



Consolidated Financial Statements

Acadia First Nation

March 31, 2012

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Independent Auditors' Report

To the Council of
Acadia First Nation

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We have audited the accompanying consolidated financial statements of Acadia First Nation, which comprise the statement of financial position as at March 31, 2012, and the statement of operations and changes in accumulated surplus 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, 2012, 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.

Yarmouth, Canada
July 30, 2012

Grant Thornton LLP

Chartered Accountants

Management's Responsibility for Financial Reporting

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. Council is also responsible to ensure that a schedule of Chief, Councillor and officer remuneration is made available to all Band members as per INAC guidelines.

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 consolidated financial statements have been audited by Grant Thornton LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. Grant Thornton LLP has full and free access to the council.

Chief



Band Manager



Acadia First Nation Consolidated Statement of Operations

Year Ended March 31

	2012		2011		2012	
<u>Fund Activity</u>	<u>Total Revenue</u>	<u>Total Expenditures</u>	<u>Surplus (deficit) before Transfers</u>	<u>Net Transfers</u>	<u>Surplus (Deficit)</u>	<u>(Unaudited) Budget Revenue</u>
					<u>Surplus (Deficit)</u>	<u>(Unaudited) Budget Expenditure</u>
						<u>(Unaudited) Budget Surplus (Deficit)</u>
Band Support and Management	\$ 6,104,279	\$ 5,220,049	\$ 884,230	\$ 235,825	\$ 1,120,055	\$ 6,607,500
Education Community	1,476,407	1,363,793	112,614	(25,000)	87,614	1,150,000
Maintenance	132,468	245,011	(112,543)	-	(112,543)	110,000
Social Services	1,025,439	538,056	487,383	(126,155)	361,228	1,000,000
Community Health Representative	321,388	399,680	(78,292)	-	(78,292)	280,000
Development fund	-	-	-	-	-	-
Housing Fund	152,048	561,233	(409,185)	76,155	(333,030)	300,000
Fisheries Fund	2,260,188	1,693,643	566,545	(160,825)	405,720	2,083,923
Training Fund	399,683	552,492	(152,809)	-	(152,809)	475,000
Forestry Fund	56,397	89,930	(33,533)	-	(33,533)	65,000
Allowance to band members	-	916,500	(916,500)	-	(916,500)	1,000,000
Sales tax penalties and interest (Note 1)	-	-	-	-	(965,200)	-
	<u>\$ 11,928,297</u>	<u>\$ 11,590,387</u>	<u>\$ 347,910</u>	<u>\$ -</u>	<u>\$ 347,910</u>	<u>\$ 12,071,423</u>
					<u>\$ 34,857</u>	<u>\$ 12,064,250</u>
						<u>\$ 7,173</u>

See accompanying notes to the consolidated financial statements.

Acadia First Nation

Consolidated Statement of Accumulated Surplus (Deficit)

Year Ended March 31

2012 2011

	Investment in Capital Assets	Unrestricted Fund	Net Assets - externally restricted	Funds on deposit with INAC	Replacement Reserve	Total	Total
Opening balance, as previously reported	\$ 8,821,260	\$ (7,558,371)	\$ 9,346	\$ 163,082	\$ 1,435,317	\$ 1,288,996	
Prior period adjustment							
Opening balances, as restated	8,821,260	(7,558,371)	9,346	163,082	1,435,317	1,288,996	
Surplus	-	347,910	-	-	347,910	34,857	
Replacement reserve allocation	-	78,868	-	(78,868)	-	-	
Change in prepaid expenses	-	(4,374)	-	-	(4,374)	111,464	
Current year allocations	-	(43,093)	-	42,479	(614)	(548)	
Interest earned	-	-	324	290	614	548	
Ending balance	\$ 8,821,260	\$ (7,179,060)	\$ 9,670	\$ 126,983	\$ 1,778,853	\$ 1,435,317	

See accompanying notes to the consolidated financial statements.

Acadia First Nation

Consolidated Statement of Financial Position

March 31

2012

2011

Financial Assets

Receivables (Note 5)	\$ 510,887	\$ 675,350
Investments	7	75,006
Receivable from government business enterprises	999,570	1,462,948
Inventory held for resale	94,527	310,832
Restricted cash and deposits		
Funds on deposit at INAC (Note 13)	9,670	9,346
CMHC reserves	<u>126,983</u>	<u>163,082</u>
	<u>1,741,644</u>	<u>2,696,564</u>

Financial Liabilities

Bank indebtedness	768,336	644,099
Payables and accruals	943,567	1,372,333
Deficiency in government business enterprises (Note 20)	848,280	1,321,201
Deferred revenue	42,463	58,410
Assessment of sales tax, penalties and interest (Note 1)	4,419,580	4,599,779
Long-term debt (Note 7)	<u>4,544,703</u>	<u>4,486,243</u>
	<u>11,566,929</u>	<u>12,482,065</u>

Net debt

(9,825,285) (9,785,501)

Non-financial assets

Capital assets (Note 6)	11,335,792	10,948,098
Prepaid expenses	<u>268,346</u>	<u>272,720</u>
	<u>11,604,138</u>	<u>11,220,817</u>

Accumulated surplus

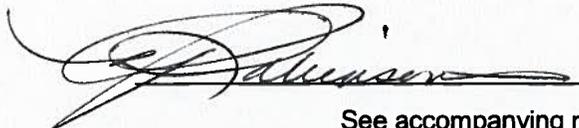
\$ 1,778,853 \$ 1,435,317

Accumulated surplus (Page 4)

\$ 1,778,853 \$ 1,435,317

Contingencies (Note 15)

On behalf of the Band

 Chief
  Band Manager

See accompanying notes to the consolidated financial statements.

