



## Consolidated Financial Statements

Acadia First Nation

March 31, 2023

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# Independent Auditor's Report

## To the Chief and Council of Acadia First Nation

### Opinion

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Acadia First Nation as at March 31, 2023, and the results of its consolidated operations, changes in net debt and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

### Other Matters

Our audit was conducted for the purposes of forming an opinion on the consolidated financial statements taken as a whole. The Schedules of revenues and expenditures on pages 29 to 38 are presented for purposes of additional information and are not a required part of the consolidated financial statements. Such information has been subject to the auditing procedures applied, only to the extent necessary to express an opinion, in the audit of the consolidated financial statements taken as a whole.

### Basis for Opinion

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

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

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

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

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

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

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

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

We also:

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

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

*Grant Thornton LLP*

Yarmouth, Canada  
July 28, 2023

Chartered Professional Accountants

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# Acadia First Nation Management's Responsibility for Financial Reporting

March 31, 2023

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

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

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

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

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

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

On behalf of Acadia First Nation:

Chief

Band Manager



The image shows two handwritten signatures in blue ink. The top signature is for the Chief and the bottom signature is for the Band Manager. Both signatures are written over horizontal lines that serve as baselines for the text.

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## Acadia First Nation Consolidated Statement of Operations

Year Ended March 31

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	Budget <u>2023</u>	Actual <u>2023</u>	Actual <u>2022</u>
<b>Revenues</b>			
Federal government operating transfers	\$ 4,179,596	\$ 5,337,818	\$ 7,353,952
Federal government capital transfers	537,357	3,674,595	2,698,455
Provincial government operating transfers	100,000	263,099	153,726
Economic activities	12,655,000	11,043,602	12,810,017
Economic activities – incorporated entities	27,800,000	31,155,080	26,773,886
Other	<u>2,841,318</u>	<u>3,787,241</u>	<u>3,502,691</u>
	<u>48,113,271</u>	<u>55,261,435</u>	<u>53,292,727</u>
<b>Expenses</b>			
Band management and support	14,629,550	13,274,166	12,920,811
Education	964,850	1,323,230	987,750
Community maintenance	1,435,000	1,606,658	514,320
Social services	851,050	908,402	1,413,620
Community health	500,000	645,127	739,558
Housing	633,550	672,292	600,285
Fisheries	3,445,550	3,299,802	3,887,078
Training	657,500	492,663	434,948
Forestry	64,250	112,304	62,731
Incorporated entities	<u>23,311,250</u>	<u>26,332,227</u>	<u>23,017,439</u>
	<u>46,492,550</u>	<u>48,666,870</u>	<u>44,578,541</u>
<b>Annual surplus</b>	<u>\$ 1,620,721</u>	<u>\$ 6,594,566</u>	<u>\$ 8,714,186</u>

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Federal government transfers (Note 20)

**Acadia First Nation**  
**Consolidated Statement of Accumulated Surplus**

Year Ended March 31

2023

2022

	Investment in Capital Assets	Unrestricted Fund	Net Assets - externally restricted	Funds on deposit with ISC	Replacement Reserve	Total	Total
Opening balance, as previously stated	\$ 8,821,260	\$30,107,720	\$ 12,027	\$ 737,893	\$ 39,678,900	\$ 31,024,752	
Surplus	-	6,594,566	-	-	6,594,566	8,714,186	
Change in prepaid expenses	-	11,103	-	-	11,103	(60,039)	
Current year allocations	-	(67,167)	-	67,167	-	-	
Interest earned	-	(3,724)	372	3,352	-	-	
Transfer to replacement reserve	-	-	-	-	-	-	
Ending balance	\$ 8,821,260	\$36,642,498	\$ 12,399	\$ 808,412	\$ 46,284,569	\$ 39,678,900	

See accompanying notes to the consolidated financial statements.

# Acadia First Nation Consolidated Statement of Financial Position

March 31

2023

2022

## Financial assets

Cash and cash equivalents	\$ 15,799,235	\$ 17,612,351
Receivables (Note 6)	1,471,590	1,633,377
Inventory held for resale (Note 1)	1,314,284	1,204,642
Restricted cash and deposits		
Funds on deposit at DISC (Note 15 a))	12,399	12,027
Funds on deposit at FNFA (Note 15 b))	1,202,833	1,147,386
CMHC reserves (Note 10)	<u>785,097</u>	<u>187,385</u>
	<u>20,585,438</u>	<u>21,797,167</u>

## Financial liabilities

Payables and accruals (Note 9)	1,562,718	1,401,014
Deferred revenue (Note 3)	3,547,453	6,652,751
Assessment of sales tax, penalties and interest (Note 17)	836,438	1,136,438
Asset retirement obligation (Note 2)	632,462	-
Long-term debt (Note 8)	<u>19,001,734</u>	<u>19,804,776</u>
	<u>25,580,806</u>	<u>28,994,980</u>

## Net debt

(4,995,368)      (7,197,812)

## Non-financial assets

Portfolio investments (Note 22)	2	2
Tangible capital assets (Note 7)	46,135,956	42,376,296
Asset retirement obligation asset (Note 2)	632,462	-
Intangibles (Note 1)	4,437,000	4,437,000
Prepaid expenses	<u>74,517</u>	<u>63,414</u>
	<u>51,279,937</u>	<u>46,876,712</u>

## Accumulated surplus

\$ 46,284,569      \$ 39,678,900

## Accumulated surplus (Page 5)

\$ 46,284,569      \$ 39,678,900

Contingencies and commitments (Note 17)

On behalf of the Band

 Chief

 Band Manager

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**Acadia First Nation**  
**Consolidated Statement of Changes in Net Debt**

<u>March 31</u>	<u>Budget</u>	<u>2023</u>	<u>2022</u>
Surplus	\$ 1,620,721	\$ 6,594,566	\$ 8,714,186
Tangible capital asset additions	(4,000,000)	(6,333,476)	(3,914,464)
Loss on disposal of tangible capital assets	-	-	73,192
Asset retirement obligation addition	-	(632,462)	-
Amortization of tangible capital assets	<u>2,500,000</u>	<u>2,573,817</u>	<u>2,460,653</u>
Decrease in net debt	<u>\$ 120,721</u>	<u>2,202,445</u>	<u>7,333,567</u>
Net debt, beginning of year		<u>(7,197,812)</u>	<u>(14,531,379)</u>
Net debt, end of year		<u>\$ (4,995,368)</u>	<u>\$ (7,197,812)</u>

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## Acadia First Nation Consolidated Statement of Cash Flows

March 31

2023

2022

Increase (decrease) in cash and cash equivalents

<b>Operations</b>		
Annual surplus	\$ 6,594,566	\$ 8,714,186
Amortization	2,573,817	2,460,653
Loss on disposal of tangible capital assets	-	73,192
Changes in non-cash operating working capital balances (Note 11)	<u>(3,212,518)</u>	<u>2,070,404</u>
	<u>5,955,864</u>	<u>13,318,435</u>
<b>Financing</b>		
Advances of long-term debt, net of repayments	<u>(803,042)</u>	<u>(1,251,432)</u>
<b>Capital transactions</b>		
Asset retirement obligation addition	(632,462)	-
Purchase of tangible capital assets	<u>(6,333,476)</u>	<u>(3,914,464)</u>
	<u>(6,965,935)</u>	<u>(3,914,464)</u>
(Decrease) increase in cash and cash equivalents	(1,813,115)	8,152,539
Cash and cash equivalents		
Beginning of year	<u>17,612,351</u>	<u>9,459,812</u>
End of year	<u>\$ 15,799,235</u>	<u>\$ 17,612,351</u>

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# Acadia First Nation

## Notes to the Consolidated Financial Statements

Year Ended March 31, 2023

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### 1. Summary of significant accounting policies

#### Reporting entity and principles of financial reporting

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

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

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

#### Principles of consolidation

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

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

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

#### Budget

The budget was approved by the Finance and Audit Committee on March 7, 2022 and by Chief and Council on March 8, 2022.

