

**Wagmatcook First Nation  
Consolidated Financial Statements**

*March 31, 2023*

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, 2023, 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 financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2023, and 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.

### Supplementary 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 28 - 31 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 the 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, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the First Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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, 2023

*MNP LLP*

Chartered Professional Accountants

**Wagmatcook First Nation**  
**Consolidated Financial Statements**  
*For the year ended March 31, 2023*

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# WAGMATCOOK FIRST NATION

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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 be "M. Smith", is written over a horizontal line.


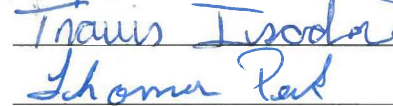




**Wagmatcook First Nation**  
**Consolidated Statement of Financial Position**  
*As at March 31, 2023*

	2023	2022
<b>FINANCIAL ASSETS</b>		
Cash (Note 2)	\$ 8,655,068	\$ 8,259,438
Term deposits	5,976,087	4,392,809
Accounts receivable (Note 3)	886,519	1,064,413
Inventories for resale (Note 4)	207,811	212,201
Due from federal government (Note 5)	2,856,783	1,891,455
Due from provincial government (Note 6)	73,357	49,012
Trust funds – Indigenous Services Canada (Note 7)	156,409	134,053
	<u>18,812,034</u>	<u>16,003,381</u>
<b>FINANCIAL LIABILITIES</b>		
Operating loans (Note 8)	68,520	210,878
Accounts payable and accrued liabilities (Note 9)	2,789,476	2,882,217
Deferred revenue (Note 10)	7,657,383	5,830,622
Long-term debt (Note 11)	13,251,354	13,271,275
	<u>23,766,733</u>	<u>22,194,992</u>
<b>NET DEBT</b>	<u>(4,954,699)</u>	<u>(6,191,611)</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 12)	42,819,944	40,952,200
Intangible assets	14,395,680	14,395,680
Inventories held for use and prepaid expenses	297,506	164,539
	<u>57,513,130</u>	<u>55,512,419</u>
<b>ACCUMULATED SURPLUS</b>	<u>\$ 52,558,431</u>	<u>\$ 49,320,808</u>

Contingencies (Note 18)

See accompanying notes to consolidated financial statements.

On behalf of Wagmatcook Band Council:

  	  
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**Wagmatcook First Nation**  
**Consolidated Statement of Operations**  
*For the year ended March 31, 2023*

	2023		2022
	Budget (unaudited)	Actual	Actual
<b>REVENUES</b>			
Federal Government			
Indigenous Services Canada	\$ 5,162,740	\$ 6,052,386	\$ 8,090,981
Mi'kmaw Kina'matnewey	3,724,200	4,152,875	4,226,729
Indigenous Services Canada - Health	2,119,436	1,872,491	2,892,795
Fisheries and Oceans Canada	216,900	240,983	398,900
Employment and Social Development Canada	282,013	339,554	192,871
Canada Mortgage and Housing Corporation	3,910,123	2,267,502	1,237,316
Heritage Canada	—	—	10,000
Province of Nova Scotia	40,000	194,477	430,057
Economic activities	16,150,000	16,600,759	17,599,039
Interest, rent and other	1,601,900	1,278,334	673,089
	33,207,312	32,999,361	35,751,777
<b>EXPENSES</b>			
Governance	2,716,077	2,998,935	2,093,647
Economic and employment development	901,155	636,625	729,952
Operations and maintenance	1,580,309	2,184,307	2,263,963
Social development	3,603,475	2,951,019	2,532,639
Education	4,023,754	4,413,209	3,954,958
Capital	5,035,700	45,111	—
Housing	2,070,713	1,041,491	1,528,853
Health program	2,067,675	1,879,031	1,814,086
Fisheries – treaty	230,744	268,203	254,139
Fisheries – commercial	3,147,071	4,366,998	4,049,700
Wagmatcook Gas Bar	3,849,934	5,009,522	4,041,230
Gaming	606,502	668,216	522,993
Enterprise, Heritage and Community Complex	1,284,391	1,554,651	1,289,134
Tobacco	1,566,953	1,766,776	1,937,915
	32,684,453	29,784,094	27,013,209
<b>ANNUAL SURPLUS</b>	\$ 522,859	\$ 3,215,267	\$ 8,738,568

See accompanying notes to consolidated financial statements.

