



## Consolidated Financial Statements

Acadia First Nation

March 31, 2017

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# Independent Auditors' Report

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To the Chief and Council of  
Acadia First Nation

We have audited the accompanying consolidated financial statements of Acadia First Nation, which comprise the consolidated statement of financial position as at March 31, 2017, the consolidated statements of operations, accumulated surplus, changes in net debt and changes in cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

## **Management's responsibility for the 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 financial statements that are free from material misstatement, whether due to fraud or error.

## **Auditor's responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Acadia First Nation as at March 31, 2017, and the results of its operations, changes in net debt and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

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 24 to 36 are presented for purposes of additional information and are not a required part of the consolidated financial statements. Such information has been subjected 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.



Yarmouth, Canada  
July 24, 2017

Chartered Professional Accountants  
Licensed Public Accountants

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## Management's Responsibility for Financial Reporting

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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



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## Acadia First Nation

### Consolidated Statement of Operations

Year Ended March 31

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	Budget <u>2017</u>	Actual <u>2017</u>	Actual <u>2016</u>
<b>Revenues</b>			
Federal government operating transfers	\$ 2,525,000	\$ 2,555,093	\$ 2,744,094
Federal government capital transfers	231,000	984,497	131,207
Provincial government operating transfers	225,000	203,103	179,879
Economic activities	6,250,000	7,344,618	6,890,944
Economic activities – retail operations	18,975,000	17,435,645	17,347,412
Other	<u>1,118,000</u>	<u>818,517</u>	<u>849,237</u>
	<u>29,324,000</u>	<u>29,341,473</u>	<u>28,142,773</u>
<b>Expenses</b>			
Band management and support	7,963,000	8,217,296	7,585,071
Education	742,000	698,009	703,541
Community maintenance	910,000	921,836	1,081,819
Social services	761,500	624,572	608,656
Community health	463,500	491,361	524,840
Housing	518,000	580,998	498,567
Fisheries	1,780,000	2,020,574	2,483,389
Training	414,500	473,163	404,257
Forestry	240,000	252,929	226,656
Retail operations	<u>11,683,750</u>	<u>10,977,244</u>	<u>11,051,611</u>
	<u>25,476,250</u>	<u>25,257,982</u>	<u>25,168,407</u>
<b>Annual surplus</b>	<u>\$ 3,847,750</u>	<u>\$ 4,083,491</u>	<u>\$ 2,974,366</u>

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See accompanying notes to the consolidated financial statements.

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

Year Ended March 31

2017 2016

	Investment in Capital Assets	Unrestricted Fund	Net Assets - externally restricted	Total	Total
			Funds on deposit with INAC	Replacement Reserve	
Opening balance, as previously reported	\$ 8,821,260	\$ (778,116)	\$ 10,667	\$ 210,151	\$ 8,263,962
Surplus	-	4,083,491	-	-	4,083,491
Change in prepaid expenses	-	3,722	-	-	3,722
Current year allocations	-	30,905	-	(32,283)	(1,378)
Interest earned	-	-	198	1,180	1,378
Ending balance	<u>\$ 8,821,260</u>	<u>\$ 3,340,002</u>	<u>\$ 10,865</u>	<u>\$ 179,048</u>	<u>\$ 12,351,175</u>
					<u>\$ 8,263,962</u>

See accompanying notes to the consolidated financial statements.

# Acadia First Nation

## Consolidated Statement of Financial Position

March 31

2017

2016

### Financial assets

Cash and cash equivalents	\$ 5,998,567	\$ 3,663,224
Receivables (Note 5)	538,089	856,275
Inventory held for resale	520,937	432,773
Restricted cash and deposits		
Funds on deposit at AANDC (Note 14)	10,865	10,667
CMHC reserves	<u>179,048</u>	<u>210,151</u>
	<u>7,247,506</u>	<u>5,173,090</u>

### Financial liabilities

Payables and accruals (Note 8)	1,121,814	1,328,366
Deferred revenue	262,100	100,000
Assessment of sales tax, penalties and interest (Note 16)	2,755,973	3,055,973
Long-term debt (Note 7)	<u>4,737,037</u>	<u>4,779,618</u>
	<u>8,876,924</u>	<u>9,263,957</u>

### Net debt

	<u>(1,629,418)</u>	<u>(4,090,867)</u>
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### Non-financial assets

Tangible capital assets (Note 6)	13,927,656	12,305,613
Prepaid expenses	<u>52,937</u>	<u>49,216</u>
	<u>13,980,593</u>	<u>12,354,829</u>

### Accumulated surplus

	<u>\$ 12,351,175</u>	<u>\$ 8,263,962</u>
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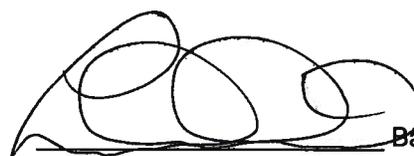
### Accumulated surplus (Page 5)

	<u>\$ 12,351,175</u>	<u>\$ 8,263,962</u>
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Contingencies (Note 16)

On behalf of the Band

 Chief

 Band Manager

See accompanying notes to the consolidated financial statements.

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

March 31	Budget	2017	2016
Surplus	\$ 3,847,750	\$ 4,083,491	\$ 2,974,366
Tangible capital asset additions	(1,000,000)	(2,703,308)	(794,094)
Amortization of tangible capital assets	<u>925,000</u>	<u>1,081,266</u>	<u>978,316</u>
Decrease in net debt	<u>\$ 3,772,750</u>	<u>2,461,449</u>	<u>3,158,587</u>
Net debt, beginning of year		<u>(4,090,867)</u>	<u>(7,249,454)</u>
Net debt, end of year		<u>\$ (1,629,418)</u>	<u>\$ (4,090,867)</u>

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See accompanying notes to the consolidated financial statements.