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

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

Rental revenue is only being collected from tenants on social assistance and all uncollected rental revenue is treated as bad debts. As part of consolidation, \$121,560 (2022 - \$126,743) was recorded as rental revenue in the Housing Fund and as rental expense in the Social Services Fund and \$258,839 (2022 – \$219,190) in contributions from the General Fund were eliminated.

#### Operating surplus reserve

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

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# Acadia First Nation

## Notes to the Consolidated Financial Statements

Year Ended March 31, 2023

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### 1. Summary of significant accounting policies (continued)

#### Replacement reserve

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

#### Cash and cash equivalents

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

#### Tangible capital assets

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

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

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

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

#### Intangible assets

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

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

#### RRAP expenditures

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

#### Inventory held for resale

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

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# Acadia First Nation

## Notes to the Consolidated Financial Statements

Year Ended March 31, 2023

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### 1. Summary of significant accounting policies (continued)

#### Investments and portfolio investments

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

Portfolio investments are recorded at cost.

#### Interest rate risk

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

#### Use of estimates

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

#### Concentrations of credit risk

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

#### Net debt

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

#### Revenue

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

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

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

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# Acadia First Nation

## Notes to the Consolidated Financial Statements

Year Ended March 31, 2023

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### 1. Summary of significant accounting policies (continued)

#### Revenue (continued)

In December 2017, the Band through several of its wholly owned enterprises entered into a new fuel supply agreement with Sobeys Atlantic Fuel Co., operating as Shell. Under the new agreement with Shell, the inventory is now owned by the Band or enterprise, as a result inventory is recognized and revenue is recognized on a gross basis.

#### Asset classification

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

#### 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 benefit will be given up; and
- d) A reasonable estimate of the amount can be made.

Any liability for the closure or remediation of a tangible capital asset would be recognized based on estimated future expenses.

The liability would be discounted using a present value calculation and adjusted annually for accretion expense. The recognition of any liability would result in an accompanying increase to the respective tangible capital asset. The increase to tangible capital assets would be amortized in accordance with the amortization accounting policies used for any tangible capital assets giving rise to the liability.

#### Financial instruments

##### *Initial measurement*

Financial instruments are measured at fair value when issued or acquired. For financial instruments subsequently measured at cost or amortized cost, fair value is adjusted by the amount of the relating financing fees and transaction costs. Transaction costs and financing fees relating to financial instruments that are measured subsequently at fair value are recognized in operations in the year in which they are incurred. Financial instruments consist of receivables, payables and accruals, and long-term debt.

##### *Subsequent measurement*

At each reporting date, Acadia First Nation measures its financial assets and liabilities at cost or amortized cost (less impairment in the case of financial assets), except for investments, which must be measured at fair value. Acadia First Nation uses the effective interest rate method to amortize any premiums, discounts, transaction fees and financing fees to the statement of operations. The financial instruments measured at amortized cost are receivables, payables and accruals, and long-term debt.

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# Acadia First Nation

## Notes to the Consolidated Financial Statements

Year Ended March 31, 2023

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### *Subsequent measurement (continued)*

For financial assets measured at cost or amortized cost, Acadia First Nation regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and Acadia First Nation determines there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it recognizes an impairment loss in the statement of operations. Any reversals of previously recognized impairment losses are recognized in operations in the year the reversal occurs.

Unless otherwise noted, it is management's opinion that Acadia First Nation is not exposed to significant interest or credit risk arising from financial instruments.

## 2. Change in accounting policy

### *Asset retirement obligations*

On April 1, 2022, Acadia First Nation adopted Public Sector Accounting Standards PS 3280 – Asset retirement obligations ("PS 3280"). The new accounting standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, including the removal and/or remediation of contaminants in assets owned by public sector entities. The standard was adopted on the prospective basis at the date of adoption, as the event giving rise to the obligation arose prior to April 1, 2022, and the obligation has not been previously recognized. Under the prospective basis of adoption, the discount rate and assumptions used on initial recognition are those as of the date of adoption of the standard.

Acadia First Nation recognized an asset retirement obligation upon the adoption under PSAS 3280 on April 1, 2022. The liability represents the required closure and remediation of fuel tanks and water wells owned by Acadia First Nation. These assets have expected useful lives ranging from 30-50 years. As of the date of adoption of the standard the relevant discount rates on tangible assets was 4.19% per annum.

In accordance with the provisions of this new standard, Acadia First Nation has reflected the following adjustments as at April 2, 2022:

- a) An asset retirement obligation in the amount of \$632,462, representing the original \$2,533,250 obligation discounted to the present value using discount rate of 4.19% per annum.
- b) An increase to tangible capital assets, representing the original estimate of the obligation as at the date of transition.

### *Financial instruments*

On April 1, 2022, Acadia First Nation adopted Public Account Standards PS 3450 – Financial Instruments and PS 2601 – Foreign Currency Translation. The standards were adopted prospectively from the date of adoption. The new standards provide comprehensive requirements for the recognition, measurement, presentation and disclosure of financial instruments and foreign currency transactions.

Under PS 3450, all financial instruments, including derivatives, are included on the statement of financial position and are measured either at fair value or amortized cost based on the characteristics of the instrument and the Band's accounting policy choices (see Note 1 – Significant Accounting Policies). In accordance with the provisions of this new standard, Acadia First Nation does not have any changes reflected in their statements due to the adoption of the standard.

