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## Consolidated Financial Statements

Acadia First Nation

March 31, 2018

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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, 2018, 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, 2018, 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 32 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 25, 2018

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:

Councillor

Band Manager

The image shows two handwritten signatures in blue ink. The first signature is positioned above a horizontal line and is associated with the 'Councillor' label. The second signature is positioned below a horizontal line and is associated with the 'Band Manager' label. Both signatures are highly stylized and cursive.

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## Acadia First Nation

### Consolidated Statement of Operations

Year Ended March 31

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	<u>Budget</u> <u>2018</u>	<u>Actual</u> <u>2018</u>	<u>Actual</u> <u>2017</u>
<b>Revenues</b>			
Federal government operating transfers	\$ 2,411,000	\$ 3,632,064	\$ 2,555,093
Federal government capital transfers	381,000	1,051,554	984,497
Provincial government operating transfers	225,000	185,516	203,103
Economic activities	6,250,000	8,911,108	7,344,618
Economic activities – retail operations	24,200,000	23,193,871	17,435,645
Other	<u>1,118,000</u>	<u>1,052,636</u>	<u>818,517</u>
	<u>34,585,000</u>	<u>38,026,749</u>	<u>29,341,473</u>
<b>Expenses</b>			
Band management and support	7,963,000	8,990,334	8,217,296
Education	742,000	794,922	698,009
Community maintenance	910,000	785,965	921,836
Social services	761,500	682,555	624,572
Community health	463,500	487,445	491,361
Housing	518,000	580,767	580,998
Fisheries	1,780,000	4,001,730	2,020,574
Training	414,500	446,137	473,163
Forestry	240,000	259,785	252,929
Retail operations	<u>16,908,750</u>	<u>17,009,015</u>	<u>10,977,244</u>
	<u>30,701,250</u>	<u>34,038,655</u>	<u>25,257,982</u>
<b>Annual surplus</b>	<u>\$ 3,883,750</u>	<u>\$ 3,988,094</u>	<u>\$ 4,083,491</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

**2018**

**2017**

	<u>Investment in Capital Assets</u>	<u>Unrestricted Fund</u>	<u>Funds on deposit with DISC</u>	<u>Replacement Reserve</u>	<u>Total</u>	<u>Total</u>
Opening balance, as previously reported	\$ 8,821,260	\$ 3,340,002	\$ 10,865	\$ 179,048	\$ 12,351,175	\$ 8,263,962
Surplus (deficit)	-	3,988,094	-	-	3,988,094	4,083,491
Change in prepaid expenses	-	(648)	-	-	(648)	3,722
Current year allocations	-	2,316	-	(2,673)	(357)	(1,378)
Interest earned	-	-	357	-	357	1,378
Ending balance	<u>\$ 8,821,260</u>	<u>\$ 7,329,764</u>	<u>\$ 11,222</u>	<u>\$ 176,375</u>	<u>\$ 16,338,621</u>	<u>\$ 12,351,175</u>

See accompanying notes to the consolidated financial statements.

# Acadia First Nation Consolidated Statement of Financial Position

March 31

2018

2017

## Financial assets

Cash and cash equivalents	\$ 5,827,716	\$ 5,998,567
Receivables (Note 5)	2,823,157	538,089
Inventory held for resale	699,489	520,937
Restricted cash and deposits		
Funds on deposit at AANDC (Note 14)	11,222	10,865
CMHC reserves	176,375	179,048
	<u>9,537,958</u>	<u>7,247,506</u>

## Financial liabilities

Payables and accruals (Note 8)	969,449	1,121,814
Deferred revenue	2,242,262	262,100
Assessment of sales tax, penalties and interest (Note 16)	2,411,438	2,755,973
Long-term debt (Note 7)	5,363,523	4,737,037
	<u>10,986,672</u>	<u>8,876,924</u>

## Net debt

(1,448,714)      (1,629,418)

## Non-financial assets

Tangible capital assets (Note 6)	17,735,045	13,927,656
Prepaid expenses	52,290	52,937
	<u>17,787,335</u>	<u>13,980,593</u>

## Accumulated surplus

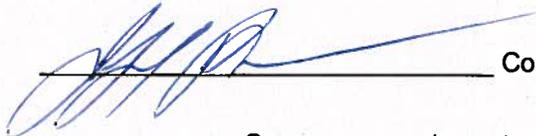
\$ 16,338,621      \$ 12,351,175

## Accumulated surplus (Page 5)

\$ 16,338,621      \$ 12,351,175

Contingencies (Note 16)

On behalf of the Band




\_\_\_\_\_  
Councillor      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	2018	2017
Surplus	\$ 3,883,750	\$ 3,988,094	\$ 4,083,491
Tangible capital asset additions	(3,500,000)	(5,268,828)	(2,703,308)
Loss on disposal of tangible capital assets	-	232,728	-
Amortization of tangible capital assets	<u>880,000</u>	<u>1,228,711</u>	<u>1,081,266</u>
Decrease in net debt	<u>\$ 1,263,750</u>	<u>180,705</u>	<u>2,461,449</u>
Net debt, beginning of year		<u>(1,629,418)</u>	<u>(4,090,867)</u>
Net debt, end of year		<u>\$ (1,448,714)</u>	<u>\$ (1,629,418)</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