Acadia First Nation
Consolidated Statement of Changes in Net Debt

<u>March 31</u>	<u>2012</u>	<u>2011</u>
Surplus	\$ 347,910	\$ 34,857
Tangible capital asset additions	(1,211,302)	(829,211)
Amortization of tangible capital assets	823,608	833,635
Proceeds on sale of tangible capital assets	-	313,500
Gain on sale of tangible capital assets	<u>-</u>	<u>(28,500)</u>
(Increase) decrease in net debt	(39,784)	324,281
Net debt, beginning of year	<u>(9,785,501)</u>	<u>(10,109,782)</u>
Net debt, end of year	<u>\$ (9,825,285)</u>	<u>\$ (9,785,501)</u>

See accompanying notes to the consolidated financial statements.

Acadia First Nation

Consolidated Statement of Cash Flows

March 31

2012

2011

Increase (decrease) in cash and cash equivalents

Operations		
Surplus	\$ 347,910	\$ 34,857
Amortization	823,608	833,635
Change in non-cash operating working capital balances (Note 9)	(208,369)	34,306
Gain on sale of tangible capital assets	-	(28,500)
	<u>963,149</u>	<u>874,298</u>
Financing		
Advances of long-term debt - net	58,460	(102,381)
Advances from government business enterprises - net	463,378	(484,235)
	<u>521,838</u>	<u>(586,616)</u>
Investing		
Proceeds on sale of tangible capital assets	-	313,500
Purchase of tangible capital assets	(1,211,302)	(829,211)
(Increase) decrease in deficiency in 100% owned Government Business Enterprises	(472,921)	143,061
Decrease (increase) in investments	74,999	(74,580)
	<u>(1,609,224)</u>	<u>(447,230)</u>
Decrease in cash and cash equivalents	(124,237)	(159,548)
Cash and cash equivalents		
Beginning of year	<u>(644,099)</u>	<u>(484,551)</u>
End of year	\$ <u>(768,336)</u>	\$ <u>(644,099)</u>

See accompanying notes to the consolidated financial statements.

Acadia First Nation

Notes to the Consolidated Financial Statements

Year Ended March 31, 2012

1. Going Concern

These financial statements have been prepared on the basis of a going concern which assumes Acadia First Nation will be able to realize its assets and settle its obligations in the normal course of operations. However, certain adverse conditions exist, which cast doubt on this assumption.

In the prior year, 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 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 Canada Revenue Agency 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.

The recording of these obligations in 2009 resulted in the creation of a deficit for the Band.

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. Canada Revenue Agency 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.

The authorization of Canada Revenue Agency was recognized in the prior year 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.

During 2010, the HST liability in the subsidiary was fully repaid and 2 payments had been made by the Band. These payments met the requirements of CRA for 2011. During 2012, the Band made all 12 payments as required by CRA. In order for the Band to continue as a going concern it will be necessary that they make the required payments and meet all the conditions of Canada Revenue Agency's waiver, each year.

Were the going concern assumption not appropriate for the Band's financial statements, adjustments to the carrying values of reported assets and equity would be required and these amounts could be material.

2. Summary of significant accounting policies

Reporting entity and principles of financial reporting

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles, which encompass the principles common with First Nations.

The consolidated financial statements of the Band are the representations of management prepared in accordance with Canadian generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants.

Acadia First Nation

Notes to the Consolidated Financial Statements

Year Ended March 31, 2012

2. Summary of significant accounting policies (continued)

The focus of PSAB financial statements is on the 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 First Nation 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.

100% owned government business enterprises are recorded using the modified equity method. 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, Winner's Corner - AFN and Wildcat Entertainment - AFN.

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, \$101,155 (2011 - \$110,753) of rental revenue of the Housing Fund and rental expense of the Social Services Fund was 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.

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.

Acadia First Nation

Notes to the Consolidated Financial Statements

Year Ended March 31, 2012

2. Summary of significant accounting policies (continued)

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
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.

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.

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 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.

Trust funds

The Trust Funds being administered by the First Nation are not consolidated with the accounts of the First Nation. At March 31, 2012, the equity in Trust Funds under its trusteeship amounted to \$881,403 (2011, \$820,885), see page 32.

Acadia First Nation

Notes to the Consolidated Financial Statements

Year Ended March 31, 2012

2. Summary of significant accounting policies (continued)

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.

Financial Instruments

The Band's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and long-term debt. The carrying value of the other financial instruments approximates their fair market value at March 31, 2012.

Net Debt

The Band's 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.

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.

3. Replacement reserve

Under the terms of the agreement with Canada Mortgage and Housing Corporation (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 (Projects 1 to 11) a combined amount of \$8,479 is charged annually, and for projects entered into under the 1997 Section 95 On-Reserve Housing Program (Projects 12+) an amount of \$1,000 per unit is charged annually unless otherwise specified by Acadia First Nation.

Acadia First Nation

Notes to the Consolidated Financial Statements

Year Ended March 31, 2012

3. Replacement reserve (continued)

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.