**Wagmatcook First Nation**  
**Consolidated Statement of Change in Fund Balances**  
*For the year ended March 31, 2023*

	2023								2022	
	Operating	Capital	Trust	Housing Replacement	Equipment Replacement	Sewer Equity	Community Building Fund	Capital Education Reserve	Total	Total
BALANCE, BEGINNING OF YEAR	\$ 7,542,553	\$ 39,052,824	\$ 134,053	\$ 507,568	\$ 700,000	\$ 308,810	\$ 75,000	\$ 1,000,000	\$ 49,320,808	\$ 40,560,647
Annual surplus	2,443,117	772,150	-	-	-	-	-	-	3,215,267	8,738,568
Internal transfers	(1,320,551)	1,127,208	-	38,693	125,000	29,650	-	-	-	-
	1,122,566	1,899,358	-	38,693	125,000	29,650	-	-	3,215,267	8,738,568
External contribution	-	-	22,356	-	-	-	-	-	22,356	21,593
Matured housing units	770	-	-	(770)	-	-	-	-	-	-
Interest earned	(12,412)	-	-	12,412	-	-	-	-	-	-
BALANCE, END OF YEAR	\$ 8,653,477	\$ 40,952,182	\$ 156,409	\$ 557,903	\$ 825,000	\$ 338,460	\$ 75,000	\$ 1,000,000	\$ 52,558,431	\$ 49,320,808



**Wagmatcook First Nation**  
**Consolidated Statement of Change in Net Debt**  
*For the year ended March 31, 2023*

	2023	2022
<b>ANNUAL SURPLUS</b>	\$ 3,215,267	\$ 8,738,568
Tangible capital assets		
Net acquisition of tangible capital assets	(3,409,509)	(3,811,108)
Amortization of tangible capital assets	1,541,765	1,431,281
	(1,867,744)	(2,379,827)
Other non-financial assets		
Increase (decrease) in inventories held for use and prepaid expenses	(132,967)	92,610
Other		
External contributions to restricted funds	22,356	21,593
Interest earned	—	—
	22,356	21,593
<b>DECREASE IN NET DEBT</b>	1,236,912	6,472,944
<b>NET DEBT, BEGINNING OF YEAR</b>	(6,191,611)	(12,664,555)
<b>NET DEBT, END OF YEAR</b>	\$ (4,954,699)	\$ (6,191,611)

See accompanying notes to consolidated financial statements.

**Wagmatcook First Nation**  
**Consolidated Statement of Cash Flows**  
*For the year ended March 31, 2023*

	2023	2022
Cash provided by (used in)		
<b>OPERATING ACTIVITIES</b>		
Annual surplus	\$ 3,215,267	\$ 8,738,568
Items not involving cash		
Amortization of tangible capital assets	1,541,765	1,431,281
	4,757,032	10,169,849
Change in non-cash items		
Accounts receivable	177,894	14,201
Inventories for resale	4,390	(19,486)
Due from federal government	(965,328)	(1,155,616)
Due from provincial government	(24,345)	(20,565)
Inventories held for use and prepaid expenses	(132,967)	92,610
Accounts payable and accrued liabilities	(92,741)	862,931
Deferred revenue	1,826,761	1,856,157
	793,664	1,630,232
<b>FINANCING ACTIVITIES</b>		
Principal payments on operating loans	(142,358)	(67,693)
Issuance of long-term debt	1,091,467	955,777
Principal payments on long-term debt	(1,111,388)	(1,265,823)
	(162,279)	(377,739)
<b>INVESTING ACTIVITIES</b>		
Additions to tangible capital assets	(3,409,509)	(3,811,108)
Purchase of term deposits	(1,583,278)	(689,856)
Increase in trust funds	22,356	21,593
	(4,970,431)	(4,479,371)
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	417,986	6,942,971
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	8,393,491	1,450,520
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	\$ 8,811,477	\$ 8,393,491
<b>Cash and cash equivalents are comprised of the following</b>		
Cash	\$ 8,655,068	\$ 8,259,438
Trust funds – Indigenous Services Canada	156,409	134,053
	\$ 8,811,477	\$ 8,393,491

See accompanying notes to consolidated financial statements.

**Wagmatcook First Nation**  
**Notes to Consolidated Financial Statements**  
*For the year ended March 31, 2023*

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**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, intangible assets, prepaid expenses and inventories of supplies.

# Wagmatcook First Nation

## Notes to Consolidated Financial Statements

*For the year ended March 31, 2023*

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### 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) Investments in limited partnerships

Investments in limited partnerships are recorded using the modified equity basis of accounting.

(k) Employee future benefits – service awards

Service awards are recognized as an expenditure and accrued in the year the award is earned.

(l) 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, 2023*

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**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.

**(m) Intangible assets**

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

**(n) Asset retirement obligation**

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- (a) There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- (b) The past transaction or event giving rise to the liability has occurred;
- (c) It is expected that future economic benefits will be given up; and
- (d) A reasonable estimate of the amount can be made.

The liability associated with the remediation of contaminants present within several homes owned by the First Nation has not been recognized as the estimated future expenses are immaterial to the financial statements and its users.

**(o) 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, 2023*

### 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (p) 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	Amortized cost
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.