2018

2017

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Increase (decrease) in cash and cash equivalents

**Operations**

Annual surplus	\$ 3,988,094	\$ 4,083,491
Amortization	1,228,711	1,081,266
Loss on disposal of tangible capital assets	232,728	-
Changes in non-cash operating working capital balances (Note 10)	<u>(978,042)</u>	<u>(83,519)</u>
	<u>4,471,491</u>	<u>5,081,238</u>

**Financing**

Repayment of long-term debt, net of advances	<u>626,486</u>	<u>(42,587)</u>
	<u>626,486</u>	<u>(42,587)</u>

**Capital transactions**

Purchase of tangible capital assets	<u>(5,268,828)</u>	<u>(2,703,308)</u>
-------------------------------------	--------------------	--------------------

(Decrease) increase in cash and cash equivalents (170,851) 2,335,343

Cash and cash equivalents

Beginning of year	<u>5,998,567</u>	<u>3,663,224</u>
End of year	<u>\$ 5,827,716</u>	<u>\$ 5,998,567</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, 2018

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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, bingo hall, 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 January 30, 2017.

#### 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, \$104,637 (2017 - \$102,975) was recorded as rental revenue in the Housing Fund and as rental expense in the Social Services Fund and \$243,504 (2017 - \$289,936) 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, 2018

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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:

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

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, gas 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, 2018

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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, 2018, the equity in Trust Funds under its trusteeship amounted to \$440,881 (2017 - \$423,833), 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, 2018

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

#### Revenue (continued)

In December 2017, the Band through several of its wholly owned enterprises entered into a new fuel supply agreement with Sobeys Atlantic Fuel Co., operating as Shell. From April 1, 2017 to November 30, 2017 fuel was supplied via Wilsons Fuels whereby the fuel was held on consignment, as a result no inventory was recognized and revenue was recognized on a net basis. Under the new agreement with Shell, the inventory is now owned by the Band or enterprise, as a result inventory is recognized and revenue is recognized on a gross basis.

#### Asset classification

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

#### Related party transactions

Effective for the fiscal period beginning on April 1, 2017, the First Nation was required to adopt Public Sector Accounting sections 2200, Related Party Disclosures and 3420 Inter-Entity Transactions, which establishes the disclosure requirements for reporting related party transactions. Management has determined that there are no additional disclosures required upon the adoption of these sections. See Note 15 for further information.

#### Contractual rights

Effective for the fiscal period beginning on April 1, 2017, the First Nation was required to adopt Public Sector Accounting section 3380, contractual rights, which establishes the disclosure requirements for contractual rights. Management has determined that there are no contractual rights to disclose at this time.

#### Restructuring Transactions

The adoption of Section PS 3430 "Restructuring transactions", defines a restructuring transaction and establishes standards for recognizing and measuring assets and liabilities transferred in a restructuring transaction. Although Section PS 3430 is effective for fiscal years beginning on or after April 1, 2018, the Band has adopted the new section effective April 1, 2017. The adoption of the policy has had no material impact on disclosures or amounts recognized in the Band's financial statements.

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### 2. Future accounting standards

The Band will be required to adopt the following future accounting standards: PS 3450 – *Financial Instruments*. This standards will require enhanced disclosure, however, is not expected to have a material impact on the consolidated financial statements.

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# Acadia First Nation

## Notes to the Consolidated Financial Statements

Year Ended March 31, 2018

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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 \$3,364 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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5. Receivables	<u>2018</u>	<u>2017</u>
Mi'kmaw Kina'matnewey	\$ 19,044	\$ 29,842
Province of Nova Scotia	184,273	166,931
Department of Fisheries and Oceans	521,169	-
Department of Indigenous Services Canada	1,623,514	9,275
Canada Revenue Agency	161,681	100,926
Health Canada	22,000	-
Canada Mortgage and Housing Corporation	92,649	-
Mi'kmaq Employment/Training Secretariat	130,202	114,155
Other	68,625	116,960
	<u>\$ 2,823,157</u>	<u>\$ 538,089</u>

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**Acadia First Nation**  
**Notes to the Consolidated Financial Statements**  
Year Ended March 31, 2018