4. Operating surplus reserve

Under the terms of the agreement with Canada Mortgage and Housing Corporation, excess revenues over expenditures, including the annual allocation to the Replacement Reserve, for projects entered into under the 1997 Sections 95 On-Reserve Program (projects 12+) 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.

5. Receivables	<u>2012</u>	<u>2011</u>
CMHC	\$ -	\$ 48,977
Health Canada	5,585	4,024
Mi'kmaw Kina'matnewey	192,374	9,156
Province of Nova Scotia	195,933	215,286
Aboriginal Affairs and Northern Development Canada	-	96,856
Canada Customs and Revenue Agency	83,976	156,568
Mi'kmaq Employment/Training Secretariat	-	71,449
Other	33,019	60,843
Wilson's Gas	-	12,191
	<u>\$ 510,887</u>	<u>\$ 675,350</u>

Acadia First Nation Notes to the Consolidated Financial Statements

Year Ended March 31, 2012

6. Capital assets

Cost	Land	Building	Health Centres	Furn. And Equipment	Paving & Roads	Forestry Equipment	Housing	Motor Vehicles	Fishing Vessels & Equipment	Website	Gas Stations	Computers	Total
Balance, beginning of year													
April 1, 2010	\$797,204	\$7,370,543	\$880,277	\$241,951	\$570,668	\$162,835	\$5,330,501	\$456,426	\$1,642,926	\$9,000	\$962,591	\$ 91,143	\$ 18,516,065
Net additions	-	270,900	-	5,947	18,064	-	170,572	79,060	275,949	-	-	18,749	839,241
Net disposals	250,000	-	-	-	-	-	95,250	-	22,471	-	-	-	367,721
Balance, end of year													
March 31, 2011	547,204	7,641,443	880,277	247,898	588,732	162,835	5,405,823	535,486	1,896,404	9,000	962,591	109,892	18,987,585
Net additions	31,675	32,712	-	4,838	49,414	-	1,021,497	-	170,267	-	-	2,795	1,313,198
Net disposals	-	101,896	-	-	-	-	-	-	-	-	-	-	101,896
Balance, end of year													
March 31, 2012	578,879	7,572,259	880,277	252,736	638,146	162,835	6,427,320	535,486	2,066,671	9,000	962,591	112,687	20,198,887
Accumulated Amortization													
Balance, beginning													
April 1, 2010	-	3,167,901	351,345	178,138	143,660	100,951	1,591,223	373,290	1,063,589	9,000	135,607	91,143	7,205,847
Depreciation during the year	-	277,891	35,211	19,178	19,625	14,584	209,553	31,190	189,640	-	32,086	4,682	833,640
Balance, end of year													
March 31, 2011	-	3,445,792	386,556	197,316	163,285	115,535	1,800,776	404,480	1,253,229	9,000	167,693	95,825	8,039,487
Depreciation during the year	-	275,123	35,211	18,612	19,877	14,584	257,394	32,903	132,432	-	32,086	5,386	823,608
Accumulated amortization of disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance, end of year													
March 31, 2012	-	3,720,915	421,767	215,928	183,162	130,119	2,058,170	437,383	1,385,661	9,000	199,779	101,211	8,863,095
Net book value	\$578,879	\$3,851,344	\$458,510	\$ 36,808	\$454,984	\$ 32,716	\$4,369,150	\$ 98,103	\$ 681,010	\$ -	\$762,812	\$ 11,476	\$11,335,792

During the year, Chief and Council approved the construction of a bingo hall on the Yarmouth reserve with a budgeted cost of approximately \$1,000,000

Acadia First Nation
Notes to the Consolidated Financial Statements
Year Ended March 31, 2012

7. Long-term debt	<u>2012</u>	<u>2011</u>
3.7% mortgage, maturing May 1, 2013, payable in monthly instalments of \$648, including principal and interest.	\$ 8,872	\$ 16,178
1.81% mortgage, maturing April 1, 2014, payable in monthly instalments of \$283, including principal and interest.	6,939	10,178
1.81% mortgage, maturing April 1, 2014, payable in monthly instalments of \$268, including principal and interest.	6,579	9,650
2.31% mortgage, maturing March 1, 2016, payable in monthly instalments of \$1,597, including principal and interest.	46,509	64,319
Partially disbursed mortgage funds	49,352	-
1.45% mortgage, maturing January 1, 2017, payable in monthly instalments of \$1,268, including principal and interest.	61,479	74,810
2.56% mortgage, maturing November 1, 2017, payable in monthly instalments of \$734, including principal and interest.	41,331	48,982
1.81% mortgage, maturing April 1, 2019, payable in monthly instalments of \$446, including principal and interest.	35,570	40,234
2.75% mortgage, maturing January 1, 2021, payable in monthly instalments of \$541, including principal and interest.	48,322	53,414
2.92% mortgage, maturing October 1, 2033, payable in monthly instalments of \$704, including principal and interest.	135,311	139,749
1.81% mortgage, maturing April 1, 2034, payable in monthly instalments of \$999, including principal and interest.	<u>218,081</u>	<u>226,044</u>
Total carried forward	<u>\$ 658,345</u>	<u>\$ 683,558</u>

Acadia First Nation
Notes to the Consolidated Financial Statements
Year Ended March 31, 2012