#### (q) 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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Items requiring the use of significant estimates include the valuation of receivables, capital assets and intangible assets. Due to the inherent uncertainty in making estimates, actual results could differ from those estimates.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates and assumptions in future years could be material. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in excess of revenues over expenses in the years in which they become known.

### 2. CASH AND CASH EQUIVALENTS

	2023	2022
Cash	\$ 8,655,068	\$ 8,259,438
Trust funds – Indigenous Services Canada	\$ 156,409	\$ 134,053

**Wagmatcook First Nation**  
**Notes to Consolidated Financial Statements**  
*For the year ended March 31, 2023*

**3. ACCOUNTS RECEIVABLE**

	2023	2022
Fish settlements	\$ 121,664	\$ 707,501
Employees	186,827	188,441
Other	482,912	219,962
Nova Scotia Community College	—	—
Ultramar fuel rebate and credit	15,079	29,888
Accrued interest	154,191	7,351
	960,673	1,153,143
Allowance for doubtful accounts	(74,154)	(88,730)
	\$ 886,519	\$ 1,064,413

**4. INVENTORIES FOR RESALE**

	2023	2022
Gas bar	\$ 111,120	\$ 122,288
Enterprise Centre	53,677	46,620
Tobacco shop	43,014	43,293
	\$ 207,811	\$ 212,201

**5. DUE FROM FEDERAL GOVERNMENT**

	2023	2022
Indigenous Services Canada	\$ 2,186,624	\$ 914,290
Employment and Social Development Canada	122,291	107,780
Fisheries and Oceans Canada	168,469	349,532
Canada Mortgage and Housing Corporation	191,152	272,837
Mi'kmaw Kina'matnewey	124,644	187,016
Other	63,603	60,000
	\$ 2,856,783	\$ 1,891,455

**6. DUE FROM PROVINCIAL GOVERNMENT**

	2023	2022
Nova Scotia Gaming Commission	\$ 72,000	\$ 48,000
Province of Nova Scotia - other	1,357	1,012
	\$ 73,357	\$ 49,012

**Wagmatcook First Nation**  
**Notes to Consolidated Financial Statements**  
*For the year ended March 31, 2023*

**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. The trust fund increased by \$22,356 during the year (2022 - \$21,593).

**8. OPERATING LOANS**

	2023	2022
BMO		
Term loan repayable in monthly installments of \$4,218 including interest at 5.97%, maturing August 31, 2024	\$ 68,520	\$ 114,211
Ulnooweg Development Group Inc.		
Repaid during the year	–	96,667
	\$ 68,520	\$ 210,878

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

2024	\$ 48,803
2025	19,717

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**

	2023	2022
Trade payables	\$ 1,306,325	\$ 1,715,755
Employee future benefits – service awards	786,639	613,990
Accrued salaries and employee benefits payable	432,143	263,928
Other accrued liabilities	230,250	258,000
Harmonized sales tax payable	34,119	30,544
	\$ 2,789,476	\$ 2,882,217



**Wagmatcook First Nation**  
**Notes to Consolidated Financial Statements**  
*For the year ended March 31, 2023*

**10. DEFERRED REVENUE**

	Balance March 31, 2022	Funding received 2023	Revenue recognized 2023	Balance March 31, 2023
<b>Federal government</b>				
Indigenous Services Canada - Health Canada				
Health Services Integration Fund	\$ 58,257	\$ —	\$ —	\$ 58,257
Jordan's Principle – Respite Care	45,600	—	—	45,600
Child First Initiative	25,292	—	—	25,292
Aboriginal Diabetes Initiative	44,894	—	—	44,894
HCC service delivery	42,000	—	—	42,000
Health planning management	65,000	—	—	65,000
Mental health care	66,000	—	—	66,000
Storage shed and enclose front entrance	17,000	—	990	16,010
Cleaning air and heating ducts	16,384	—	—	16,384
Capital investment	—	453,141	—	453,141
	380,427	453,141	990	832,578
<b>Indigenous Services Canada</b>				
Wastewater – sewage	22,770	—	22,770	—
Housing starts	63,481	—	—	63,481
Planning solid waste management proposal	72,679	—	—	72,679
Fire protection – bunker fire gear	35,229	—	35,229	—
Firesmart – brush fire equipment	18,161	—	6,230	11,931
Basic needs – Covid 19 social	784,955	754,650	368,269	1,171,336
Water and wastewater systems	170,833	—	170,833	—
Water tower remediation	17,945	—	17,945	—
East end subdivision feasibility study	50,000	—	—	50,000
Emergency management – storm recovery	48,000	—	48,000	—
Assisted Living service delivery	—	15,000	1,000	14,000
Q2C3 CFS Prev/Least Disruptive Measures	—	1,327,647	—	1,327,647
Q2C7 CFS Representative Service	—	204,892	—	204,892
Q2AP Employment & Pre-Employment	—	61,351	2,500	58,851
Q26G Youth Employment Skill Link Program	—	61,351	3,000	58,351
Q3AU Fire Protection new fire hall	—	255,000	32,500	222,500
Q3X8 API Deficiencies & Second Well	—	448,028	97,070	350,958
Q3X8 East End Subdivision	—	250,000	—	250,000
Q3XJ Construction 1 Single Family Unit	—	235,000	—	235,000
QA1A Construction 1 Single Family Unit	—	275,000	—	275,000
QA1C Lot Servicing	—	30,000	—	30,000
Q3XL Lot Servicing	—	25,000	—	25,000
Q3UZ Infrastructure Gap Plan	—	15,000	—	15,000
Q3AV Other Protection Backup Power Source	—	135,000	—	135,000
	1,284,053	4,092,919	805,346	4,571,626
<b>Mi'kmaw Kina'matnewey</b>				
Post-secondary	371,000	—	—	371,000
<b>Canada Mortgage and Housing Corporation</b>				
Rapid Housing Initiative	2,941,333	—	2,028,860	912,473