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**Acadia First Nation**  
**Notes to the Consolidated Financial Statements**  
Year Ended March 31, 2023

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**3. Deferred revenue**

	<u>Balance March 31, 2022</u>	<u>Funding Received (per ISC Confirmation)</u>	<u>Funding Recognized</u>	<u>Balance March 31, 2023</u>
Indigenous Services Canada (ISC)				
– Contribution Funding	\$ 2,587,448	\$ 1,931,415	\$ 2,375,890	\$ 2,142,973
– NFR Grant	<u>-</u>	<u>3,226,068</u>	<u>3,226,068</u>	<u>-</u>
	2,587,488	5,157,483	5,601,958	2,142,973
Canada Mortgage and Housing Corporation (CMHC)				
– Rapid Housing Initiative	<u>4,065,303</u>	<u>-</u>	<u>2,660,823</u>	<u>1,404,480</u>
	<u>\$ 6,652,751</u>	<u>\$ 5,157,483</u>	<u>\$ 8,262,781</u>	<u>\$ 3,547,453</u>

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

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# Acadia First Nation

## Notes to the Consolidated Financial Statements

Year Ended March 31, 2023

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#### 4. Replacement reserve

Under the terms of the agreement with CMHC, the replacement reserve account is to be credited annually with an amount established by CMHC as a charge against earnings plus interest. For projects entered into under the pre 1997 Section 95 On-Reserve Housing Program (Series 14-283-576) a combined amount of \$417 is charged annually, and for projects entered into under the 1997 Section 95 On-Reserve Housing Program (Series 19-042-795) an amount of \$1,000 per unit is charged annually unless otherwise specified by Acadia First Nation.

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

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#### 5. Operating surplus reserve

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

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

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6. Receivables	<u>2023</u>	<u>2022</u>
Mi'kmaw Kina'matnewey	\$ 10,862	\$ 83,175
Province of Nova Scotia	228,099	153,654
Indigenous Services Canada	452,500	692,500
Canada Mortgage and Housing Corporation	-	500,000
Mi'kmaq Employment/Training Secretariat	72,313	77,901
Other	310,571	126,150
Nova Scotia Power	280,878	-
Atlantic Canada Opportunity Agency	116,367	-
	<u>\$ 1,471,590</u>	<u>\$ 1,633,379</u>

## Acadia First Nation Notes to the Consolidated Financial Statements

Year Ended March 31, 2023

7. Tangible capital assets	Infrastructure	Land	Community Buildings	Commercial Buildings	Furniture & Equipment	Paving & Roads	Forestry Equipment	Housing	Balance Forward
<b>Cost</b>									
Balance, beginning of the year	\$ 3,607,154	\$ 1,377,673	\$ 11,232,994	\$ 28,449,196	\$ 293,992	\$ 1,100,160	\$ 224,648	\$ 9,922,233	\$ 56,208,050
Additions	1,126,615	777,832	3,179,615	1,950	-	83,693	-	318,254	5,487,959
Disposals	-	-	-	-	-	-	77,000	-	77,000
Balance, end of the year	<u>4,733,769</u>	<u>2,155,505</u>	<u>14,412,609</u>	<u>28,451,146</u>	<u>293,992</u>	<u>1,183,853</u>	<u>147,648</u>	<u>10,240,487</u>	<u>61,619,008</u>
<b>Accumulated depreciation</b>									
Balance, beginning of the year	129,843	-	6,846,069	3,470,976	239,211	455,740	176,031	5,044,435	16,362,304
Depreciation during the year	144,286	-	370,319	1,137,968	9,428	36,672	6,181	344,967	2,049,823
Disposals	-	-	-	-	-	-	77,000	-	77,000
Balance, end of the year	<u>274,129</u>	<u>-</u>	<u>7,216,388</u>	<u>4,608,944</u>	<u>248,639</u>	<u>492,412</u>	<u>105,212</u>	<u>5,389,402</u>	<u>18,335,128</u>
<b>Net Book Value</b>	<u>\$ 4,459,640</u>	<u>\$ 2,155,505</u>	<u>\$ 7,196,221</u>	<u>\$ 23,842,202</u>	<u>\$ 45,352</u>	<u>\$ 691,441</u>	<u>\$ 42,436</u>	<u>\$ 4,851,085</u>	<u>\$ 43,283,881</u>
<b>Cost</b>									
Balance, beginning of the year	\$ 56,208,050	\$ 124,580	\$ 566,617	\$ 4,873,022	\$ 797,808	\$ 777,567	\$ 210,598	\$ 63,558,243	\$ 60,181,513
Additions	5,487,959	136,919	103,740	497,289	71,925	-	35,644	6,333,476	3,914,464
Disposals	77,000	-	-	1,642,926	-	-	75,760	1,795,686	(537,735)
Balance, end of the year	<u>61,619,008</u>	<u>261,499</u>	<u>670,357</u>	<u>3,727,385</u>	<u>869,733</u>	<u>777,567</u>	<u>170,482</u>	<u>68,096,031</u>	<u>63,558,243</u>
<b>Accumulated depreciation</b>									
Balance, beginning of the year	16,362,304	93,276	393,888	3,164,725	601,752	389,554	176,447	21,181,946	19,178,838
Depreciation during the year	2,049,823	12,458	43,808	357,951	61,545	25,919	22,314	2,573,817	2,460,653
Disposals	77,000	-	-	1,642,926	-	-	75,760	1,795,686	(457,545)
Balance, end of the year	<u>18,335,128</u>	<u>105,734</u>	<u>437,696</u>	<u>1,879,750</u>	<u>663,294</u>	<u>415,473</u>	<u>123,001</u>	<u>21,960,075</u>	<u>21,181,946</u>
<b>Net Book Value</b>	<u>\$ 43,283,881</u>	<u>\$ 155,765</u>	<u>\$ 232,661</u>	<u>\$ 1,847,634</u>	<u>\$ 206,439</u>	<u>\$ 362,094</u>	<u>\$ 47,481</u>	<u>\$ 46,135,956</u>	<u>\$ 42,376,296</u>

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**Acadia First Nation**  
**Notes to the Consolidated Financial Statements**  
Year Ended March 31, 2023

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8. Long-term debt	<u>2023</u>	<u>2022</u>
2.06% mortgage, maturing November 1, 2039, payable in monthly instalments of \$351, including principal and interest.	\$ 59,687	\$ 62,644
1.57% mortgage, maturing December 1, 2041, payable in monthly instalments of \$553, including principal and interest.	107,753	112,660
0.74% mortgage, maturing February 1, 2041, payable in monthly instalments of \$390, including principal and interest.	78,523	82,607
2.06% mortgage, maturing September 1, 2039, payable in monthly instalments of \$1,018, including principal and interest.	170,814	179,427
4.54% mortgage, maturing November 1, 2042, payable in monthly instalments of \$568, including principal and interest.	88,797	92,141
1.89% mortgage, maturing November 1, 2044, payable in monthly instalments of \$1,509, including principal and interest.	321,841	333,762
2.06% mortgage, maturing October 1, 2033, payable in monthly instalments of \$652, including principal and interest.	74,359	80,588
0.71% mortgage, maturing in November 1, 2035, payable in monthly instalments of \$1,426, including principal and interest	207,278	222,864
1.86% mortgage, maturing April 1, 2034, payable in monthly instalments of \$1,004, including principal and interest.	<u>120,654</u>	<u>130,371</u>
Total carried forward	<u>\$ 1,229,706</u>	<u>\$ 1,297,064</u>

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**Acadia First Nation**  
**Notes to the Consolidated Financial Statements**  
Year Ended March 31, 2023