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# Acadia First Nation

## Consolidated Statement of Cash Flows

March 31

2017

2016

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Increase (decrease) in cash and cash equivalents

### Operations

Surplus	\$ 4,083,491	\$ 2,974,366
Amortization	1,081,266	978,316
Gain on sale of tangible capital assets	-	(200,000)
Changes in non-cash operating working capital balances (Note 10)	<u>(83,519)</u>	<u>(356,924)</u>
	<u>5,081,238</u>	<u>3,395,757</u>

### Financing

Repayment of long-term debt, net of advances	<u>(42,587)</u>	<u>(236,972)</u>
	<u>(42,587)</u>	<u>(236,972)</u>

### Capital transactions

Purchase of tangible capital assets	(2,703,308)	(794,094)
Proceeds on sale of tangible capital assets	<u>-</u>	<u>200,000</u>
	<u>(2,703,302)</u>	<u>(594,094)</u>

Increase in cash and cash equivalents **2,335,343** 2,564,691

Cash and cash equivalents

Beginning of year	<u>3,663,224</u>	<u>1,098,533</u>
End of year	<u>\$ 5,998,567</u>	<u>\$ 3,663,224</u>

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See accompanying notes to the consolidated financial statements.

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# Acadia First Nation

## Notes to the Consolidated Financial Statements

Year Ended March 31, 2017

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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, Gold Reserves - AFN, Medway Entertainment - AFN, The Gold Nugget - AFN, Kespuwick Fisheries Incorporated, AFN Entertainment Centre/Winner's Corner - AFN and Wildcat Entertainment - AFN.

The retail enterprises operate a combination of video lottery terminals, convenience stores and gas bars. Kespuwick Resources manages the Fisheries operations on behalf of the Band.

#### Budget

The budget was approved by Chief and Council on July 12, 2016. The budgeted amounts for economic activities - retail operations revenues and expenses have been adjusted to conform with PSAB standards.

#### 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, \$102,975 (2016 - \$115,949) was recorded as rental revenue in the Housing Fund and as rental expense in the Social Services Fund and \$289,936 (2016 - \$303,041) 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, 2017

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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.

#### 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:

Buildings	25 yrs straight line basis
Health centres	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
Playground	10 yrs straight line basis
Equipment	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

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.

#### 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 and general retail products.

#### Investments

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

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# Acadia First Nation

## Notes to the Consolidated Financial Statements

Year Ended March 31, 2017

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

#### Interest rate risk

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

#### Use of estimates

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

#### Trust funds

The Trust Funds being administered by the Band are not consolidated with the accounts of the First Nation. At March 31, 2017, the equity in Trust Funds under its trusteeship amounted to \$423,833 (2016 - \$483,432), see page 35.

#### 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 but not earned by the end of the fiscal year are recorded as deferred revenue. Funding received under the terms of contribution agreements with the federal government is recognized as revenue once eligibility criteria have been met. Funding is recorded as deferred revenue if it has been restricted by the federal government for a stated purpose, such as a specific program or the purchase of tangible capital assets. Deferred revenue is recognized in revenue over time as the recognition criteria are met.

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

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# Acadia First Nation

## Notes to the Consolidated Financial Statements

Year Ended March 31, 2017

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

#### 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.

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### 2. Future accounting standards

The Band will be required to adopt the following future accounting standards: PS 3450 – *Financial Instruments*, PS 2200 – *Related party disclosures*, PS 3420 – *Inter-entity transactions*, and PS 3380 – *Contractual rights*. These standards will require enhanced disclosure, however, are not expected to have a material impact on the consolidated financial statements.

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### 3. 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 \$4,162 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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### 4. 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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**Acadia First Nation**  
**Notes to the Consolidated Financial Statements**  
Year Ended March 31, 2017

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<b>5. Receivables</b>	<b><u>2017</u></b>	<b><u>2016</u></b>
Mi'kmaw Kina'matnewey	\$ 29,842	\$ 13,575
Province of Nova Scotia	166,931	179,879
Department of Fisheries and Oceans	-	289,739
Aboriginal Affairs and Northern Development Canada	9,275	8,404
Canada Revenue Agency	100,926	126,740
Mi'kmaq Employment/Training Secretariat	114,155	118,059
Other	<u>116,960</u>	<u>119,879</u>
	<b><u>\$ 538,089</u></b>	<b><u>\$ 856,275</u></b>

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# Acadia First Nation Notes to the Consolidated Financial Statements