# Wagmatcook First Nation

## Notes to Consolidated Financial Statements

*For the year ended March 31, 2023*

### 10. DEFERRED REVENUE (CONTINUED)

	Balance March 31, 2022	Funding received 2023	Revenue recognized 2023	Balance March 31, 2023
Provincial government Province of Nova Scotia				
Age friendly community program	10,000	—	—	10,000
Walking wheeling infrastructure	100,000	—	—	100,000
	110,000	—	—	110,000
Education other	488,700	—	—	488,700
Other	255,109	185,300	69,403	371,006
	\$ 5,830,622	\$ 4,731,360	\$ 2,904,599	\$ 7,657,383

### 11. LONG-TERM DEBT

	2023	2022
<b>Social Housing</b>		
TD Bank		
Repaid during the year	\$ —	\$ 32,577
<b>BMO</b>		
Mortgage repayable in monthly instalments of \$648 including interest at 2.90% over a 5-year term ending June 30, 2026	57,253	63,341
Mortgage repayable in monthly instalments of \$1,121 including interest at 2.90% over a 5-year term ending June 30, 2026	99,005	109,532
Mortgage repayable in monthly instalments of \$721 Including interest at 3.99% over a 5-year term ending June 30, 2024	10,504	18,563
Mortgage repayable in monthly instalments of \$2,109 including interest at 3.99% over a 5-year term ending October 31, 2024	365,525	376,025
Mortgage repayable in monthly instalments of \$525 including interest at 2.76% over a 6-year term ending May 31, 2026	19,081	24,770
Mortgage repayable in monthly installments of \$2,511 including interest at 2.99% over a 5-year term ending May 31, 2026	503,114	517,958
Mortgage repayable in monthly installments of \$675 including interest at 5.03% over a 4-year term ending August 31, 2026	25,351	—
	1,079,833	1,142,766

**Wagmatcook First Nation**  
**Notes to Consolidated Financial Statements**  
*For the year ended March 31, 2023*

**11. LONG-TERM DEBT (CONTINUED)**

	2023	2022
Carry forward	\$ 1,079,833	\$ 1,142,766
<b>Social Housing</b>		
CMHC		
Mortgage payable in monthly instalments of \$683 including interest at 1.69% over a 5-year term ending September 1, 2024	85,639	92,332
Mortgage payable in monthly instalments of \$448 including interest at 1.30% over a 5-year term ending April 1, 2026	64,215	68,721
Mortgage payable in monthly instalments of \$406 including interest at 1.30% over a 5-year term ending April 1, 2026	58,535	62,614
Mortgage payable in monthly instalments of \$465 including interest at 1.50% over a 5-year term ending January 1, 2027	68,239	72,767
Repaid during the year	—	1,238
Mortgage payable in monthly instalments of \$604 including interest at 5.02% over a 5-year term ending August 1, 2023	76,254	80,408
Mortgage payable in monthly instalments of \$882 including interest at 5.02% over a 5-year term ending August 1, 2023	111,327	117,390
Mortgage payable in monthly instalments of \$604 including interest at 5.02% over a 5-year term ending August 1, 2023	76,254	80,408
Mortgage payable in monthly instalments of \$1,016 including interest at 0.71% over a 5-year term ending November 1, 2025	193,371	204,148
Mortgage payable in monthly instalments of \$433 including interest at 0.71% over a 5-year term ending November 1, 2025	82,477	87,074
Mortgage payable in monthly instalments of \$1,989 including interest at 2.27% over a 5-year term ending April 1, 2027	361,853	377,647
Mortgage payable in monthly instalments of \$2,360 including interest at 3.81% over a 5-year term ending March 1, 2028	396,987	412,308
Mortgage repayable in monthly instalments of \$714 including interest at 2.50% over a 5-year term ending June 1, 2023	40,228	47,691
	2,695,212	2,847,512