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<b>8. Long-term debt (continued)</b>	<b><u>2023</u></b>	<b><u>2022</u></b>
Balance carried forward	<b>\$ 1,229,706</b>	<b>\$ 1,297,064</b>
1.86% mortgage, maturing January 1, 2024, payable in monthly instalments of \$301, including principal and interest.	<b>3,860</b>	<b>7,356</b>
2.14% mortgage, maturing January 1, 2024, payable in monthly instalments of \$354, including principal and interest.	<b>2,811</b>	<b>6,952</b>
0.76% mortgage, maturing August 1, 2025, payable in monthly instalments of \$301, including principal and interest.	<b>8,652</b>	<b>12,186</b>
1.57% mortgage, maturing October 1, 2026, payable in monthly instalments of \$293, including principal and interest.	<b>12,256</b>	<b>15,555</b>
3.04% mortgage, maturing May 1, 2027, payable in monthly instalments of \$308, including principal and interest.	<b>14,437</b>	<b>17,677</b>
3.70% mortgage, maturing December 1, 2027, payable in monthly instalments of \$311, including principle and interest.	<b>16,260</b>	<b>19,457</b>
1.13% mortgage, maturing July 1, 2036, payable in monthly instalments of \$1,414, including principle and interest.	<b>209,872</b>	<b>224,378</b>
3.81% mortgage, maturing March 1, 2043, payable in monthly instalments of \$4,267, including principle and interest.	<b>717,797</b>	<b>745,501</b>
2.72% First Nation Finance Authority (FNFA) debenture, maturing June 2028, payable in annual instalments of \$665,378 including principle and interest	<b><u>15,086,011</u></b>	<b><u>15,617,115</u></b>
Total carried forward	<b><u>\$ 17,301,662</u></b>	<b><u>\$17,966,265</u></b>

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**Acadia First Nation**  
**Notes to the Consolidated Financial Statements**  
Year Ended March 31, 2023

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<b>8. Long-term debt (continued)</b>	<u><b>2023</b></u>	<u><b>2022</b></u>
Balance carried forward	<b>\$ 17,301,662</b>	<b>\$ 17,966,265</b>
2.06% mortgage, maturing August 1, 2028, payable in monthly instalments of \$297, including principal and interest.	<b>18,225</b>	<b>21,374</b>
1.86% mortgage, maturing January 1, 2029, payable in monthly instalments of \$297, including principal and interest.	<b>19,664</b>	<b>22,827</b>
1.88% mortgage, maturing July 1, 2031, payable in monthly instalments of \$426, including principal and interest.	<b>39,412</b>	<b>43,742</b>
1.01% mortgage, maturing February 1, 2031, payable in monthly instalments of \$883, including principal and interest.	<b>80,590</b>	<b>90,320</b>
0.70% mortgage, maturing July 1, 2030 payable in monthly instalments of \$569, including principal and interest.	<b>48,833</b>	<b>55,301</b>
3.04% mortgage, maturing April 1, 2032 payable in monthly instalments of \$1,416, including principal and interest.	<b>134,810</b>	<b>147,817</b>
1.57% mortgage, maturing December 1, 2031 payable in monthly instalments of \$641, including principal and interest.	<b>62,885</b>	<b>69,539</b>
3.45% mortgage, maturing February 1, 2032 payable in monthly instalments of \$2,221, including principal and interest.	<b>204,506</b>	<b>224,918</b>
1.83% mortgage, maturing November 1, 2034 payable in monthly instalments of \$2,053, including principal and interest.	<b>258,670</b>	<b>278,389</b>
0.79% mortgage, maturing June 1, 2035 payable in monthly instalments of \$937, including principal and interest.	<u><b>131,179</b></u>	<u><b>141,339</b></u>
Total carried forward	<u><b>\$ 18,300,436</b></u>	<u><b>\$ 19,061,831</b></u>

## Acadia First Nation Notes to the Consolidated Financial Statements

Year Ended March 31, 2023

8. Long-term debt (continued)	<u>2023</u>	<u>2022</u>
Balance carried forward	\$ 18,300,436	\$ 19,061,831
1.01% mortgage, maturing January 1, 2036, payable in monthly instalments of \$468, including principle and interest.	67,629	72,541
3.81% mortgage, maturing September 1, 2037, payable in monthly instalments of \$1,710, including principle and interest.	228,820	241,483
3.04% mortgage, maturing June 1, 2037, payable in monthly instalments of \$1,068, including principle and interest.	148,205	156,711
3.29% mortgage, maturing March 1, 2042, payable in monthly instalments of \$997, including principle and interest.	169,197	176,363
4.00% Ulnooweg loan, maturing October 31, 2031, payable in monthly instalments of \$1,007, including principle and interest.	<u>87,444</u>	<u>95,847</u>
	<u>\$ 19,001,734</u>	<u>\$ 19,804,776</u>

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

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

The Band has a credit facility in the form of an operating loan with a credit limit of \$750,000 which bears interest at prime plus 0.75%. As at March 31, 2023 the amount drawn was \$nil (2022 - \$nil).

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

2023	\$ 784,720
2024	\$ 783,005
2025	\$ 784,973
2026	\$ 786,454
2027	\$ 785,190

## 9. Payables and accruals

	<u>2023</u>	<u>2022</u>
Vendors	\$ 458,103	\$ 399,480
Accruals	880,623	943,670
Harmonized sales tax	(99,743)	(43,304)
Government remittances	74,968	95,666
Other	<u>248,767</u>	<u>5,502</u>
	<u>\$ 1,562,718</u>	<u>\$ 1,401,014</u>

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**Acadia First Nation**  
**Notes to the Consolidated Financial Statements**  
Year Ended March 31, 2023

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**10. Funded reserves**

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

As at March 31, 2023, the Acadia First Nation has provided for funding of Reserves as follows:

(Pre 1997) Projects 1 to 11 Amount of reserve	(1997 Agreement) Projects 12 + Amount of reserve	Amount funded
<u>\$ 25,084</u>	<u>\$783,328</u>	<u>\$ 808,412</u>

At March 31, 2023, an amount of \$96,301 has been underfunded (2022 - \$29,134).

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**11. Changes in non-cash operating working capital balances**

	<u>2023</u>	<u>2022</u>
Receivables	\$ 161,787	\$ (350,034)
Restricted cash and deposits	(653,531)	(17,014)
Inventory held for resale	(109,642)	(167,305)
Payables and accruals	161,704	(1,654,216)
Deferred revenue	(3,105,298)	4,558,972
Asset retirement obligation	632,462	-
Assessment of sales tax, penalties and interest	<u>(300,000)</u>	<u>(300,000)</u>
	<u>\$ (3,212,518)</u>	<u>\$ 2,070,404</u>

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**12. Economic dependence**

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

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**13. Federal assistance payments**

The housing projects have received assistance through CMHC pursuant to Section 56.1 of the National Housing Act to reduce mortgage interest expense to enable the project to provide housing to low-income individuals. The amount of assistance received in the year ended March 31, 2023 was \$210,863 (2022 - \$203,107). Special contributions of \$511,875 were received during the prior year and transferred to the reserve.