Year Ended March 31, 2017

6. Tangible capital assets	<u>Land</u>	<u>Building</u>	<u>Bingo Hall</u>	<u>Community Buildings</u>	<u>Furniture &amp; Equipment</u>	<u>Paving &amp; Roads</u>	<u>Forestry Equipment</u>	<u>Housing</u>	<u>Balance Forward</u>
<b>Cost</b>									
Balance, beginning of the year	\$ 578,879	\$ 8,265,684	\$ 1,494,991	\$ 880,277	\$ 277,776	\$ 644,825	\$ 169,848	\$ 7,491,438	\$ 19,803,718
Additions	100,689	90,723	88,800	591,353	43,579	-	11,400	815,262	1,741,806
Disposals	-	-	-	-	-	-	-	-	-
Balance, end of the year	<u>679,568</u>	<u>8,356,407</u>	<u>1,583,791</u>	<u>1,471,630</u>	<u>321,355</u>	<u>644,825</u>	<u>181,248</u>	<u>8,306,700</u>	<u>21,545,524</u>
<b>Accumulated depreciation</b>									
Balance, beginning of the year	-	4,851,791	170,553	562,611	256,323	267,522	163,538	3,115,440	9,387,778
Disposals	-	-	-	-	-	-	-	-	-
Depreciation during the year	-	286,514	63,352	35,211	10,802	21,494	1,841	271,145	690,359
Balance, end of the year	-	<u>5,138,305</u>	<u>233,905</u>	<u>597,822</u>	<u>267,125</u>	<u>289,016</u>	<u>165,379</u>	<u>3,386,585</u>	<u>10,078,137</u>
<b>Net Book Value</b>	<u>\$ 679,568</u>	<u>\$ 3,218,102</u>	<u>\$ 1,349,886</u>	<u>\$ 873,808</u>	<u>\$ 54,224</u>	<u>\$ 355,809</u>	<u>\$ 15,869</u>	<u>\$ 4,920,115</u>	<u>\$ 11,467,381</u>
<b>Cost</b>									
Balance, beginning of the year	\$ 19,803,718	\$ 102,340	\$ 667,368	\$ 2,332,453	\$ 909,684	\$ 962,591	\$ 148,454	\$ 24,926,608	\$ 24,582,514
Additions	1,741,806	-	86,836	753,253	81,420	-	39,993	2,703,308	794,094
Disposals	-	-	-	-	-	-	-	-	450,000
Balance, end of the year	<u>21,545,524</u>	<u>102,340</u>	<u>754,204</u>	<u>3,085,706</u>	<u>991,104</u>	<u>962,591</u>	<u>188,447</u>	<u>27,629,916</u>	<u>24,926,608</u>
<b>Accumulated depreciation</b>									
Balance, beginning of the year	9,387,778	30,702	579,158	1,472,906	700,703	328,123	121,624	12,620,994	12,092,679
Disposals	-	-	-	-	-	-	-	-	450,000
Depreciation during the year	690,359	10,234	46,192	227,504	55,951	32,086	18,940	1,081,266	978,316
Balance, end of the year	<u>10,078,137</u>	<u>40,936</u>	<u>625,350</u>	<u>1,700,410</u>	<u>756,654</u>	<u>360,209</u>	<u>140,564</u>	<u>13,702,260</u>	<u>12,620,994</u>
<b>Net Book Value</b>	<u>\$ 11,467,381</u>	<u>\$ 61,404</u>	<u>\$ 128,854</u>	<u>\$ 1,385,296</u>	<u>\$ 234,450</u>	<u>\$ 602,382</u>	<u>\$ 47,883</u>	<u>\$ 13,927,656</u>	<u>\$ 12,305,613</u>

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## Acadia First Nation

### Notes to the Consolidated Financial Statements

Year Ended March 31, 2017

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7. Long-term debt	<u>2017</u>	<u>2016</u>
1.77% mortgage, maturing November 1, 2039, payable in monthly instalments of \$343, including principal and interest.	\$ 76,862	\$ 79,599
Prime + 1.5% BMO boat loan, maturing October 2017, payable in monthly instalments of \$ 1,487, including principal and interest.	9,232	26,567
1.31% mortgage, maturing December 1, 2041, payable in monthly instalments of \$539, including principal and interest	136,825	63,552
1.01% mortgage, maturing February 1, 2041, payable in monthly instalments of \$400, including principal and interest.	102,076	105,834
1.82% mortgage, maturing September 1, 2039, payable in monthly instalments of \$995, including principal and interest.	220,581	228,460
1.45% mortgage matured in January 2017, paid out during the year.	-	2,527
1.01% mortgage, maturing November 1, 2017, payable in monthly instalments of \$476, including principal and interest.	3,791	9,429
1.92% mortgage, maturing April 1, 2019, payable in monthly instalments of \$447, including principal and interest.	10,954	16,059
0.97% mortgage, maturing January 1, 2021, payable in monthly instalments of \$520, including principal and interest.	20,464	26,476
2.11% mortgage, maturing October 1, 2033, payable in monthly instalments of \$654, including principal and interest.	109,814	115,298
Prime plus 1.5% BMO loan, maturing in November 2023, payable in monthly instalment of \$ 5,858, including principal and interest	474,415	525,094
1.92% mortgage, maturing April 1, 2034, payable in monthly instalments of \$1,009, including principal and interest.	<u>176,246</u>	<u>184,896</u>
Total carried forward	<u>\$ 1,341,260</u>	<u>\$ 1,383,791</u>

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## Acadia First Nation

### Notes to the Consolidated Financial Statements

Year Ended March 31, 2017

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7. Long-term debt (continued)	<u>2017</u>	<u>2016</u>
Balance carried forward	\$ 1,341,260	\$ 1,383,791
1.30% mortgage, maturing December 1, 2022, payable in monthly instalments of \$339, including principal and interest.	22,557	26,312
1.92% mortgage, maturing April 1, 2024, payable in monthly instalments of \$301, including principal and interest.	23,880	26,999
2.04% mortgage, maturing January 1, 2024, payable in monthly instalments of \$353, including principal and interest	26,409	30,072
1.30% mortgage, maturing August 1, 2025, payable in monthly instalments of \$305, including principal and interest.	29,171	32,431
1.31% mortgage, maturing October 1, 2026, payable in monthly instalments of \$291, including principal and interest.	31,487	34,512
1.65% mortgage, maturing May 1, 2027, payable in monthly instalments of \$300, including principal and interest.	33,679	36,699
4.55% mortgage, maturing September 1, 2026 payable in monthly payments of \$963 including principal and interest.	88,549	95,979
1.53% mortgage, maturing December 1, 2027, payable in monthly instalments of \$292, including principle and interest.	34,736	37,688
1.14% mortgage, maturing July 1, 2036, payable in monthly instalments of \$1,414, including principle and interest.	294,446	307,580
0% vehicle loan, maturing March 2019, payable in monthly instalments of \$642	15,315	23,025
0% vehicle loan, maturing March 2019, payable in monthly instalments of \$808	19,297	28,999
2.49% vehicle loan, maturing October 2019, payable in monthly instalments of \$642	<u>18,274</u>	<u>25,271</u>
Total carried forward	<u>\$ 1,979,060</u>	<u>\$ 2,089,358</u>

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**Acadia First Nation**  
**Notes to the Consolidated Financial Statements**  
Year Ended March 31, 2017