7. Long-term debt (continued)	<u>2012</u>	<u>2011</u>
Balance carried forward	\$ 658,345	\$ 683,558
2.56% mortgage, maturing December 1, 2022, payable in monthly instalments of \$366, including principal and interest.	40,474	43,792
1.81% mortgage, maturing April 1, 2024, payable in monthly instalments of \$299, including principal and interest.	38,935	41,791
2.17% mortgage, maturing January 1, 2024, payable in monthly instalments of \$352, including principal and interest	43,875	47,115
2.56% mortgage, maturing August 1, 2025, payable in monthly instalments of \$324, including principal and interest.	44,087	46,807
1.64% mortgage, maturing October 1, 2026, payable in monthly instalments of \$296, including principal and interest.	46,079	48,461
4.55% mortgage, maturing May 1, 2027, payable in monthly instalments of \$366, including principal and interest.	48,144	50,303
4.05% mortgage, maturing July 1, 2026 payable in monthly payments of \$939 including principal and interest.	122,751	128,732
4.28% mortgage, maturing December 1, 2027, payable in monthly instalments of \$353, including principle and interest	48,629	50,750
2.37% mortgage, maturing July 1, 2036, payable in monthly instalments of \$1,589, including principle and interest	344,832	321,526
10.75% Ulnooweg boat loan, maturing June 1, 2012, payable in monthly instalments of \$2,378, including principle and interest	4,568	31,278
0% loan, maturing in 2013, with monthly payments of \$717, including interest and principal. As security the Band has provided a motor vehicle.	12,183	20,782
0% loan, maturing in 2013, with monthly payments of \$746, including interest and principal. As security the Band has provided a motor vehicle.	<u>13,858</u>	<u>22,808</u>
Total carried forward	<u>\$ 1,466,760</u>	<u>\$ 1,537,703</u>

Acadia First Nation
Notes to the Consolidated Financial Statements
Year Ended March 31, 2012

7. Long-term debt (continued)	<u>2012</u>	<u>2011</u>
Balance carried forward	\$ 1,466,760	\$ 1,537,703
7.55% loan, maturing May 1, 2028, with monthly payments of \$1,791, including principal and interest.	224,635	231,502
3.09% mortgage, maturing August 1, 2028, payable in monthly instalments of \$315, including principal and interest.	48,827	51,078
1.81% mortgage, maturing January 1, 2029, payable in monthly instalments of \$295, including principal and interest.	51,389	53,977
2.26% mortgage, maturing July 1, 2031, payable in monthly instalments of \$448, including principal and interest.	84,182	87,263
4.05% mortgage, maturing in February 2030, payable in monthly instalments of \$1,001, including principal and interest.	277,272	283,337
2.75% mortgage, maturing in February 1, 2031, payable in monthly instalments of \$1,001 including principal and interest.	177,282	184,333
2.69% mortgage, maturing July 1, 2030 payable in monthly instalments of \$652 including principal and interest.	113,266	117,983
4.3% mortgage, maturing April 1, 2032 payable in monthly instalments of \$1,692 including principal and interest.	273,509	281,936
1.64% mortgage, maturing December 1, 2031 payable in monthly instalments of \$648 including principal and interest.	131,263	135,809
1.64% mortgage, maturing February 1, 2032 payable in monthly instalments of \$2,059 including principal and interest.	419,773	433,177
2.87% mortgage, maturing November 1, 2034 payable in monthly instalments of \$2,262 including principal and interest.	451,837	465,842
2.76% mortgage, maturing June 1, 2035 payable in monthly instalments of \$1,111 including principal and interest.	<u>228,965</u>	<u>235,896</u>
Total carried forward	<u>\$ 3,948,960</u>	<u>\$ 4,099,836</u>

Acadia First Nation
Notes to the Consolidated Financial Statements
Year Ended March 31, 2012

7. Long-term debt (continued)	<u>2012</u>	<u>2011</u>
Balance carried forward	\$ 3,948,960	\$ 4,099,836
2.68% mortgage, maturing January 1, 2036, payable in monthly instalments of \$548, including principle and interest	115,934	118,626
Partially disbursed mortgage funds	230,233	70,380
Partially disbursed mortgage funds	199,323	135,806
6.39% loan, maturing March 2016, payments \$685, including principal and interest. As security vehicle	28,937	35,090
6.99% loan, maturing October 2016, payments \$574, including principal and interest. As security vehicle	<u>21,316</u>	<u>26,505</u>
	<u>\$ 4,544,703</u>	<u>\$ 4,486,243</u>

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

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

2013	\$241,662
2014	\$228,812
2015	\$211,316
2016	\$205,309
2017	\$187,313

8. Funded reserves

The Acadia First Nation operates thirty (30) CMHC subsidized housing projects. Replacement reserves for the first eleven projects are funded through a joint Replacement Reserve bank account and replacement reserves for Projects 12 and up are to be funded through a second joint replacement reserve bank account. Subsidy Surplus Reserves for all nineteen projects are funded in one (1) joint Subsidy Surplus Reserve bank account.

As at March 31, 2012, the Acadia First Nation has provided for funding of Reserves as follows:

(Pre 1997) Projects 1 to 11 Amount <u>of reserve</u>	(1997 Agreement) Projects 12 and 13 Amount <u>of reserve</u>	Amount <u>funded</u>
<u>\$ 8,479</u>	<u>\$ 34,000</u>	<u>\$ 42,479</u>

At March 31, 2012, an amount of \$92,052 has been underfunded (2011 – \$128,441 underfunded). These balances have been eliminated upon consolidation.