**Wagmatcook First Nation**  
**Notes to Consolidated Financial Statements**  
*For the year ended March 31, 2023*

**11. LONG-TERM DEBT (CONTINUED)**

	2023	2022
Carry forward	\$ 2,695,212	\$ 2,847,512
Mortgage payable in monthly instalments of \$1,536 including interest at 2.49% over a 5-year term ending May 1, 2023	164,329	178,499
Mortgage payable in monthly instalments of \$512 including interest at 2.49% over a 5-year term ending May 1, 2023	54,746	59,467
Mortgage payable in monthly instalments of \$511 including interest at 2.49% over a 5-year term ending May 1, 2023	54,676	59,391
Mortgage repayable in monthly instalments of \$385 including interest at 2.49% over a 5-year term ending July 1, 2023	1,535	6,062
Mortgage repayable in monthly instalments of \$867 including interest at 2.49 % over a 5-year term ending April 1, 2023	869	11,111
Mortgages repayable in monthly instalments of \$1,930 including interest at 1.73% over a 5-year term ending August 1, 2024	414,452	430,317
Mortgage repayable in monthly instalments of \$1,394 including interest at 1.75% over a 5-year term ending October 1, 2024	300,700	312,077
Social housing	3,686,519	3,904,436
<b>Capital Fund</b>		
BMO		
Mortgage repayable in monthly installments of \$3,334 plus interest at prime + 1.00% over a 25-year term ending January 31, 2048	996,666	—
Term loan repayable in monthly instalments of \$6,598 plus interest at 5.97%, maturing August 31, 2024	107,172	178,638
Term loan repayable in annual principal instalments of \$114,286 interest paid monthly at prime plus 1%, maturing April 2028	571,429	685,714
Term loan repayable in monthly instalments of \$5,478 including interest of BMO prime plus 1.00% maturing May 2028	306,703	350,664
Mortgage repayable in monthly instalments of \$1,164 including interest at 3.99% over a 5-year term ending October 31, 2024	21,343	34,180
Term loan repayable in annual principal instalments of \$400,000 interest paid monthly at prime plus 1%, maturing July 31, 2024	4,800,000	5,200,000
	6,803,313	6,449,196

**Wagmatcook First Nation**  
**Notes to Consolidated Financial Statements**  
*For the year ended March 31, 2023*

**11. LONG-TERM DEBT (CONTINUED)**

	2023	2022
Carry forward	\$ 6,803,313	\$ 6,449,196
Term loan repayable in annual principal instalments of \$206,199 interest paid monthly at prime plus 1%, maturing March 31, 2025	2,474,383	2,680,581
Term loan repayable in monthly installments of \$1,617, including interest at 3.79%, maturing February 28, 2027	70,503	86,897
Term loan repayable in monthly installments of \$2,749 including interest at 3.79%, maturing February 28, 2027	121,835	150,165
Term loan repayable in monthly installments of \$2,043, including interest at 6.05%, maturing August 31, 2027	94,801	—
	9,564,835	9,366,839
	\$ 13,251,354	\$ 13,271,275

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

2024	\$ 1,696,340
2025	8,205,480
2026	614,200
2027	1,028,600
2028	850,030

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	2023 amount outstanding
Land purchase	\$ 126,240	Fixed 3.79%	\$ 121,835
General capital	300,000	Fixed 3.79% to 6.05%	165,304
New school and renovations	312,185	Fixed 5.97%	175,692 (a)
Fishing	1,000,000	BMO prime + 1.00%	571,429
Courthouse renovations	306,703	BMO prime + 1.00%	306,703
Crab licenses	8,828,203	Fixed 3.49% to 4.09%	7,274,383
New home construction	2,313,203	Fixed 2.76% to 5.03%	2,097,842
Overdraft lending account	2,000,000	BMO prime + 1.00%	—
On reserve housing loan program	1,000,000	To be established	—
Treasury risk facility	900,000	To be established	—

(a) Management has classified the loan as operating and capital and reported the balance outstanding as \$68,520 and \$107,172, respectively.