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<b>7. Long-term debt (continued)</b>	<u>2017</u>	<u>2016</u>
Balance carried forward	\$ 1,979,060	\$ 2,089,358
4.55% loan, maturing August 2028, with monthly payments of \$1,992, including principal and interest.	177,581	191,380
2.35% mortgage, maturing August 1, 2028, payable in monthly instalments of \$300, including principal and interest.	36,052	38,777
1.92% mortgage, maturing January 1, 2029, payable in monthly instalments of \$297, including principal and interest.	37,770	40,590
1.05% mortgage, maturing July 1, 2031, payable in monthly instalments of \$411, including principal and interest.	65,573	69,632
4.55% mortgage, maturing in July 2026 payable in monthly instalments of \$2,158, including principal and interest.	195,555	212,322
1.01% mortgage, maturing February 1, 2031, payable in monthly instalments of \$885 including principal and interest.	137,757	146,935
0.94% mortgage, maturing July 1, 2030 payable in monthly instalments of \$576 including principal and interest.	86,617	92,689
1.65% mortgage, maturing April 1, 2032 payable in monthly instalments of \$1,337 including principal and interest.	214,166	226,584
1.31% mortgage, maturing December 1, 2031 payable in monthly instalments of \$633 including principal and interest.	101,881	107,984
1.44% mortgage, maturing February 1, 2032 payable in monthly instalments of \$2,030 including principal and interest.	326,822	346,050
1.83% mortgage, maturing November 1, 2034 payable in monthly instalments of \$2,053 including principal and interest.	371,773	389,466
1.37% mortgage, maturing June 1, 2035 payable in monthly instalments of \$977 including principal and interest.	<u>189,327</u>	<u>198,406</u>
Total carried forward	<u>\$ 3,919,934</u>	<u>\$ 4,150,173</u>

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**Acadia First Nation**  
**Notes to the Consolidated Financial Statements**  
Year Ended March 31, 2017

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<b>7. Long-term debt (continued)</b>	<u><b>2017</b></u>	<u><b>2016</b></u>
Balance carried forward	<b>\$ 3,919,934</b>	<b>\$ 4,150,173</b>
1.01% mortgage, maturing January 1, 2036, payable in monthly instalments of \$469, including principle and interest.	<b>96,530</b>	<b>101,163</b>
1.71% mortgage, maturing September 1, 2037, payable in monthly instalments of \$1,475, including principle and interest.	<b>305,945</b>	<b>318,323</b>
1.65% mortgage, maturing June 1, 2037, payable in monthly instalments of \$976, including principle and interest.	<b>201,628</b>	<b>209,959</b>
Partially disbursed mortgage funds	<u><b>213,000</b></u>	<u><b>-</b></u>
	<u><b>\$ 4,737,037</b></u>	<u><b>\$ 4,779,618</b></u>

The Minister of Aboriginal Affairs and Northern Development Canada has provided guarantees for all Canada Mortgage and Housing Corporation mortgages.

The Band has available \$850,000 in mortgage funding relating to the construction of 5 new homes which are either completed or partially completed. The application to receive the funds is in process and will be recorded in long term debt when received.

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, 2017 the amount drawn was \$nil (2016 - \$nil).

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

2018	\$323,705
2019	\$318,637
2020	\$301,111
2021	\$301,199
2022	\$307,766

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**8. Payables and accruals**

	<u><b>2017</b></u>	<u><b>2016</b></u>
Vendors	<b>\$ 458,458</b>	<b>\$ 311,190</b>
Severance accrual	<b>190,000</b>	<b>455,000</b>
Accruals	<b>310,204</b>	<b>370,175</b>
Harmonized sales tax	<b>76,016</b>	<b>75,608</b>
Government remittances	<b>64,518</b>	<b>73,474</b>
Other	<u><b>22,618</b></u>	<u><b>42,919</b></u>
	<u><b>\$ 1,121,814</b></u>	<u><b>\$ 1,328,366</b></u>

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# Acadia First Nation

## Notes to the Consolidated Financial Statements

Year Ended March 31, 2017

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### 9. Funded reserves

The Acadia First Nation operates thirty-two (32) 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, 2017, 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 and 13 Amount of reserve	Amount funded
<u>\$ 4,162</u>	<u>\$ 45,250</u>	<u>\$ 49,412</u>

At March 31, 2017, an amount of \$ 7,847 has been underfunded (2016 – \$38,968 underfunded).

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10. Changes in non-cash operating working capital balances	<u>2017</u>	<u>2016</u>
Receivables	\$ 318,186	\$ 298,269
Restricted cash and deposits	30,905	47,775
Inventory held for resale	(88,164)	(12,025)
Payables and accruals	(206,546)	(482,844)
Deferred revenue	162,100	91,901
Assessment of sales tax, penalties and interest	<u>(300,000)</u>	<u>(300,000)</u>
	<u>\$ (83,519)</u>	<u>\$ (356,924)</u>

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### 11. Economic dependence

The Band receives a portion of its revenues pursuant to a funding arrangement with Aboriginal Affairs and Northern Development Canada and other federal departments.

### 12. 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, 2017 was \$ 141,089 (2016 - \$137,174).

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# Acadia First Nation

## Notes to the Consolidated Financial Statements

Year Ended March 31, 2017

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### 13. Non compliance

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

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### 14. Funds on deposit with AANDC

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>2017</u>	<u>2016</u>
Net assets, beginning of year	\$ 10,667	\$ 10,556
Interest earned	<u>198</u>	<u>111</u>
	<u>\$ 10,865</u>	<u>\$ 10,667</u>
Represented by		
Restricted for capital projects	\$ 4,362	\$ 4,362
Unrestricted	<u>6,503</u>	<u>6,305</u>
	<u>\$ 10,865</u>	<u>\$ 10,667</u>

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### 15. Related party transactions

The Band had the following transactions with related parties:

	<u>2017</u>	<u>2016</u>
Building rental charged to related companies	\$ 67,872	\$ 67,872
Royalties received from the gaming companies	4,409,802	4,411,534
Acadia Commodity Taxes charged	882,889	912,030
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, 2017

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### 16. Contingencies

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.