Acadia First Nation

Notes to the Consolidated Financial Statements

Year Ended March 31, 2012

9. Non-cash operating working capital balances	<u>2012</u>	<u>2011</u>
Decrease in receivables	\$ 164,463	\$ 205,486
Decrease in restricted cash and deposits	35,775	(39,743)
Decrease in inventory held for resale	216,305	65,447
Decrease in payables and accruals	(428,766)	(139,825)
Decrease in deferred revenue	(15,947)	(13,060)
Decrease in assessment of sales tax, penalties and interest	<u>(180,199)</u>	<u>(43,999)</u>
	<u>\$ (208,369)</u>	<u>\$ 34,306</u>

10. Economic dependence

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

11. 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, 2012 was \$152,048 (2011- \$148,688).

12. Non compliance

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

13. Funds on deposit with INAC

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>2012</u>	<u>2011</u>
Net assets, beginning of year	\$ 9,346	\$ 8,999
Interest earned	<u>324</u>	<u>347</u>
	<u>\$ 9,670</u>	<u>\$ 9,346</u>
Represented by		
Restricted for capital projects	\$ 4,362	\$ 4,362
Unrestricted	<u>5,308</u>	<u>4,984</u>
	<u>\$ 9,670</u>	<u>\$ 9,346</u>

Acadia First Nation

Notes to the Consolidated Financial Statements

Year Ended March 31, 2012

14. Related party transactions

The Band had the following transactions with related parties:

Building rental charged to related companies	\$ 62,472 (2011 - \$ 62,472)
Royalties received from Government Business Enterprises	\$4,000,855 (2011 - \$4,210,910)
Acadia Commodity Taxes charged	\$ 611,341 (2011 - \$ 644,645)
Agency fee paid to Government Business Enterprises	\$ - (2011 - \$ 60,218)
Agency fee charged from Government Business Enterprises	\$ 45,000 (2011 - \$ 45,000)

The consolidation of funds and operations in which the Band has a controlling interest has resulted in the elimination of certain transactions. Administration fees, building rental, rental charges paid by various funds, licensing fees paid by the Fisheries Fund and Acadia Commodity Tax paid by the Development Fund and the Fisheries Fund have been eliminated in the consolidated financial statements.

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.

15. Contingencies

The Band has guaranteed bank indebtedness of the Gaming Commission, which, at the balance sheet date totalled \$ nil (2011 - \$nil).

With respect to the HST liability described in note 1, 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.

16. Comparative figures

Certain of the 2011 comparative figures have been reclassified to conform with the financial statement presentation adopted for 2012.

17. 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, \$15,661 was withdrawn from the trust to reimburse the Band for expenses approved through the trust agreement.

The remaining funds (see page 32) 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:

Acadia First Nation

Notes to the Consolidated Financial Statements

Year Ended March 31, 2012

17. Ponhook land claim settlement (continued)

- 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.

18. Funding reconciliation note	<u>2012</u>	<u>2011</u>
AANDC funding per financial statements		
Band Support (page 23)	\$ 619,801	\$ 752,592
Community Maintenance (page 25)	108,468	108,110
Social Services (page 26)	1,025,439	1,022,059
Prior year deferred revenue	-	-
	<u>\$ 1,753,708</u>	<u>\$ 1,882,761</u>
AANDC funding per confirmation	<u>\$ 1,753,708</u>	<u>\$ 1,882,761</u>

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, 2012, the current year's allocation was \$45,000 and the total amount recorded as a liability is \$650,000 (2011, \$605,000).

20. Deficiency in government business enterprises

Your Winners World – AFN, Winners Corner – AFN, Gold Reserves – AFN, The Gold Nugget – AFN, Kespuwick Resources Incorporated, Wildcat Entertainment – AFN and Medway Entertainment – AFN are wholly-owned and controlled government business enterprises and are accounted for using the modified equity basis of accounting.

The related party transactions with these enterprises are summarized in Note 14. All transactions are in the normal course of operations and are recorded at the exchange value based on contractual agreements.

The Government Business Enterprises operate a combination of VLT operations, convenience stores and gas bars.

Kespuwick Resources manages the Fisheries operations on behalf of the Band.

Acadia First Nation

Notes to the Consolidated Financial Statements

Year Ended March 31, 2012

20. Deficiency in government business enterprises (continued)

The following provides the condensed supplementary financial information for the enterprises:

Financial Position:	<u>2012</u>	<u>2011</u>
Total assets		
Wildcat Entertainment – AFN	\$ 36,984	\$ -
Medway Entertainment – AFN	124,191	116,532
Your Winners World – AFN	969,532	929,339
Winners Corner – AFN	179,620	2,123,244
Gold Reserves – AFN	255,157	1,605,905
The Gold Nugget – AFN	91,681	709,728
Kespuwick Resources Incorporated	<u>5,837,995</u>	<u>6,213,022</u>
	<u>\$ 7,495,160</u>	<u>\$ 11,697,770</u>
Total liabilities		
Wildcat Entertainment – AFN	\$ 19,459	\$ -
Medway Entertainment – AFN	1,123,055	874,972
Your Winners World – AFN	201,878	595,335
Winners Corner – AFN	164,545	2,098,477
Gold Reserves – AFN	547,877	2,144,745
The Gold Nugget – AFN	824,568	1,443,676
Kespuwick Resources Incorporated	<u>5,332,993</u>	<u>5,753,020</u>
	<u>\$ 8,175,457</u>	<u>\$ 12,910,225</u>
Results of operations:		
Revenues:		
Wildcat Entertainment – AFN	\$ 280,876	\$ -
Medway Entertainment – AFN	520,961	1,025,458
Your Winners World – AFN	6,786,901	2,458,552
Winners Corner – AFN	2,057,515	2,061,385
Gold Reserves – AFN	3,668,043	2,138,474
The Gold Nugget – AFN	787,477	2,416,243
Kespuwick Resources Incorporated	<u>45,000</u>	<u>45,000</u>
	<u>14,146,773</u>	<u>10,145,112</u>
Expenditures:		
Wildcat Entertainment – AFN	\$ 283,673	\$ -
Medway Entertainment – AFN	761,387	1,293,521
Your Winners World – AFN	6,353,251	2,077,024
Winners Corner – AFN	2,067,207	1,972,904
Gold Reserves – AFN	3,421,923	2,415,370
The Gold Nugget – AFN	<u>786,416</u>	<u>2,529,354</u>
	<u>13,673,857</u>	<u>10,288,173</u>
Net earnings (loss)	472,921	(143,061)
Deficiency in government business enterprises		
Beginning	<u>(1,321,201)</u>	<u>(1,178,140)</u>
Ending	<u>\$ (848,280)</u>	<u>\$ (1,321,201)</u>

Acadia First Nation

Notes to the Consolidated Financial Statements

Year Ended March 31, 2012

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. 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.

Capital Expenditures – records the capital projects undertaken during the year and the related government assistance.

Development Fund – encompasses the retail sales of the gaming commission.

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.

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

Year Ended March 31	Budget (unaudited)	2012	2011
Revenue			
Aboriginal Affairs and Northern Development Canada	\$ 515,000	\$ -	\$ -
Fisheries	-	14,500	-
Capital	-	96,070	95,753
Registration and membership	-	13,939	13,893
Band support	-	299,114	298,128
Community Economic Development	-	45,996	45,844
Contribution	-	106,682	148,974
Water	-	43,500	150,000
	<u>515,000</u>	<u>619,801</u>	<u>752,592</u>
Income from Ponhook Trust	50,000	-	50,323
Income from Department of Fisheries & Ocean	-	-	401,250
Income (deficiency) from 100% owned government business enterprises (Note 20)	(75,000)	472,921	(143,061)
Recreation Fund, net of expenses	25,000	97,989	43,060
Acadia Commodity Tax	1,090,000	611,341	644,645
Rental	62,500	62,472	62,472
Other	85,000	16,726	59,126
Income earned on restricted reserves, net	35,000	43,093	39,195
Province of Nova Scotia	200,000	179,081	222,748
Royalties	4,620,000	4,000,855	4,210,910
	<u>6,607,500</u>	<u>6,104,279</u>	<u>6,343,260</u>
Expenditures			
Amortization	550,000	566,214	624,082
Band member requests	400,000	362,835	520,629
Bank charges	60,000	116,652	96,873
Changes in prepaid expenses	-	(4,374)	111,464
Community expenses	-	69,810	55,688
Community Economic Development	100,000	181,496	223,228
Donations	20,000	1,060	34,732
Gaming expenses	-	-	17,420
Heat and lights	57,500	46,860	52,106
Elders	210,000	227,642	210,750
HST write-down	-	40,667	-
Insurance	40,000	62,516	94,081
Land claim	-	46,956	253,965
Office and postage	60,000	80,777	71,845
Other	50,000	68,490	123,209
Professional fees	50,000	76,378	151,354
Salaries, benefits and honorarium	3,500,000	2,800,532	3,285,584
Taxes	15,000	19,744	17,066
Telephone	57,500	59,492	50,193
Travel, conferences and meetings	585,000	322,362	468,344
Vehicle operating	40,000	73,940	45,204
	<u>5,795,000</u>	<u>5,220,049</u>	<u>6,507,817</u>
Excess of revenues over expenditures (expenditures over revenue)	812,500	884,230	(164,557)
Net transfers	-	235,825	190,032
Surplus	<u>\$ 812,500</u>	<u>\$ 1,120,055</u>	<u>\$ 25,475</u>

Acadia First Nation

Consolidated Schedule of Revenue and Expenditures

Education

Year Ended March 31	Budget (unaudited)	2012	2011
Revenue			
Mi'kmaw Kina'matnewey – Education	\$ 1,150,000	\$ -	\$ -
Elementary/Secondary			
Instructional services - provincial	-	788,651	678,742
Student transportation	-	56,841	12,307
Financial assistance	-	3,059	3,059
Guidance and counselling	-	17,400	15,200
Advice and assistance	-	830	822
Post secondary			
Tuition	-	385,685	304,858
ISSP	-	32,466	25,583
Government support	-	14,414	14,277
Governance	-	16,803	16,162
Special education	-	52,003	-
New paths	-	9,330	7,453
Parental engagement	-	-	1,933
EPP	-	11,300	5,338
Other	-	87,625	55,573
	<u>1,150,000</u>	<u>1,476,407</u>	<u>1,141,307</u>
Expenditures			
Elementary/Secondary	1,125,000	-	-
Instructional services – provincial	-	714,535	591,165
Student transportation	-	162,532	20,379
Financial assistance	-	4,740	-
Guidance and counselling	-	18,375	-
Advice and assistance	-	833	-
Post secondary			
Tuition	-	350,529	327,747
ISSP	-	33,418	-
Government support	-	21,825	66,262
Governance	-	20,000	-
Special education	-	52,676	-
New paths	-	9,330	-
Other	-	(25,000)	-
	<u>1,125,000</u>	<u>1,363,793</u>	<u>1,005,553</u>
Excess of revenue over expenditure	25,000	112,614	135,754
Net transfers	-	(25,000)	(10,000)
Surplus	<u>\$ 25,000</u>	<u>\$ 87,614</u>	<u>\$ 125,754</u>