**Wagmatcook First Nation**  
**Notes to Consolidated Financial Statements**  
*For the year ended March 31, 2023*

**12. TANGIBLE CAPITAL ASSETS**

	Cost				
	Opening Balance	Additions	Disposals	Transfer of assets	Closing Balance
Land	\$ 354,469	\$ 86,229	\$ —	\$ —	\$ 440,698
Buildings					
Heritage and Cultural Centre	4,609,332	—	—	—	4,609,332
First Nation housing	3,739,203	68,315	—	—	3,807,518
Wharf and buildings	1,745,633	—	—	—	1,745,633
Other buildings	955,385	197,130	—	—	1,152,515
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	105,558	—	—	1,157,234
Fire equipment	249,543	—	—	—	249,543
Fishing vessels	3,171,894	—	—	—	3,171,894
Fishing equipment	60,317	—	—	—	60,317
Health Centre	67,624	—	—	—	67,624
School equipment and buses	304,636	—	—	—	304,636
Other					
Lagoon and water systems	11,323,393	143,613	—	—	11,467,006
Wharf	2,764,350	—	—	—	2,764,350
Fire hydrants, roads	3,780,281	(94,434)	—	—	3,685,847
	49,935,365	506,411		—	50,441,776
Social housing					
Land	145,200	—	—	—	145,200
Housing	10,884,209	2,569,754	—	570,000	14,023,963
Equipment	108,270	—	—	—	108,270
Work in progress	570,000	333,344	—	(570,000)	333,344
Total	\$ 61,643,044	\$ 3,409,509	\$ —	\$ —	\$ 65,052,553

**Wagmatcook First Nation**  
**Notes to Consolidated Financial Statements**  
*For the year ended March 31, 2023*

**12. TANGIBLE CAPITAL ASSETS (CONTINUED)**

	Accumulated amortization				Net book value	
	Opening Balance	Amortization	Disposals, write-offs and other adjustments	Closing Balance	Total 2023	Total 2022
Land	\$ —	\$ —	\$ —	\$ —	\$ 440,698	\$ 354,469
Buildings						
Heritage and Cultural Centre	1,843,913	115,231	—	1,959,144	2,650,188	2,765,419
First Nation housing	1,489,121	95,189	—	1,584,310	2,223,208	2,250,082
Wharf and buildings	825,600	43,640	—	869,240	876,393	920,033
Other buildings	142,823	28,813	—	171,636	980,879	812,562
Gas Bar	716,044	40,466	—	756,510	862,155	902,621
Health Centre	819,448	52,439	—	871,887	1,225,758	1,278,197
New school	2,218,306	221,196	—	2,439,502	6,408,346	6,629,542
NSCC Learning Centre	638,688	79,836	—	718,524	2,474,947	2,554,783
Equipment						
Heritage and Cultural Centre	990,699	56,974	—	1,047,673	109,561	60,977
Fire equipment	249,543	—	—	249,543	—	—
Fishing vessels	2,173,681	96,042	—	2,269,723	902,171	998,213
Fishing equipment	60,317	—	—	60,317	—	—
Health Centre	54,100	13,524	—	67,624	—	13,524
School equipment and buses	234,036	17,650	—	251,686	52,950	70,600
Other						
Lagoon and water systems	3,669,582	286,676	—	3,956,258	7,510,748	7,653,811
Wharf	1,453,033	69,109	—	1,522,142	1,242,208	1,311,317
Fire hydrants, roads	378,750	75,607	—	454,357	3,231,490	3,401,531
	17,957,684	1,292,392	—	19,250,076	31,191,700	31,977,681
Social housing						
Land	—	—	—	—	145,200	145,200
Housing	2,624,890	249,373	—	2,874,263	11,149,700	8,259,319
Equipment	108,270	—	—	108,270	—	—
Work in progress	—	—	—	—	333,344	570,000
Total	\$ 20,690,844	\$ 1,541,765	\$ —	\$ 22,232,609	\$ 42,819,944	\$ 40,952,200

**Wagmatcook First Nation**  
**Notes to Consolidated Financial Statements**  
*For the year ended March 31, 2023*

**13. GOVERNMENT TRANSFERS**

	2023			2022		
	Operating	Capital	Total	Operating	Capital	Total
Federal government transfers						
Indigenous Services						
Canada	\$ 5,556,327	\$ 496,059	\$ 6,052,386	\$ 6,555,515	\$ 1,535,466	\$ 8,090,981
Mi'kmaw Kina'matnewey	4,152,875	—	4,152,875	4,226,729	—	4,226,729
Indigenous Services						
Canada - Health	1,872,491	—	1,872,491	2,467,995	424,800	2,892,795
Fisheries and Oceans						
Canada	240,983	—	240,983	398,900	—	398,900
Employment and Social						
Development Canada	339,554	—	339,554	192,871	—	192,871
Canada Mortgage and						
Housing Corporation	170,327	2,097,175	2,267,502	290,689	946,627	1,237,316
Heritage Canada	—	—	—	10,000	—	10,000
Total	12,332,557	2,593,234	14,925,791	14,142,699	2,906,893	17,049,592
Provincial government transfers	194,477	—	194,477	430,057	—	430,057
	\$ 12,527,034	\$ 2,593,234	\$ 15,120,268	\$ 14,572,756	\$ 2,906,893	\$ 17,479,649