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### 17. Comparative figures

Certain of the 2016 comparative figures have been reclassified to conform with the financial statement presentation adopted for 2017. Certain balances within the consolidated financial statements may also be affected by rounding.

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# Acadia First Nation

## Notes to the Consolidated Financial Statements

Year Ended March 31, 2017

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### 18. Ponhook land claim settlement

During 2003, the Band ratified a settlement agreement with Her Majesty The Queen in Right of Canada ("Canada") in connection with compensation for the illegal alienation of reserve lands. Under the terms of the settlement, Canada agreed to pay to the Band the sum of \$1,956,450 subject to the repayment of \$105,903 previously advanced by Canada to the Band.

During the year, \$ 67,251 (2016 - \$15,489) was withdrawn from the trust to reimburse the Band for expenses approved through the trust agreement.

The remaining funds (see page 35) are to be held in trust for the Band and the Band members. The trustees of the trust were originally the Chief and Council of the Band and subsequently four members of the Band and three external trustees. The funds held by the trust were invested as follows:

- i) The majority in a "fixed income account" that will distribute to the Acadia First Nation approximately one fifth of the original principal per year for five years. The funds so distributed are restricted by the terms of the trust agreement for use by Acadia First Nation in specified purposes consistent with the objectives of the Acadia First Nation; and
- ii) Approximately \$175,000 in a "land acquisition account" to be held for up to fifteen years for the purpose of distributing to the Acadia First Nation to acquire land. Any unexpended funds in the land acquisition account after fifteen years are to be used for the same specified purposes as the funds in the fixed income account.

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### 19. Post employment benefits

During 2006, the Band approved a resolution initiating a retirement benefit where each of the Chief and Councillors will receive \$5,000 for each year of service that they have provided to the Acadia First Nation. As at March 31, 2017, the total amount recorded as a liability is \$ 190,000 (2016 - \$455,000).

During a prior year, Chief and Council approved to cease accumulating any future amounts.

During the prior year, Chief and Council signed a trust agreement whereby only \$105,000 can be withdrawn against these benefits in any year.

During the current year, \$250,000 (2016 – \$120,000) was paid, which represents a cumulative payment under the terms of the revised trust agreement.

Subsequent to year end a payment of \$100,000 was made to the councillors included in this agreement.

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# Acadia First Nation

## Notes to the Consolidated Financial Statements

Year Ended March 31, 2017

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### 20. 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. This includes garbage and snow removal.

Social Services – social assistance provided to qualifying members.

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

Development Fund – inactive at this time.

Housing Fund – 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 33 and 34.

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### 21. Subsequent events

Subsequent to year end the Band made a successful application to the First Nations Finance Authority ("FNFA") for future borrowings of up to \$10 million. This borrowing can be used over the next 5 years for economic development projects and the bond can be drawn on as projects are approved and developed. As at the release of the consolidated financial statements, no amounts have been drawn.

The Band has entered into a contract with Lindsay Construction for the development of a new gas bar in Gold River. This gas bar will replace the current operations of both Gold Reserves AFN and The Gold Nugget AFN. The project is expected to be completed late 2017 and the estimated value of the contract is \$2,159,000.

A swordfish license has been sold subsequent to year end. The proceeds of approximately \$650,000 were being held in trust by the Department of Fisheries and Oceans ("DFO") as per their regulations that proceeds from a license sale must be used to purchase future licenses only. A LFA 33 lobster license worth \$400,000 was purchased in July with the remaining funds still being held with DFO.

# Acadia First Nation

## Schedule of Revenue and Expenditures

### Band Management and Support

Year Ended March 31	Budget	2017	2016
<b>Revenue</b>			
Aboriginal Affairs and Northern Development Canada			
Registration and membership	\$ 15,000	\$ 14,598	\$ 14,394
Band support	310,000	313,251	308,880
Community Economic Development Contribution	50,000	48,170	47,498
	<u>175,000</u>	<u>828,574</u>	<u>17,000</u>
	550,000	1,204,593	387,772
Income from Ponhook Trust	-	67,251	15,489
Economic Activities - Retail operations	18,975,000	17,435,645	17,347,412
Economic Activities – Band tobacco	3,850,000	4,259,670	3,872,638
Other	50,000	135,125	255,839
Income earned on restricted reserves, net Province of Nova Scotia	-	(30,905)	(47,775)
	<u>225,000</u>	<u>203,103</u>	<u>179,879</u>
	<u>23,650,000</u>	<u>23,274,482</u>	<u>22,011,254</u>
<b>Expenditures</b>			
Allocation to band members	850,000	825,000	800,000
Allocation to housing	223,000	289,936	205,206
Amortization	630,000	754,170	653,078
Band member requests	75,000	77,991	118,290
Bank charges and interest	75,000	44,259	70,328
Changes in prepaid expenses	-	(3,722)	(12,527)
Community expenses	100,000	186,764	175,670
Community Economic Development	200,000	100,546	106,407
Donations	20,000	25,885	27,292
Heat and lights	65,000	65,069	62,812
Elders and disabled	325,000	340,200	315,800
Insurance	65,000	70,816	66,682
Land claim	5,000	754	6,015
Office and postage	75,000	100,358	89,543
Other	50,000	55,931	59,783
Professional fees	85,000	122,085	103,840
Economic Activities – Band tobacco	3,300,000	3,478,824	3,211,111
Economic Activities - Retail operations	11,683,750	10,977,244	11,051,611
Salaries, benefits and honorarium	1,500,000	1,628,388	1,387,995
Taxes	20,000	20,769	17,463
Telephone	50,000	74,625	51,911
Travel, conferences and meetings	200,000	210,088	228,477
Vehicle operating	50,000	38,497	45,101
	<u>19,646,750</u>	<u>19,484,477</u>	<u>18,841,888</u>
Surplus	<u>\$ 4,003,250</u>	<u>\$ 3,790,005</u>	<u>\$ 3,169,366</u>