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

Year Ended March 31	Budget (unaudited)	2012	2011
Revenue			
Aboriginal Affairs and Northern Development Canada	\$ 110,000	\$ 108,468	\$ 108,110
CMHC RRAP	-	24,000	-
	<u>110,000</u>	<u>132,468</u>	<u>108,110</u>
Expenditures			
Fire protection	10,000	31,412	2,966
Garbage collection	30,000	40,512	30,963
Repairs	200,000	74,526	199,817
Snow removal	20,000	20,579	26,755
Water and sewer	100,000	77,982	65,149
	<u>360,000</u>	<u>245,011</u>	<u>325,650</u>
Excess of expenditures over revenue	(250,000)	(112,543)	(217,540)
Net transfers	-	-	-
Deficit	<u>\$ (250,000)</u>	<u>\$ (112,543)</u>	<u>\$ (217,540)</u>

Acadia First Nation
Consolidated Schedule of Revenue and Expenditures
Social Services

Year Ended March 31	Budget (unaudited)	2012	2011
Revenue			
Aboriginal Affairs and Northern Development Canada	\$ 1,000,000	\$ 1,025,439	\$ 1,022,059
Expenditures			
Administrative	15,000	937	(368)
Adult care	45,000	43,090	48,749
Bank charges	5,000	800	5,600
Basic needs	500,000	405,527	414,987
Salaries and benefits	65,000	63,640	64,111
Special needs	15,000	20,829	12,292
Travel	2,500	3,233	2,964
	<u>647,500</u>	<u>538,056</u>	<u>548,335</u>
Excess of revenue over expenditures	352,500	487,383	473,724
Net transfers	<u>-</u>	<u>(126,155)</u>	<u>(135,753)</u>
Surplus	\$ 352,500	\$ 361,228	\$ 337,971

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

Year Ended March 31	Budget (unaudited)	2012	2011
Revenue			
Health Canada			
Renovations	\$ 280,000	\$ 10,350	\$ -
Health careers	-	4,000	-
HIV/AIDS	-	5,500	-
Facilities Operation & Management	-	47,300	48,564
Mental Health	-	30,761	29,865
Home and community	-	55,953	54,323
Aboriginal Diabetes Initiative	-	19,048	25,487
Health Promotion and Prevention	-	83,063	78,605
Environmental - Drinking Water	-	11,396	6,000
Head Start	-	16,989	16,013
Prenatal	-	6,379	6,193
Brighter Futures	-	30,649	29,756
	<u>280,000</u>	<u>321,388</u>	<u>294,806</u>
Expenditures			
Administration	60,000	-	72,813
Brighter Futures	55,000	47,113	57,488
Home care	45,000	65,143	54,921
Mental health	25,000	36,542	33,197
Salaries and benefits	70,000	-	-
Travel	5,000	-	-
Aboriginal Diabetes	-	22,827	27,285
Health promotion and prevention	-	117,305	94,183
Environmental - drinking water	-	16,202	6,904
Head start	-	24,648	18,138
Health careers/HIV & AIDS	-	10,000	-
Facilities operation and management renovations	-	49,700	-
Prenatal	-	10,200	7,500
	<u>260,000</u>	<u>399,680</u>	<u>372,429</u>
Excess of (expenditure over revenue) revenue over expenditure	20,000	(78,292)	(77,623)
Net transfers	-	-	-
(Deficit) surplus	<u>\$ 20,000</u>	<u>\$ (78,292)</u>	<u>\$ (77,623)</u>

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

Year Ended March 31	Budget (unaudited)	2012	2011
Revenue			
CMHC	\$ 150,000	\$ 152,048	\$ 148,688
CMHC Grant	<u>150,000</u>	<u>-</u>	<u>149,100</u>
	<u>300,000</u>	<u>152,048</u>	<u>297,788</u>
Expenditures			
Amortization	150,000	257,394	209,553
Mortgage interest	100,000	105,666	108,481
Maintenance	150,000	83,611	178,024
Replacement reserve			
Current year charge	35,000	42,479	39,195
Accounting and audit	7,500	7,500	7,500
Bank charges	750	531	714
Insurance	28,500	35,351	28,793
Utilities	<u>15,000</u>	<u>28,701</u>	<u>44,231</u>
	<u>486,750</u>	<u>561,233</u>	<u>616,491</u>
Excess of expenditures over revenue	(186,750)	(409,185)	(318,703)
Net transfers	<u>95,000</u>	<u>76,155</u>	<u>95,753</u>
Deficit	<u>\$ (91,750)</u>	<u>\$ (333,030)</u>	<u>\$ (222,950)</u>

Acadia First Nation Consolidated Schedule of Revenue and Expenditures Fisheries Fund