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## Acadia First Nation Notes to the Consolidated Financial Statements

Year Ended March 31, 2023

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### 14. Non compliance

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

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### 15. Funds on deposit

#### a) At Department of Indigenous Services Canada (ISC)

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

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

	<u>2023</u>	<u>2022</u>
Net assets, beginning of year	\$ 12,027	\$ 11,800
Interest earned	<u>372</u>	<u>227</u>
	<u>\$ 12,399</u>	<u>\$ 12,027</u>
Represented by		
Restricted for capital projects	\$ 4,362	\$ 4,362
Unrestricted	<u>8,037</u>	<u>7,665</u>
	<u>\$ 12,399</u>	<u>\$ 12,027</u>

#### b) At First Nation Finance Authority (FNFA)

During prior years, Acadia First Nation participated in the issuance of debentures from FNFA. The Band borrowed \$16,527,000 to be used to finance the construction of the Tru Hotel by Hilton in Yarmouth and the Hammonds Plains retail store/office. Part of the obligation in this borrowing agreement was the creation of a 5% reserve, or \$902,578 (including interest of \$76,228), to be held by FNFA. This reserve is interest bearing and will be returned to the Band at the end of the agreement. The debt reserve fund was created by FNFA to assist in the event of payment difficulties or default by a borrower. As well Acadia First Nation has prepaid principal and interest of \$300,254 to the FNFA at March 31, 2023.

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### 16. Related party transactions

The Band had the following transactions with related parties:

	<u>2023</u>	<u>2022</u>
Building rental charged to related companies	\$ 695,256	\$ 285,256
Royalties received from the gaming companies	3,708,152	2,967,590
Acadia Commodity Taxes charged	939,255	995,860
Agency fee charged from Kespuwick Resources	45,000	45,000

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

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# Acadia First Nation

## Notes to the Consolidated Financial Statements

Year Ended March 31, 2023

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### 17. Contingencies and commitments

#### Canada Revenue Agency

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

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

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

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

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

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

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

#### Contracts

In relation to the construction of the infrastructure project, the Band has entered into 2 contracts with Dexter Construction Limited and CBCL Limited for the construction of the Yarmouth infrastructure project. Costs to March 31, 2023 for design, Phase 1 and 2 were \$4,733,769. Estimated costs to completion in 2023/24 are approximately \$130,176.

In the relation to the purchase of land, the Band had entered a purchase and sale agreement to acquire property near the Yarmouth community for \$1,500,000. A payment was made of \$761,193 (2022 - \$750,000) with the remainder to be paid over the next 4 years.

Acadia First Nation was awarded one of 12 new shelters under the National On-Reserve Shelter Enhancement Program with Canada Mortgage and Housing Corporation (CMHC). The new shelter, Weliankweyasimk Women's Shelter, will be constructed in 2023-2024 in Hammonds Plains. A contract with CMHC was signed for \$4,129,080 with operational costs for the next 10 years covered substantially by Indigenous Services Canada. A second agreement for \$2,000,000 was signed with ISC subsequent to year end to reflect the significant rise in construction costs since the signing of the initial agreement. Construction is expected to begin in the fall of 2023.

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## Acadia First Nation

### Notes to the Consolidated Financial Statements

Year Ended March 31, 2023

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#### 17. Contingencies and commitments (continued)

##### Contracts (continued)

Acadia First Nation was successful in receiving a Rapid Housing Initiative project with CMHC for \$4,468,145 during the prior fiscal year. This project is for 14 modular homes to be constructed and delivered to the communities over the next two fiscal years. The homes are to be constructed by T&C Homes under a contract signed December 8, 2021, for a value of \$4,028,422. Subsequent to year end the final 3 houses were delivered.

Acadia First Nation was successful in receiving a second Rapid Housing Initiative project with CMHC for \$1,762,800 subsequent to year end. This project is for 8 additional modular homes to be constructed and delivered to the communities over the next two fiscal years. The homes are to be constructed by T&C Homes under a contract signed July 18, 2023, for a value of \$2,396,000. The first of the 8 homes are scheduled to arrive Winter 2023/24.

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#### 18. Comparative figures

Certain of the 2022 comparative figures have been reclassified to conform with the financial statement presentation adopted for 2023. Certain balances within the consolidated financial statements may also be affected by rounding.

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#### 19. Post-employment benefits

The Band has a defined contribution pension plan for its employees, the Band's obligation is limited to matching up to a maximum of 3% (2022 – 3%) of the contributions made by employees. Obligations for contributions to the defined contribution pension plan are recognized as an employee benefit expense in the statement of operations during which the services are rendered by the employees. During the year, the Band made contributions in the amount of \$48,906 (2022 - \$45,391) to the defined contribution pension plan.

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#### 20. Federal government transfers

<u>Operating transfers</u>	<u>2023</u>	<u>2022</u>
Indigenous Services Canada/First Nations and Inuit Health Branch	\$ 4,588,186	\$ 6,022,449
Canada Mortgage and Housing Corporation	210,862	226,023
Canada Mortgage and Housing Corporation - Special	-	511,875
Department of Fisheries and Oceans	43,850	208,995
Service Canada (Mi'kmaw Employment Training Secretariat)	<u>494,920</u>	<u>384,610</u>
	<u>5,337,818</u>	<u>7,353,952</u>
<u>Capital transfers</u>		
CMHC Rapid Housing	\$ 2,660,823	\$ -
Indigenous Services Canada/First Nations and Inuit Health Branch	<u>1,013,772</u>	<u>2,698,455</u>
	<u>\$ 3,674,595</u>	<u>\$ 2,698,455</u>

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

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# Acadia First Nation

## Notes to the Consolidated Financial Statements

Year Ended March 31, 2023

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### 21. Segmented information

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

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

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

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

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

**Social Services** – social assistance provided to qualifying members.

**Community Health Representative** – activity of the two Health Centre's which provide a variety of health care programs and support.

**Housing Fund** – CMHC Section 95 housing and related expenditures.

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

**Training Fund** – activities related to job training and skills.

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

**Economic Activities** – purchase and sale of band tobacco.

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

See financial data on Page 26 and 27.