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## Acadia First Nation

### Schedule of Revenue and Expenditures

### Education

Year Ended March 31	Budget	2017	2016
<b>Revenue</b>			
Mi'kmaw Kina'matnewey			
Elementary/Secondary			
Paraprofessional	\$ 80,000	\$ 79,933	\$ 79,430
Supplies	9,000	8,792	8,737
Student transportation	63,000	62,421	61,325
Financial assistance	3,000	3,066	3,047
Guidance and counselling	16,000	15,508	15,410
Advice and assistance	1,000	913	897
Post secondary			
Tuition	426,000	426,307	423,622
Government support	16,000	15,842	15,564
Governance	19,000	18,663	18,546
Special education	57,000	56,697	56,340
New paths	10,000	10,172	10,108
Other	-	68,732	32,658
	<b>700,000</b>	<b>767,046</b>	<b>725,684</b>
<b>Expenditures</b>			
Elementary/Secondary			
Elementary/Secondary	80,000	82,634	90,125
Student transportation	60,000	55,973	60,611
Financial assistance	30,000	45,072	31,900
Guidance and counselling	17,500	20,000	17,500
Advice and assistance	30,000	31,300	33,177
Post secondary			
Tuition	415,000	416,555	413,358
Government support	17,500	20,000	20,000
Governance	20,000	20,000	17,500
Special education	60,000	62,984	58,395
New paths	12,000	13,491	10,975
	<b>742,000</b>	<b>768,009</b>	<b>753,541</b>
Deficit	<b>\$ (42,000)</b>	<b>\$ (963)</b>	<b>\$ (27,857)</b>

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

Year Ended March 31	Budget	2017	2016
<b>Revenue</b>			
Aboriginal Affairs and Northern Development Canada			
Capital	\$ 100,000	\$ 100,611	\$ 99,207
Facilities O&M	115,000	113,595	112,010
CMHC RRAP	<u>16,000</u>	<u>110,797</u>	<u>32,000</u>
	<u>231,000</u>	<u>325,003</u>	<u>243,217</u>
<b>Expenditures</b>			
Fire protection	20,000	18,983	18,326
Garbage collection	40,000	41,300	35,717
Repairs	250,000	337,476	231,107
Salaries	500,000	406,304	623,086
Snow removal	25,000	42,849	24,623
Water and sewer	<u>75,000</u>	<u>74,924</u>	<u>148,960</u>
	<u>910,000</u>	<u>921,836</u>	<u>1,081,819</u>
Excess of expenditures over revenue	(679,000)	(596,833)	(838,602)
Transfer within block funding	<u>288,500</u>	<u>315,605</u>	<u>303,642</u>
Deficit	<u>\$ (390,500)</u>	<u>\$ (281,228)</u>	<u>\$ (534,960)</u>

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

Year Ended March 31	Budget	2017	2016
<b>Revenue</b>			
Aboriginal Affairs and Northern Development Canada			
Assisted living	\$ 50,000	\$ 52,859	\$ 52,121
Income assistance	<u>1,000,000</u>	<u>1,015,292</u>	<u>1,001,126</u>
	<u>1,050,000</u>	<u>1,068,151</u>	<u>1,053,247</u>
<b>Expenditures</b>			
Administrative	27,500	24,148	26,580
Adult care	40,000	52,386	36,610
Bank charges	1,500	183	368
Basic needs	600,000	577,820	598,546
Salaries and benefits	65,000	83,312	62,833
Special needs	25,000	10,653	21,902
Travel	<u>2,500</u>	<u>4,044</u>	<u>2,766</u>
	<u>761,500</u>	<u>752,546</u>	<u>749,605</u>
Excess of revenue over expenditures	288,500	315,605	303,642
Transfer within block funding	<u>(288,500)</u>	<u>(315,605)</u>	<u>(303,642)</u>
Surplus	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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# Acadia First Nation

## Schedule of Revenue and Expenditures

### Community Health Representatives

Year Ended March 31	Budget	2017	2016
<b>Revenue</b>			
Health Canada			
Health planning	\$ -	\$ 25,002	\$ -
Planning response	-	2,500	-
Immunization	-	-	2,400
Maternal health	8,000	7,964	7,964
Facilities operation and management	47,000	47,300	47,300
Mental Health	35,000	35,315	34,475
Home and community	61,000	64,236	62,707
Aboriginal Diabetes Initiative	18,000	19,373	19,373
Health promotion and prevention	90,000	92,947	93,766
Environmental - drinking water	12,000	12,505	11,989
Head start	12,000	11,989	12,097
Prenatal	7,000	7,322	7,148
Brighter Futures	35,000	35,185	34,347
	<u>325,000</u>	<u>361,638</u>	<u>333,566</u>
<b>Expenditures</b>			
Planning response	-	2,505	-
Maternal Health	10,000	8,684	10,626
Brighter Futures	35,000	35,450	38,248
Home care	65,000	65,951	68,652
Mental health	35,000	36,176	38,814
Aboriginal Diabetes	17,500	19,408	23,795
Health promotion and prevention	100,000	96,274	147,639
Environmental - drinking water	15,000	15,600	15,940
Immunizations	6,000	-	6,801
Head start	40,000	35,192	42,487
Facilities operation and management renovations	130,000	141,460	122,138
Health planning	-	26,437	-
Prenatal	10,000	8,224	9,700
	<u>463,500</u>	<u>491,361</u>	<u>524,840</u>
Deficit	\$ (138,500)	\$ (129,723)	\$ (191,274)