**Wagmatcook First Nation**  
**Notes to Consolidated Financial Statements**  
*For the year ended March 31, 2023*

**14. SEGMENT DISCLOSURE**

	Band Government		Economic Development		Operations and Maintenance	
	Budget 2023	Actual 2023	Budget 2023	Actual 2023	Budget 2023	Actual 2023
<b>REVENUES</b>						
Federal government operating transfers	\$ 587,465	\$ 581,657	\$ 571,232	\$ 494,203	\$ 623,623	\$ 1,200,523
Federal government capital transfers	—	—	—	—	—	—
Provincial government operating transfers	—	—	—	—	—	—
Mi'kmaw Kinā'matnewey	—	—	—	—	—	—
Economic activities	—	—	—	240,565	—	—
Other revenue	462,724	1,177,618	1,011,669	85,027	—	—
	1,050,189	1,759,275	1,582,901	819,795	623,623	1,234,523
				993,307		1,420,859
<b>EXPENSES</b>						
Salaries and benefits	1,138,585	1,474,259	940,830	415,397	392,816	357,497
Debt servicing	40,000	15,918	20,100	—	—	20,092
Other expenses	1,497,492	1,384,756	1,026,037	221,228	1,187,493	1,195,061
	2,676,077	2,874,933	1,986,967	636,625	1,580,309	1,572,650
				762,441		1,745,598
Balance before amortization and other	(1,625,888)	(1,115,658)	(404,066)	183,170	(956,686)	(338,127)
Amortization	—	(124,002)	(117,366)	—	—	(611,657)
Consolidation revenue entries	(272,724)	(206,611)	(434,481)	—	—	(518,365)
Consolidation expense entries	(40,000)	—	10,686	—	—	—
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ (1,938,612)</b>	<b>\$ (1,446,271)</b>	<b>\$ (945,227)</b>	<b>\$ 183,170</b>	<b>\$ (956,686)</b>	<b>\$ (949,784)</b>
				263,355		\$ (843,104)

**Wagmatcook First Nation**  
**Notes to Consolidated Financial Statements**  
*For the year ended March 31, 2023*

**14. SEGMENT DISCLOSURE**

	Social Development		Education		Capital	
	Budget 2023	Actual 2022	Budget 2023	Actual 2023	Budget 2023	Actual 2022
<b>REVENUES</b>						
Federal government operating transfers	\$ 3,452,036	\$ 3,141,712	\$ 10,840	\$ 10,840	\$ —	\$ —
Federal government capital transfers	—	—	—	—	3,800,068	2,346,347
Provincial government operating transfers	—	—	—	—	—	—
Mi'kmaw Kina'matnewey	—	—	3,724,200	4,152,875	—	—
Economic activities	—	—	60,028	64,594	—	—
Other revenue	—	—	—	88,798	—	—
	3,452,036	3,141,712	3,795,068	4,317,107	3,800,068	2,346,347
				4,576,092		2,240,047
<b>EXPENSES</b>						
Salaries and benefits	524,475	466,004	2,962,900	2,753,039	700,000	—
Debt servicing	—	—	12,000	11,831	—	—
Other expenses	3,109,000	2,573,851	963,000	1,359,657	4,335,700	3,106,217
	3,633,475	3,039,855	3,937,900	4,124,527	5,035,700	3,106,217
	(181,439)	101,857	(142,832)	192,580	(1,235,632)	(866,170)
Balance before amortization and other						
Amortization	—	—	—	(318,682)	—	—
Consolidation revenue entries	—	—	—	—	—	—
Consolidation expense entries	30,000	507,216	(85,854)	30,000	—	3,106,217
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ (151,439)</b>	<b>\$ 609,073</b>	<b>\$ (228,686)</b>	<b>\$ (96,102)</b>	<b>\$ (1,235,632)</b>	<b>\$ 2,301,236</b>
				\$ 621,134		\$ 2,240,047

**Wagmatcook First Nation**  
**Notes to Consolidated Financial Statements**  
*For the year ended March 31, 2023*

**14. SEGMENT DISCLOSURE**

	Housing		Health		Other	
	Budget 2023	Actual 2023	Budget 2023	Actual 2023	Budget 2023	Actual 2022
<b>REVENUES</b>						
Federal government operating transfers	\$ 145,000	\$ 495,291	\$ 2,137,436	\$ 1,914,660	\$ 216,900	\$ 1,458,187
Federal government capital transfers	327,383	246,887	—	—	—	—
Provincial government operating transfers	—	—	—	66,764	40,000	48,000
Mi'kmaw Kina'matnewey	—	—	—	—	—	—
Economic activities	—	300,000	—	59,732	16,000,000	16,920,899
Other revenue	370,000	93,091	120,000	—	716,875	52,442
	842,383	1,135,269	2,257,436	2,041,156	16,973,775	18,479,528
<b>EXPENSES</b>						
Salaries and benefits	297,569	447,779	784,675	788,652	2,693,458	2,521,076
Debt servicing	63,644	103,045	—	—	324,794	339,273
Other expenses	1,459,500	520,667	1,313,000	1,054,415	6,974,583	8,994,582
	1,820,713	1,071,491	2,097,675	1,843,067	9,982,835	11,854,931
Balance before amortization and other	(978,330)	63,778	159,761	198,089	6,980,940	6,624,597
Amortization	—	—	—	(65,964)	—	(410,904)
Consolidation revenue entries	—	(300,000)	—	—	—	(48,000)
Consolidation expense entries	(250,000)	30,000	30,000	30,000	(692,760)	170,724
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ (1,228,330)</b>	<b>\$ (206,222)</b>	<b>\$ 189,761</b>	<b>\$ 162,125</b>	<b>\$ 6,288,180</b>	<b>\$ 6,336,417</b>