## Acadia First Nation Notes to the Consolidated Financial Statements

Year Ended March 31

### 21. Segmented information (continued)

	Band M&S		Education		Maintenance		Social		CHR	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>Revenues</b>										
Federal government operating transfers	\$ 1,232,023	\$ 3,612,483	\$ -	\$ -	\$ 1,044,090	\$ 170,747	\$ 1,495,296	\$ 1,565,364	\$ 816,777	\$ 696,771
Federal government capital transfers	3,674,595	2,567,520	-	-	-	130,935	-	-	-	-
Provincial government operating transfers	263,099	153,726	-	-	-	-	-	-	-	-
Provincial government Economic activities	6,571,323	6,771,652	-	-	-	-	-	-	-	-
Income retail operations	31,155,080	26,773,886	-	-	-	-	-	-	-	-
Income from investment	-	-	-	-	-	-	-	-	-	-
Other	<u>2,093,636</u>	<u>2,341,504</u>	<u>1,313,610</u>	<u>1,082,787</u>	-	-	-	-	-	-
	<b>44,989,756</b>	<b>42,220,771</b>	<b>1,313,610</b>	<b>1,082,787</b>	<b>1,044,090</b>	<b>301,682</b>	<b>1,495,296</b>	<b>1,565,364</b>	<b>816,777</b>	<b>696,771</b>
<b>Expenses</b>										
Salaries	1,937,843	2,026,306	-	-	1,015,425	514,320	76,270	73,311	-	-
Amortization	2,228,849	2,118,908	-	-	-	-	-	-	-	-
Interest	438,734	411,768	-	-	-	-	-	-	-	-
Economic activities	5,348,590	5,564,059	-	-	-	-	-	-	-	-
Expense retail operations	26,332,227	23,017,439	-	-	-	-	-	-	-	-
Other	<u>3,320,149</u>	<u>2,799,768</u>	<u>1,323,230</u>	<u>987,750</u>	<u>591,233</u>	-	<u>832,132</u>	<u>1,340,309</u>	<u>645,127</u>	<u>739,558</u>
	<b>39,606,393</b>	<b>35,938,249</b>	<b>1,323,230</b>	<b>987,750</b>	<b>1,606,658</b>	<b>514,320</b>	<b>908,402</b>	<b>1,413,620</b>	<b>645,127</b>	<b>739,558</b>
<b>Surplus (deficit) for the year</b>	<b>\$ 5,383,363</b>	<b>\$ 6,282,522</b>	<b>\$ (9,619)</b>	<b>\$ 95,036</b>	<b>\$ (562,568)</b>	<b>\$ (212,638)</b>	<b>\$ 586,894</b>	<b>\$ 151,743</b>	<b>\$ 171,650</b>	<b>\$ (42,787)</b>
Eliminated interfund charges	<u>208,839</u>	<u>(120,573)</u>	-	(48,617)	-	-	146,156	(151,743)	-	-
<b>Surplus (deficit)</b>	<b>\$ 5,592,202</b>	<b>\$ 6,161,949</b>	<b>\$ (9,619)</b>	<b>\$ 46,419</b>	<b>\$ (562,568)</b>	<b>\$ (212,638)</b>	<b>\$ 733,050</b>	<b>\$ -</b>	<b>\$ 171,650</b>	<b>\$ (42,787)</b>

## Acadia First Nation Notes to the Consolidated Financial Statements

Year Ended March 31

### 21. Segmented information (continued)

	Housing		Fisheries		Training		Forestry		Total	
	2023	2022	2023	2022	2022	2023	2022	2023	2022	2023
<b>Revenues</b>										
Federal government operating transfers	\$ 210,862	\$ 714,982	\$ 43,850	\$ 208,995	\$ 494,920	\$ 384,610	\$ -	\$ -	\$ 5,337,818	\$ 7,353,952
Federal government capital transfers	-	-	-	-	-	-	-	-	3,674,595	2,698,455
Provincial government operating transfers	-	-	-	-	-	-	-	-	263,099	153,726
Economic activities	-	-	4,449,929	6,017,496	-	-	22,350	20,869	11,043,602	12,810,017
Income – retail operations	-	-	-	-	-	-	-	-	31,155,080	26,773,886
Other	379,995	-	-	-	-	78,400	-	-	3,787,241	3,502,691
	<u>590,857</u>	<u>714,982</u>	<u>4,493,779</u>	<u>6,226,491</u>	<u>494,920</u>	<u>463,010</u>	<u>22,350</u>	<u>20,869</u>	<u>55,261,435</u>	<u>53,292,727</u>
<b>Expenses</b>										
Salaries	-	-	395,932	324,147	283,243	194,355	93,094	45,070	3,801,808	3,177,509
Amortization	344,968	341,744	-	-	-	-	-	-	2,573,817	2,460,652
Interest	76,055	68,541	-	-	-	-	-	-	514,789	480,309
Economic activities	-	-	2,903,869	3,562,931	-	-	19,210	17,661	8,271,670	9,144,651
Expense retail operations	-	-	-	-	-	-	-	-	26,332,227	23,017,439
Other	251,269	190,000	-	-	209,420	240,594	-	-	7,172,559	6,297,979
	<u>672,292</u>	<u>600,285</u>	<u>3,299,802</u>	<u>3,887,078</u>	<u>492,663</u>	<u>434,948</u>	<u>112,304</u>	<u>62,731</u>	<u>48,666,870</u>	<u>44,578,541</u>
Surplus (deficit) for the year	\$ (81,435)	\$ 114,697	\$ 1,193,977	\$ 2,339,413	\$ 2,257	\$ 28,062	\$ (89,954)	\$ (41,862)	\$ 6,594,565	\$ 8,714,186
Eliminated interfund charges	(354,995)	320,933	-	-	-	-	-	-	-	-
Surplus (deficit)	\$ (436,430)	\$ 435,630	\$ 1,193,977	\$ 2,339,413	\$ 2,257	\$ 28,062	\$ (89,954)	\$ (41,862)	\$ 6,594,565	\$ 8,714,186

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**Acadia First Nation**  
**Notes to the Consolidated Financial Statements**  
Year Ended March 31, 2023

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**22. Investments**

The First Nation, together with 12 other First Nation entities in the Province of Nova Scotia, have entered into the following limited partnerships. No First Nation within the group controls the Partnerships, as such the investments are accounted for as portfolio investments and are carried at cost in these financial statements. Revenue is recorded only to the extent that distributions are received or receivable. During the year, the First Nation received \$110,747 (2022 -\$233,547) from Mi'kmaq Resource Development Partnership which has been included in other revenue.

	<u>2023</u>	<u>2022</u>
E'sukitimkewey Limited partnership	\$ 1	\$ 1
Mi'Kmaq Resource Development Partnership	<u>1</u>	<u>1</u>
	<u>\$ 2</u>	<u>\$ 2</u>

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**23. Subsequent event**

On May 15, 2023, in an effort to reclaim, revitalize and maintain Mi'kmaw language, the Band announced that they were adopting a new name, Wasoqopa'q First Nation. This name will be transitioned into use over the next year.