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

Year Ended March 31	Budget	2017	2016
Revenue			
Rent	\$ 120,000	\$ 102,975	\$ 115,949
CMHC	150,000	141,089	137,174
Allocation from Band	<u>248,000</u>	<u>289,936</u>	<u>303,041</u>
	<u>518,000</u>	<u>534,000</u>	<u>556,164</u>
Expenditures			
Administration	25,000	25,000	25,000
Amortization	250,000	271,145	266,832
Mortgage interest	70,000	56,697	68,851
Maintenance	50,000	99,419	48,854
Replacement reserve			
Current year charge	50,000	49,412	147,747
Accounting and audit	7,500	8,025	10,095
Bank charges	500	72	106
Insurance	20,000	16,355	15,552
Utilities	<u>45,000</u>	<u>79,873</u>	<u>38,365</u>
	<u>518,000</u>	<u>605,998</u>	<u>621,402</u>
Deficit	<u>\$ -</u>	<u>\$ (71,998)</u>	<u>\$ (65,238)</u>

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

Year Ended March 31	Budget	2017	2016
<b>Revenue</b>			
Fishing settlements	\$ 1,750,000	\$ 2,383,388	\$ 2,346,618
Leased quota	500,000	597,714	541,818
Department of Fisheries & Oceans grant	<u>50,000</u>	<u>-</u>	<u>313,000</u>
	<u>2,300,000</u>	<u>2,981,102</u>	<u>3,201,436</u>
<b>Expenditures</b>			
Bait	85,000	123,102	101,768
Bank charges	1,000	55	487
Crew share	900,000	1,177,563	1,129,702
Dockside monitoring	10,000	7,335	6,414
Dues and fees	25,000	21,029	35,204
Fuel	100,000	103,922	100,630
Gear	75,000	42,518	43,039
Insurance	26,500	22,831	21,970
Leasing costs – vessels	25,000	-	31,441
License expense	-	-	420,000
Miscellaneous	2,500	5,882	6,288
Office supplies	2,500	2,345	1,094
Professional fees	8,500	-	-
Repairs and maintenance	150,000	192,025	143,041
Salaries and benefits	200,000	229,145	248,347
Telephone	5,000	2,913	3,760
Training	4,000	3,825	700
Travel	10,000	3,816	4,762
Vehicle operations	10,000	5,244	6,377
Wharfage	15,000	15,729	17,371
Workers' Compensation insurance	<u>125,000</u>	<u>61,295</u>	<u>160,994</u>
	<u>1,780,000</u>	<u>2,020,574</u>	<u>2,483,389</u>
Surplus	<u>\$ 520,000</u>	<u>\$ 960,528</u>	<u>\$ 718,047</u>

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

<b>Year Ended March 31</b>	<b>Budget</b>	<b>2017</b>	<b>2016</b>
<b>Revenue</b>			
Mi'kmaq Employment/Training Secretariat	<u>\$ 400,000</u>	<u>\$ 439,116</u>	<u>\$ 407,325</u>
<b>Expenditure</b>			
Job creation	45,000	6,770	21,156
Office	1,500	72	285
Programs	100,000	109,324	105,412
Salaries and benefits	200,000	269,176	204,605
Single seat purchases	60,000	78,181	64,247
Travel	<u>8,000</u>	<u>9,640</u>	<u>8,552</u>
	<u>414,500</u>	<u>473,163</u>	<u>404,257</u>
(Deficit) surplus	<u>\$ (14,500)</u>	<u>\$ (34,047)</u>	<u>\$ 3,068</u>

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

Year Ended March 31	Budget	2017	2016
Revenue			
Sales	<u>\$ 150,000</u>	<u>\$ 103,846</u>	<u>\$ 29,871</u>
Expenditures			
Fuel	10,000	9,000	8,250
Miscellaneous	2,500	-	1,809
Office	2,500	5,137	677
Repairs and maintenance	15,000	-	10,655
Salaries and benefits	200,000	204,881	195,027
Supplies	<u>10,000</u>	<u>33,910</u>	<u>10,238</u>
	<u>240,000</u>	<u>252,928</u>	<u>226,656</u>
Deficit	<u>\$ (90,000)</u>	<u>\$ (149,082)</u>	<u>\$ (96,785)</u>

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# Acadia First Nation Schedule of Segment Disclosure

Year Ended March 31

	Band M&S		Education		Maintenance		Social		CHR	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
<b>Revenues</b>										
Federal government operating transfers	\$ 545,139	\$ 387,772	\$ -	\$ -	\$ 224,392	\$ 112,010	\$ 1,068,151	\$ 1,053,247	\$ 361,638	\$ 333,566
Federal government capital transfers	659,454	-	-	-	100,611	131,207	-	-	-	-
Provincial government operating transfers	203,103	179,879	-	-	-	-	-	-	-	-
Provincial government Economic activities	4,259,670	3,872,638	-	-	-	-	-	-	-	-
Income retail operations	17,435,645	17,347,412	-	-	-	-	-	-	-	-
Income from investment	-	-	-	-	-	-	-	-	-	-
Other	51,470	123,553	767,046	725,684	-	-	-	-	-	-
	<u>23,154,482</u>	<u>21,911,254</u>	<u>767,046</u>	<u>725,684</u>	<u>325,003</u>	<u>243,217</u>	<u>1,068,151</u>	<u>1,053,247</u>	<u>361,638</u>	<u>333,566</u>
<b>Expenses</b>										
Salaries	1,628,388	1,387,995	-	-	406,304	623,086	83,312	62,833	-	-
Amortization	754,170	653,078	-	-	-	-	-	-	-	-
Interest	44,259	70,328	-	-	-	-	-	-	-	-
Economic activities	3,478,824	3,211,111	-	-	-	-	-	-	-	-
Expense retail operations	10,977,244	11,051,611	-	-	-	-	-	-	-	-
Other	2,311,655	2,262,559	698,009	703,541	199,927	155,091	856,864	849,465	491,361	524,840
	<u>19,194,541</u>	<u>18,636,682</u>	<u>698,009</u>	<u>703,541</u>	<u>606,231</u>	<u>778,177</u>	<u>940,176</u>	<u>912,298</u>	<u>491,361</u>	<u>524,840</u>
<b>Surplus (deficit) for the year</b>	<u>\$ 3,959,941</u>	<u>\$ 3,274,572</u>	<u>\$ 69,037</u>	<u>\$ 22,143</u>	<u>\$ (281,228)</u>	<u>\$ (534,960)</u>	<u>\$ 127,975</u>	<u>\$ 140,949</u>	<u>\$ (129,723)</u>	<u>\$ (191,274)</u>
Eliminated interfund charges	(169,936)	(105,206)	(70,000)	(50,000)	-	-	(127,975)	(140,949)	-	-
<b>Surplus (deficit)</b>	<u>\$ 3,790,005</u>	<u>\$ 3,169,366</u>	<u>\$ (963)</u>	<u>\$ (27,857)</u>	<u>\$ (281,228)</u>	<u>\$ (534,960)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (129,723)</u>	<u>\$ (191,274)</u>