**Wagmatcook First Nation**  
**Notes to Consolidated Financial Statements**  
*For the year ended March 31, 2023*

**14. SEGMENT DISCLOSURE**

	Total before Adjustments		Consolidation Adjustments		Consolidation Total	
	Budget 2023	Actual 2022	Budget 2023	Actual 2023	Budget 2023	Actual 2022
<b>REVENUES</b>						
Federal government operating transfers	\$ 7,563,761	\$ 9,915,970	\$ —	\$ —	\$ 7,563,761	\$ 9,915,970
Federal government capital transfers	4,127,451	2,906,893	—	—	4,127,451	2,906,893
Provincial government operating transfers	40,000	430,057	—	—	40,000	430,057
Mi'kmaw Kinā matnewey	3,724,200	4,226,729	—	—	3,724,200	4,226,729
Economic activities	16,210,028	18,076,255	—	(300,000)	16,210,028	17,599,039
Other revenue	1,814,599	1,155,570	(272,724)	(300,324)	1,541,875	673,089
	33,480,039	36,711,474	(272,724)	(600,324)	33,207,315	35,751,777
<b>EXPENSES</b>						
Salaries and benefits	9,846,159	8,351,294	—	—	9,846,159	8,351,294
Debt servicing	440,438	474,130	—	—	440,438	474,130
Other expenses	21,389,242	21,318,424	1,008,614	(2,914,239)	22,397,856	16,756,504
	31,675,839	30,143,848	1,008,614	(2,914,239)	32,684,453	25,581,928
Balance before amortization and other	1,804,200	6,567,626	(1,281,338)	2,313,915	522,862	10,169,849
Amortization	—	(1,431,281)	—	—	—	(1,431,281)
Consolidation revenue entries	(272,724)	(959,697)	272,724	600,324	—	—
Consolidation expense entries	(1,008,614)	4,561,920	1,008,614	(2,914,239)	—	—
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ 522,862</b>	<b>\$ 8,738,568</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 522,862</b>	<b>\$ 8,738,568</b>

**Wagmatcook First Nation**  
**Notes to Consolidated Financial Statements**  
*For the year ended March 31, 2023*

**15. EXPENSES BY OBJECT**

The following is a summary of expenses by object.

	2023	2022
Salaries and wages	\$ 9,798,887	\$ 8,351,294
Staff development	59,069	149,336
Supplies and services	2,520,424	3,415,109
Interest	478,383	474,130
Cost of sales for economic activities	8,352,884	7,212,670
Professional services	377,172	355,925
Rental expenditures	114,579	105,994
Fees and contract services	545,942	482,226
Other	5,994,989	5,035,244
Amortization	1,541,765	1,431,281
	\$ 29,784,094	\$ 27,013,209

**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, 2023 and 2022 was \$193,445 and \$162,178, 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.

**Wagmatcook First Nation**  
**Notes to Consolidated Financial Statements**  
*For the year ended March 31, 2023*

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**19. INVESTMENT IN LIMITED PARTNERSHIPS**

Wagmatcook First Nation has investments in limited partnerships. These business entities are owned but not controlled by the First Nation and are not dependent on the First Nation for their continuing operations. As at March 31, 2023, these investments included:

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, 2023, the financial statements of MRDP have not been audited and the capital account of the First Nation was \$35,768 (2022 - \$35,768).

E'sukutimkewey Limited Partnership ("ELP")

ELP earns revenue from the surf clam industry. As at March 31, 2023, the financial statements of ELP have not been audited and the capital account of the First Nation was \$81,032 (2022 - \$81,032). A distribution was received during the year of \$155,977 (2022 - \$170,766).

**20. FINANCIAL INSTRUMENTS**

The First Nation is exposed to various risks through its financial instruments and includes the following significant risks at March 31, 2023.

**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 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.

**Credit concentration**

As at March 31, 2023 one customer accounted for 57% (2022 - 54%) of accounts receivable. The First Nation believes that there is no unusual exposure associated with the collection of these receivables. The First Nation performs regular credit assessments of customers and provides allowances for potentially uncollectible accounts receivable.

**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.