Year Ended March 31	Budget (unaudited)	2012	2011
Revenue			
Fishing settlements	\$ 1,500,000	\$ 1,602,929	\$ 1,546,555
Leased quota	350,000	441,121	318,271
Proceeds on sale of tangible capital	-	-	28,500
Department of Fisheries & Oceans grant	<u>233,923</u>	<u>216,138</u>	<u>378,027</u>
	<u>2,083,923</u>	<u>2,260,188</u>	<u>2,271,353</u>
Expenditures			
Agency fee	45,000	45,000	45,000
Bait	75,000	76,770	77,946
Bank charges	5,000	577	3,206
Crew share	860,000	700,474	794,581
Dockside monitoring	2,500	9,460	5,517
Dues and fees	10,000	15,107	6,898
Food fishery	18,500	28,679	17,781
Fuel	105,000	167,237	124,385
Gear	145,000	56,566	43,118
Insurance	25,000	31,254	41,170
Leasing costs – vessels	60,000	55,176	51,444
Miscellaneous	5,000	3,872	12,385
Office supplies	2,500	2,805	2,934
Professional fees	6,500	6,953	13,591
Repairs and maintenance	150,000	96,276	67,385
Salaries and benefits	275,000	256,714	311,256
Telephone	10,000	8,533	9,385
Training	2,500	2,075	16,425
Travel	15,000	497	-
Vehicle operations	12,500	13,789	1,314
Wharfage	12,500	12,715	12,167
Workers' Compensation insurance	85,000	88,614	85,572
Research	<u>15,000</u>	<u>14,500</u>	<u>-</u>
	<u>1,942,500</u>	<u>1,693,643</u>	<u>1,743,460</u>
Excess of revenue over expenditures	141,423	566,545	527,893
Net transfers	<u>-</u>	<u>(160,825)</u>	<u>(140,032)</u>
Surplus	<u>\$ 141,423</u>	<u>\$ 405,720</u>	<u>\$ 387,861</u>

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

Year Ended March 31	Budget (unaudited)	2012	2011
Revenue			
Mi'kmaq Employment/Training Secretariat	\$ 475,000	\$ 399,683	\$ 393,487
Expenditures			
Administration	15,000	-	2,625
Job creation	25,000	39,637	29,100
Office	2,500	810	2,778
Programs	20,000	26,396	24,722
Salaries and benefits	355,000	405,069	328,043
Single seat purchases	55,000	71,104	65,107
Travel	5,000	9,476	7,758
	<u>477,500</u>	<u>552,492</u>	<u>460,133</u>
Excess of expenditures over revenue	(2,500)	(152,809)	(66,646)
Net transfers	-	-	-
Deficit	<u>\$ (2,500)</u>	<u>\$ (152,809)</u>	<u>\$ (66,646)</u>

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

Year Ended March 31	Budget (unaudited)	2012	2011
Revenue			
Sales	<u>\$ 65,000</u>	<u>\$ 56,397</u>	<u>\$ 50,881</u>
Expenditures			
Fuel	5,000	11,500	2,000
Miscellaneous	-	-	-
Office	2,500	3,764	2,832
Repairs and maintenance	5,000	6,013	2,086
Salaries and benefits	50,000	65,372	36,697
Supplies	2,500	786	2,532
Travel	-	-	-
Utilities and rent	-	2,495	-
	<u>65,000</u>	<u>89,930</u>	<u>46,147</u>
Excess of (expenditures over revenue) revenue over expenditures	-	(33,533)	4,734
Net transfers	-	-	-
(Deficit) surplus	<u>\$ -</u>	<u>\$ (33,533)</u>	<u>\$ 4,734</u>

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

March 31	2012	2011
Assets		
Restricted investments	<u>\$ 881,403</u>	<u>\$ 820,885</u>
Trust Equity		
Restricted funds on deposit with Scotia McLeod	<u>\$ 881,403</u>	<u>\$ 820,885</u>

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

Year Ended March 31	2012	2011
Balance, beginning of year	\$ 820,885	\$ 515,785
Capital gains on disposal/dividends	73,145	68,112
Withdrawals	(15,661)	(13,191)
Proceeds on sale of land	-	247,868
Interest earned	<u>3,034</u>	<u>2,311</u>
Balance, end of year	<u>\$ 881,403</u>	<u>\$ 820,885</u>

This statement is included for information purposes only.

Acadia First Nation
Schedule of Salaries, Honoraria, Travel Expenses and
Other Remuneration and Reimbursements Paid to Chief
and Council

Year Ended March 31, 2012

<u>Name of Individual Chief/Council Member</u>	<u>Salary and Honoraria</u>	<u>Travel Expenses</u>	<u>Other Remuneration & Reimbursements</u>	<u>2012 Total</u>	<u>2011 Total</u>
Chief Deborah Robinson	\$ 215,673	\$ 65,036	\$ 9,477	\$ 290,186	\$ 418,208
Darlene Coulton	110,000	59,105	31,560	200,665	188,348
Charmaine Stevens	100,000	19,634	3,134	122,768	124,442
Michael Paul	100,000	22,868	6,058	128,926	119,454
Thomas Pictou	100,000	47,603	9,293	156,896	170,593
Debra Wentzell	100,000	23,937	7,317	131,254	133,816
Andrew Francis	100,000	19,708	5,259	124,967	119,538
Todd Labrador	100,000	25,142	11,647	136,789	134,322
Ed Benham	<u>100,000</u>	<u>5,108</u>	<u>150</u>	<u>105,258</u>	<u>110,624</u>
	<u>\$1,025,673</u>	<u>\$ 288,141</u>	<u>\$ 83,895</u>	<u>\$1,397,709</u>	<u>\$1,519,345</u>