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**Acadia First Nation**  
**Schedule of Revenue and Expenditures**  
**Band Management and Support**

Year Ended March 31	Budget	2023	2022
<b>Revenue</b>			
Department of Indigenous Services Canada			
NFR Grant and membership	\$ 486,145	\$ 566,135	\$ 18,635
Band support	-	-	400,662
Community Economic Development	-	-	61,493
Contribution	<u>996,938</u>	<u>1,679,660</u>	<u>5,699,213</u>
	<u>1,483,083</u>	<u>2,245,795</u>	<u>6,180,003</u>
CMHC Rapid Housing Initiative	-	2,660,823	-
Interest income	-	336,428	-
Economic Activities – Incorporated Entities	27,800,000	31,155,080	26,773,886
Economic Activities - Band tobacco	7,250,000	6,571,323	6,771,652
Other	1,500,000	1,760,932	2,443,163
Restricted reserves, net	-	(3,724)	(3,041)
Province of Nova Scotia	<u>100,000</u>	<u>263,099</u>	<u>153,726</u>
	<u>38,133,083</u>	<u>44,989,756</u>	<u>42,319,389</u>
<b>Expenditures</b>			
Allocation to band members	1,100,000	1,109,000	1,058,600
Allocation to housing	233,550	258,839	219,190
Amortization	2,140,000	2,167,304	2,118,908
Band member requests	50,000	59,776	41,209
Bank charges and interest	450,000	438,734	411,768
Changes in prepaid expenses	-	11,103	(60,039)
Community expenses	175,000	207,948	436,382
Community Economic Development/Projects	250,000	55,562	57,122
Donations	20,000	17,907	11,829
Heat and lights	80,000	114,904	58,328
Elders and disabled	500,000	518,600	490,000
Insurance	120,000	99,683	127,351
Loss on disposal of tangible capital assets	-	-	-
Office and postage	110,000	157,894	86,281
Other	50,000	68,989	36,704
Pandemic	15,000	-	56,784
Professional fees	250,000	233,967	215,101
Economic Activities - Band tobacco	6,150,000	5,348,590	5,564,059
Economic Activities – Incorporated Entities	23,311,250	26,393,772	23,017,439
Salaries, benefits and honorarium	2,650,000	1,937,843	2,026,306
Property taxes	21,000	27,246	20,886
Telephone	75,000	78,566	69,551
Travel, conferences and meetings	150,000	291,610	93,654
Vehicle operating	<u>40,000</u>	<u>8,556</u>	<u>26</u>
	<u>37,940,800</u>	<u>39,606,393</u>	<u>36,157,439</u>
Surplus	<u>\$ 192,283</u>	<u>\$ 5,383,363</u>	<u>\$ 6,161,950</u>

**Acadia First Nation  
Schedule of Revenue and Expenditures  
Education**

<b>Year Ended March 31</b>	<b>Budget</b>	<b>2023</b>	<b>2022</b>
<b>Revenue</b>			
Mi'kmaw Kina'matnewey			
Elementary/Secondary			
Paraprofessional / K-12	\$ 108,571	\$ 172,490	\$ 105,475
Supplies	9,856	9,856	9,575
Student transportation	69,094	69,094	66,913
Financial assistance	3,438	3,438	3,340
Guidance and counselling	17,387	17,387	16,891
Advice and assistance	1,011	1,011	979
Post secondary			
Tuition and allowances	562,137	634,557	477,164
Government support	17,536	17,536	16,982
Governance	21,105	41,105	20,439
Language	39,493	123,947	38,367
Special education	106,737	106,737	103,693
New paths	11,403	11,403	11,078
Other	-	105,048	211,890
	<u>967,768</u>	<u>1,313,610</u>	<u>1,082,787</u>
<b>Expenditures</b>			
Elementary/Secondary			
Elementary/Secondary	110,000	187,432	157,598
Student transportation	60,000	69,094	63,786
Financial assistance	3,500	3,438	3,340
Guidance and counselling	17,500	17,387	16,891
Advice and assistance	1,100	1,011	980
Books and Supplies	10,000	9,856	9,578
Post secondary			
Tuition and allowances	565,000	747,208	609,687
Government support	17,750	17,536	16,983
Governance	21,500	41,105	20,440
Language	40,000	138,457	38,437
Other	-	51,848	39,421
Special education	107,000	27,456	48,118
New paths	11,500	11,403	11,108
	<u>964,850</u>	<u>1,323,230</u>	<u>1,036,367</u>
Surplus (deficit)	\$ 2,918	\$ (9,619)	\$ 46,419

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**Acadia First Nation  
Schedule of Revenue and Expenditures  
Community Maintenance**

<b>Year Ended March 31</b>	<b>Budget</b>	<b>2023</b>	<b>2022</b>
<b>Revenue</b>			
Department of Indigenous Services			
Canada			
Contribution items	\$ -	\$ 456,203	\$ 130,935
NFR Grant	537,357	587,887	147,831
CMHC	-	-	22,916
	<u>537,357</u>	<u>1,044,090</u>	<u>301,682</u>
<b>Expenditures</b>			
Fire protection	20,000	8,100	18,974
Garbage collection	40,000	33,586	25,190
Repairs	600,000	405,409	297,985
Salaries and crew costs	650,000	1,015,425	695,455
Snow removal	50,000	87,819	109,950
Water and sewer	75,000	56,319	72,881
	<u>1,435,000</u>	<u>1,606,658</u>	<u>1,220,435</u>
Excess of expenditures over revenue	(897,643)	(562,568)	(918,753)
Transfer within block funding	-	586,894	706,115
(Deficit) surplus	<u>\$ (897,643)</u>	<u>\$ 24,326</u>	<u>\$ (212,638)</u>

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**Acadia First Nation**  
**Schedule of Revenue and Expenditures**  
**Social Services**

Year Ended March 31	Budget	2023	2022
<b>Revenue</b>			
Department of Indigenous Services			
Canada			
Contribution items	\$ -	\$ -	\$ 175,297
Income assistance	1,245,710	1,421,297	1,321,276
Assisted living	<u>62,718</u>	<u>73,999</u>	<u>68,791</u>
	<u>1,308,428</u>	<u>1,495,296</u>	<u>1,565,364</u>
<b>Expenditures</b>			
Administrative	25,000	25,000	25,000
Adult care	60,000	69,142	62,635
Bank charges	50	-	-
Basic needs	600,000	570,295	592,000
Salaries and benefits	115,000	76,270	73,311
Special needs	50,000	167,695	105,859
Travel	<u>1,000</u>	<u>-</u>	<u>444</u>
	<u>851,050</u>	<u>908,402</u>	<u>859,248</u>
Excess of revenue over expenditures	457,378	586,894	706,115
Transfer within block funding	<u>-</u>	<u>(586,894)</u>	<u>(706,115)</u>
Surplus	<u>\$ 457,378</u>	<u>\$ -</u>	<u>\$ -</u>

