Oceans Canada	171,000	190,500	1,049,050
Employment and Social Development Canada	282,013	282,013	327,419
Canada Mortgage and Housing Corporation	159,670	130,151	55,130
Atlantic Canada Opportunities Agency	—	100,000	—
Heritage Canada	—	10,000	—
Province of Nova Scotia	12,000	188,530	147,765
Economic activities	10,594,672	12,627,313	13,495,076
Interest, rent and sundry	1,087,252	760,506	701,156
	24,475,677	27,581,208	26,566,598
EXPENSES			
Governance	1,982,030	2,291,150	1,998,579
Economic and employment development	448,143	527,518	368,331
Operations and maintenance	1,517,107	1,795,871	1,217,247
Social development	2,551,004	2,883,332	2,537,132
Education	3,507,045	3,159,406	3,639,728
Capital	2,412,200	2,142,514	2,323,454
Housing	800,465	1,118,329	1,174,274
Health program	1,820,535	2,097,653	1,763,077
Fisheries – treaty	187,211	207,963	216,804
Fisheries – commercial	2,822,840	2,854,291	2,879,766
Wagmatcook Gas Bar	3,157,805	3,308,926	3,718,450
Gaming	542,616	532,060	618,892
Enterprise, Heritage and Community Complex	1,019,218	1,145,331	1,264,685
Tobacco	1,798,435	1,781,157	2,017,824
	24,566,654	25,845,501	25,738,243
Net revenues (expenses) before the following	(90,977)	1,735,707	828,355
Financing and transfers			
Term loan principal instalments	(468,064)	(382,451)	(499,316)
Transfer to replacement reserve fund	(104,650)	(99,437)	(66,741)
Net financing and transfers	(572,714)	(481,888)	(566,057)
ANNUAL SURPLUS (DEFICIT)	\$ (663,691)	\$ 1,253,819	\$ 262,298

Wagmatcook First Nation
Schedule B – Schedule of Education
For the year ended March 31, 2021
(Unaudited)

	2021		2020
	Budget	Actual	Actual
REVENUES			
Indigenous Services Canada			
Culture education	\$ –	\$ 10,840	\$ 10,840
Covid 19 – Daycare	–	17,688	–
Indigenous Service Canada – Health			
Head Start Program	48,269	233,366	185,023
Mi'kmaw Kina'matnewey – current allocation	2,750,000	2,911,671	2,828,399
Mi'kmaw Kina'matnewey – special education	200,000	215,299	207,228
Mi'kmaw Kina'matnewey – other	450,000	612,286	346,617
Nova Scotia Community College	58,000	62,258	60,028
Preschool immersion – other	2,028	786	2,021
Year-end deferral	–	(1,000,500)	–
	3,508,297	3,063,694	3,640,156
EXPENSES			
Administration and band-operated school program	1,962,045	1,794,968	2,063,147
Post-secondary education	420,000	405,038	444,024
Operations and maintenance	300,000	272,313	304,726
Special education	230,000	215,299	207,228
Preschool immersion wages	180,000	46,826	188,019
Guidance and counseling	150,000	146,405	122,069
Transportation	75,000	85,921	98,977
Preschool immersion operating expenses	90,000	58,707	89,457
Learning Centre	80,000	104,590	88,399
Interest	20,000	18,499	22,842
Cultural education	–	10,840	10,840
	3,507,045	3,159,406	3,639,728
Net revenues (expenses) before the following	1,252	(95,712)	428
Financing and transfers			
Term loan principal instalments	(107,854)	(109,355)	(105,012)
Transfer from Social Development	100,800	100,800	100,800
Transfer from Economic Development	82,340	82,338	82,338
	75,286	73,783	78,126
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ 76,538	\$ (21,929)	\$ 78,554

Wagmatcook First Nation
Schedule C – Schedule of Health Program

For the year ended March 31, 2021

(Unaudited)

		2021	2020
	Budget	Actual	Actual
REVENUES			
Indigenous Services Canada - Health			
Block funding	\$ 1,440,000	\$ 1,727,522	\$ 1,187,406
Fixed funding	400,000	508,624	–
Set funding	–	–	598,147
Flex funding	60,000	28,827	62,231
Flex funding - Capital	–	505,450	–
Prior year deferral	–	157,317	157,977
Year-end deferral	–	(799,103)	(157,317)
Indigenous Services Canada			
Protective services	27,500	27,500	27,500
Other	45,000	42,443	42,632
Province of Nova Scotia	–	160,707	60,076
	1,972,500	2,359,287	1,978,652
EXPENSES			
Block expenditures	1,319,000	1,488,437	1,060,185
Fixed expenditures	401,000	404,860	–
Set expenditures	–	–	599,136
Flex expenditures	30,000	29,735	34,908
Flex expenditures - Capital	–	82,890	23,351
Non-Health Canada Expenses	70,535	91,731	45,497
	1,820,535	2,097,653	1,763,077
EXCESS OF REVENUES OVER EXPENSES	\$ 151,965	\$ 261,634	\$ 215,575

Wagmatcook First Nation
Schedule D – Schedule of Nova Scotia Gaming Agreement
For the year ended March 31, 2021
(Unaudited)

	2021		2020
	Budget	Actual	Actual
REVENUES			
Machine revenue	\$ 408,787	\$ 555,560	\$ 595,426
Casino profits	12,000	27,823	87,689
Indigenous Services Canada	–	23,800	–
Other	–	10,000	–
Indigenous Services Canada – Health - other	–	–	16,583
	420,787	617,183	699,698
EXPENSES			
Seniors' contribution	260,000	238,194	249,603
Wages and benefits	85,488	92,977	87,318
Commissions	69,300	78,075	93,963
Management fee	40,000	40,000	50,000
Security	31,000	24,750	29,381
Building rental	30,000	30,000	30,000
Bookkeeping	20,000	20,000	20,000
Telephone and utilities	6,103	6,058	6,085
Insurance	725	997	849
Miscellaneous	–	1,009	244
Summer games	–	–	51,449
	542,616	532,060	618,892
Net revenues before the following	(121,829)	85,123	80,806
Financing and transfers			
Transfer to Governance	(12,000)	(27,823)	(87,689)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ (133,829)	\$ 57,300	\$ (6,883)