## Acadia First Nation Schedule of Segment Disclosure

Year Ended March 31

	Housing		Fisheries		Training		Forestry		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
<b>Revenues</b>										
Federal government operating transfers	\$ 141,089	\$ 137,174	\$ -	\$ 313,000	\$ 439,116	\$ 407,325	\$ -	\$ -	\$ 2,779,525	\$ 2,744,094
Federal government capital transfers	-	-	-	-	-	-	-	-	760,065	131,207
Provincial government operating transfers	-	-	-	-	-	-	-	-	203,103	179,879
Economic activities	-	-	2,981,102	2,888,436	-	-	103,846	129,871	7,344,618	6,890,945
Income – retail operations	-	-	-	-	-	-	-	-	17,435,645	17,347,412
Other	-	-	-	-	-	-	-	-	818,517	849,237
	<u>141,089</u>	<u>137,174</u>	<u>2,981,102</u>	<u>3,201,436</u>	<u>439,116</u>	<u>407,325</u>	<u>103,846</u>	<u>129,871</u>	<u>29,341,473</u>	<u>28,142,774</u>
<b>Expenses</b>										
Salaries	-	-	229,145	248,347	269,176	204,605	204,881	195,027	2,821,205	2,721,893
Amortization	271,145	266,832	-	-	-	-	-	-	1,025,315	919,910
Interest	56,697	68,851	-	-	-	-	-	-	100,956	139,179
Economic activities	-	-	1,791,429	2,235,042	-	-	48,048	31,629	5,318,301	5,477,782
Expense retail operations	-	-	-	-	-	-	-	-	10,977,244	11,051,611
Other	<u>253,156</u>	<u>162,884</u>	<u>-</u>	<u>-</u>	<u>203,987</u>	<u>199,652</u>	<u>-</u>	<u>-</u>	<u>5,014,959</u>	<u>4,858,032</u>
	<u>580,998</u>	<u>498,567</u>	<u>2,020,574</u>	<u>2,483,389</u>	<u>473,163</u>	<u>404,257</u>	<u>252,929</u>	<u>226,656</u>	<u>25,257,982</u>	<u>25,168,407</u>
<b>Surplus (deficit) for the year</b>	<u>\$ (439,909)</u>	<u>\$ (361,393)</u>	<u>\$ 960,528</u>	<u>\$ 718,047</u>	<u>\$ (34,047)</u>	<u>\$ 3,068</u>	<u>\$ (149,082)</u>	<u>\$ (96,785)</u>	<u>\$ 4,083,491</u>	<u>\$ 2,974,367</u>
Eliminated interfund-charges	<u>367,911</u>	<u>296,155</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Surplus (deficit)</b>	<u>\$ (71,998)</u>	<u>\$ (65,238)</u>	<u>\$ 960,528</u>	<u>\$ 718,047</u>	<u>\$ (34,047)</u>	<u>\$ 3,068</u>	<u>\$ (149,082)</u>	<u>\$ (96,785)</u>	<u>\$ 4,083,491</u>	<u>\$ 2,974,367</u>

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**Acadia First Nation  
Ponhook Trust  
Statement of Financial Position**

March 31	2017	2016
Assets		
Restricted investments	<u>\$ 423,833</u>	<u>\$ 483,432</u>
Trust Equity		
Restricted funds on deposit with Scotia McLeod	<u>\$ 423,833</u>	<u>\$ 483,432</u>

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**Acadia First Nation  
Statement of Changes in Ponhook Trust Equity**

Year Ended March 31	2017	2016
Balance, beginning of year	\$ 483,432	\$ 489,885
Income earned	7,652	9,036
Withdrawals	<u>(67,251)</u>	<u>(15,489)</u>
Balance, end of year	<u>\$ 423,833</u>	<u>\$ 483,432</u>

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This statement is included for information purposes only, the balances are not consolidated as the amounts are in trust.

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

Year Ended March 31, 2017

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Name of Individual Chief/Council Member	Months	Honoraria	Travel Expenses	Other Remuneration	2017 Total	2016 Total
Chief Deborah Robinson	12	\$ 130,000	\$ 606	\$ 73,865	<b>\$ 204,471</b>	\$ 133,442
Darlene Coulton	12	80,000	15,892	48,295	<b>144,187</b>	95,478
Charmaine Stevens	12	80,000	3,940	48,295	<b>132,235</b>	85,167
Michael Paul	12	80,000	6,923	31,250	<b>118,173</b>	84,410
Thomas Pictou	12	80,000	16,163	48,295	<b>144,458</b>	93,713
Debra Wentzell	-	-	-	-	-	136,604
Andrew Francis	12	80,000	3,060	-	<b>83,060</b>	81,927
Avis Johnson	12	80,000	212	-	<b>80,212</b>	66,996
Rachel Falls	12	80,000	489	-	<b>80,489</b>	69,174
Jeff Purdy	12	<u>80,000</u>	<u>5,800</u>	<u>-</u>	<b><u>85,800</u></b>	<u>81,133</u>
		<b><u>\$ 770,000</u></b>	<b><u>\$ 53,085</u></b>	<b><u>\$ 250,000</u></b>	<b><u>\$1,073,085</u></b>	<b><u>\$ 928,044</u></b>