**Acadia First Nation  
Schedule of Revenue and Expenditures  
Community Health Representatives**

Year Ended March 31	Budget	2023	2022
<b>Revenue</b>			
<b>Health Canada</b>			
Jorden's principle	\$ -	\$ -	\$ 30,835
Tobacco	-	10,600	10,600
Comm. disease	-	5,597	2,045
In home care	-	-	8,449
Health planning	60,393	72,161	69,927
FN Rep services	-	32,025	-
Other	61,556	38,276	880
Oral health	4,431	8,206	7,250
Vent	-	14,480	21,000
Facilities operation and management	47,300	49,920	61,636
Mental health	36,374	135,032	15,980
Home and community	66,163	139,146	197,610
Aboriginal diabetes initiative	14,373	13,788	20,363
Health living	95,735	129,155	125,158
Environmental	13,530	16,492	-
Head start	62,989	115,858	94,443
Healthy child	<u>36,241</u>	<u>36,041</u>	<u>30,595</u>
	<u>499,085</u>	<u>816,777</u>	<u>696,771</u>
<b>Expenditures</b>			
FN Rep services	-	32,025	-
Covid	-	-	2,925
Maternal health	25,000	-	-
Home and community care	60,000	125,965	209,582
Mental health	75,000	15,000	16,262
Aboriginal diabetes	15,000	13,788	20,363
Healthy living	100,000	117,288	125,909
Environmental	15,000	16,492	-
Oral care	5,000	8,206	7,250
Ventilation	-	14,480	21,100
Jorden's principle	-	-	30,835
Other	7,500	41,189	880
Disease control	-	5,597	2,045
Head start	65,000	115,858	97,152
Facilities operation and management renovations	70,000	76,650	96,580
Health planning	62,500	29,872	70,000
Healthy child	-	22,116	31,001
Tobacco	-	10,600	10,600
	<u>500,000</u>	<u>645,126</u>	<u>739,558</u>
(Deficit) surplus	<u>\$ (915)</u>	<u>\$ 171,650</u>	<u>\$ (42,787)</u>

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**Acadia First Nation**  
**Schedule of Revenue and Expenditures**  
**Housing Fund**

Year Ended March 31	Budget	2023	2022
<b>Revenue</b>			
Rent	\$ 140,000	\$ 121,156	\$ 126,743
CMHC -annual	260,000	210,862	203,107
CMHC -special	-	-	511,875
Allocation from Band	<u>233,550</u>	<u>258,839</u>	<u>219,190</u>
	<u>633,550</u>	<u>590,857</u>	<u>1,060,914</u>
<b>Expenditures</b>			
Administration	25,050	25,000	25,000
Amortization	360,000	344,968	341,744
Mortgage interest	75,000	76,055	68,541
Maintenance	40,000	91,266	39,135
Replacement reserve			
current year charge	60,000	58,417	77,165
Accounting and audit	8,500	8,500	8,500
Insurance	25,000	25,333	22,848
Utilities	<u>40,000</u>	<u>42,753</u>	<u>42,352</u>
	<u>633,550</u>	<u>672,292</u>	<u>625,285</u>
(Deficit) surplus	\$ <u>-</u>	\$ <u>(81,435)</u>	\$ <u>435,629</u>

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**Acadia First Nation**  
**Schedule of Revenue and Expenditures**  
**Fisheries Fund**

Year Ended March 31	Budget	2023	2022
<b>Revenue</b>			
Fishing settlements	\$ 4,500,000	\$ 3,383,895	\$ 5,048,654
Interest income / other income	-	107,875	22,699
Leased quota	900,000	958,159	946,143
Department of Fisheries & Oceans grant	-	43,850	208,995
	<u>5,400,000</u>	<u>4,493,779</u>	<u>6,226,491</u>
<b>Expenditures</b>			
Bait	200,000	227,082	98,774
Bank charges	50	-	-
Crew share	2,250,000	1,779,105	2,755,927
Dockside monitoring	6,000	4,468	3,608
Dues and fees	20,000	25,388	9,140
Fuel	175,000	202,675	143,462
Gear	60,000	128,721	104,707
Insurance	35,000	36,339	32,357
License expense/Quota	10,000	5,000	8,316
Miscellaneous	7,500	16,040	8,104
Office supplies	1,500	2,418	449
Professional fees	8,500	17,761	6,955
Repairs and maintenance	250,000	277,461	231,453
Salaries and benefits	300,000	395,932	324,147
Telephone	2,500	1,053	715
Training	10,000	18,918	27,238
Travel	7,500	14,318	5,354
Vehicle operations	10,000	14,988	5,027
Wharfage	27,000	36,918	29,054
Workers' Compensation insurance	65,000	95,216	92,291
	<u>3,445,550</u>	<u>3,299,802</u>	<u>3,887,078</u>
Surplus	<u>\$ 1,954,450</u>	<u>\$ 1,193,977</u>	<u>\$ 2,339,413</u>

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**Acadia First Nation**  
**Schedule of Revenue and Expenditures**  
**Training Fund**

Year Ended March 31	Budget	2023	2022
<b>Revenue</b>			
Other	\$ -	\$ -	\$ 78,400
Mi'kmaq Employment/Training Secretariat	<u>629,000</u>	<u>494,920</u>	<u>384,610</u>
	<u>629,000</u>	<u>494,920</u>	<u>463,010</u>
<b>Expenditure</b>			
Job creation	20,000	8,968	10,763
Office	7,500	6,666	5,062
Programs	135,000	36,665	66,052
Salaries and benefits	375,000	283,243	194,355
Skills Development	60,000	80,212	44,521
Target Wages	20,000	26,221	80,300
Youth	35,000	40,787	30,655
Travel	<u>5,000</u>	<u>9,901</u>	<u>3,241</u>
	<u>657,500</u>	<u>492,663</u>	<u>434,948</u>
(Deficit) surplus	<u>\$ (28,500)</u>	<u>\$ 2,257</u>	<u>\$ 28,062</u>

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**Acadia First Nation  
Schedule of Revenue and Expenditures  
Forestry Fund**

Year Ended March 31	Budget	2023	2022
Revenue			
Sales	<u>\$ 5,000</u>	<u>\$ 22,350</u>	<u>\$ 20,869</u>
Expenditures			
Fuel	5,000	3,604	4,041
Office	1,750	1,865	2,186
Repairs and maintenance	5,000	9,867	9,521
Salaries and benefits	50,000	93,094	45,070
Supplies	<u>2,500</u>	<u>3,874</u>	<u>1,914</u>
	<u>64,250</u>	<u>112,304</u>	<u>62,731</u>
Deficit	<u>\$ (59,250)</u>	<u>\$ (89,954)</u>	<u>\$ (41,862)</u>

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**Acadia First Nation**  
**Schedule of Honoraria, Travel Expenses and Other Remuneration**  
**paid to Chief and Council**

Year Ended March 31, 2023

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Name of Individual Chief/Council Member	Months	Honoraria	Travel Expenses	Other Remuneration	2023 Total	2022 Total
Chief Deborah Robinson	12	\$ 140,000	\$ 2,727	\$ -	\$ 142,727	\$ 141,291
Charmaine Stevens	12	90,000	6,716	-	96,716	90,380
Michael Paul	12	90,000	2,434	-	92,434	91,853
Thomas Pictou	12	90,000	6,990	-	96,990	96,670
Andrew Francis	12	90,000	437	-	90,437	90,000
Avis Johnson	12	90,000	520	-	90,520	90,000
Rachel Falls	12	90,000	263	-	90,263	90,152
Jeff Purdy	12	90,000	9,050	-	99,050	90,968
Natteal Battiste	12	90,000	4,716	-	94,716	91,216
		<u>\$ 860,000</u>	<u>\$ 33,853</u>	<u>\$ -</u>	<u>\$ 893,853</u>	<u>\$ 872,530</u>