6. Tangible capital assets											Balance Forward			
	Land	Community Buildings	Commercial Buildings	Furniture & Equipment	Paving & Roads	Forestry Equipment	Housing							
<b>Cost</b>														
Balance, beginning of the year	\$ 679,568	\$ 9,036,900	\$ 2,374,928	\$ 312,350	\$ 644,823	\$ 181,248	\$ 8,296,677	\$ 21,526,494						
Additions	-	413,661	3,625,431	-	231,136	-	504,105	4,774,332						
Disposals	-	-	-	-	-	-	2,119	2,119						
Balance, end of the year	<u>679,568</u>	<u>9,450,561</u>	<u>6,000,359</u>	<u>312,350</u>	<u>875,959</u>	<u>181,248</u>	<u>8,798,663</u>	<u>26,298,707</u>						
<b>Accumulated depreciation</b>														
Balance, beginning of the year	-	5,282,268	687,764	258,124	289,017	165,379	3,376,555	10,059,107						
Disposals	-	308,777	131,155	8,552	23,420	1,841	316,666	790,411						
Depreciation during the year	-	-	-	-	-	-	2,119	2,119						
Balance, end of the year	-	<u>5,591,045</u>	<u>818,919</u>	<u>266,676</u>	<u>312,437</u>	<u>167,220</u>	<u>3,691,102</u>	<u>10,849,518</u>						
<b>Net Book Value</b>	<u>\$ 679,568</u>	<u>\$ 3,859,515</u>	<u>\$ 5,181,440</u>	<u>\$ 45,674</u>	<u>\$ 563,522</u>	<u>\$ 14,028</u>	<u>\$ 5,107,561</u>	<u>\$ 15,449,189</u>						
<b>Cost</b>														
Balance, beginning of the year	\$ 102,340	\$ 754,204	\$ 3,085,706	\$ 991,104	\$ 962,591	\$ 197,447	\$ 27,619,886	\$ 24,926,608						
Additions	-	49,800	254,344	124,409	-	65,943	5,268,828	2,703,308						
Disposals	-	-	-	177,293	311,043	-	490,455	-						
Balance, end of the year	<u>102,340</u>	<u>804,004</u>	<u>3,340,050</u>	<u>938,220</u>	<u>651,548</u>	<u>263,390</u>	<u>32,398,260</u>	<u>27,629,916</u>						
<b>Accumulated depreciation</b>														
Balance, beginning of the year	40,936	625,350	1,700,410	756,654	360,209	149,564	13,692,230	12,620,994						
Depreciation during the year	10,234	48,304	261,938	58,555	32,086	27,183	1,228,711	1,081,266						
Disposals	-	-	-	138,822	116,785	-	257,726	-						
Balance, end of the year	<u>51,170</u>	<u>673,654</u>	<u>1,962,348</u>	<u>676,387</u>	<u>275,510</u>	<u>176,747</u>	<u>14,663,215</u>	<u>13,702,260</u>						
<b>Net Book Value</b>	<u>\$ 51,170</u>	<u>\$ 130,350</u>	<u>\$ 1,377,702</u>	<u>\$ 261,833</u>	<u>\$ 376,038</u>	<u>\$ 86,644</u>	<u>\$ 17,735,045</u>	<u>\$ 13,927,656</u>						

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**Acadia First Nation**  
**Notes to the Consolidated Financial Statements**  
Year Ended March 31, 2018

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<b>7. Long-term debt</b>	<b><u>2018</u></b>	<b><u>2017</u></b>
1.77% mortgage, maturing November 1, 2039, payable in monthly instalments of \$343, including principal and interest.	\$ 74,078	\$ 76,862
Prime + 1.5% BMO boat loan, matured October 2017.	-	9,232
1.31% mortgage, maturing December 1, 2041, payable in monthly instalments of \$539, including principal and interest.	132,111	136,825
1.01% mortgage, maturing February 1, 2041, payable in monthly instalments of \$400, including principal and interest.	98,282	102,076
1.82% mortgage, maturing September 1, 2039, payable in monthly instalments of \$995, including principal and interest.	212,568	220,581
2.06% mortgage, maturing November 1, 2042, payable in monthly instalments of \$456, including principal and interest.	105,894	-
1.01% mortgage, matured November 1, 2017.	-	3,791
1.92% mortgage, maturing April 1, 2019, payable in monthly instalments of \$447, including principal and interest.	5,751	10,954
0.97% mortgage, maturing January 1, 2021, payable in monthly instalments of \$520, including principal and interest.	14,393	20,464
2.11% mortgage, maturing October 1, 2033, payable in monthly instalments of \$654, including principal and interest.	104,219	109,814
Prime plus 1.5% BMO loan, maturing in November 2023, payable in monthly instalment of \$ 5,858, including principal and interest.	426,509	474,415
1.92% mortgage, maturing April 1, 2034, payable in monthly instalments of \$1,009, including principal and interest.	<u>167,438</u>	<u>176,246</u>
Total carried forward	<u>\$ 1,341,243</u>	<u>\$ 1,341,260</u>

# Acadia First Nation

## Notes to the Consolidated Financial Statements

Year Ended March 31, 2018

7. Long-term debt (continued)	<u>2018</u>	<u>2017</u>
Balance carried forward	\$ 1,341,243	\$ 1,341,260
1.30% mortgage, maturing December 1, 2022, payable in monthly instalments of \$339, including principal and interest.	18,753	22,557
1.92% mortgage, maturing April 1, 2024, payable in monthly instalments of \$301, including principal and interest.	20,701	23,880
2.04% mortgage, maturing January 1, 2024, payable in monthly instalments of \$353, including principal and interest.	22,672	26,409
1.30% mortgage, maturing August 1, 2025, payable in monthly instalments of \$305, including principal and interest.	25,869	29,171
1.31% mortgage, maturing October 1, 2026, payable in monthly instalments of \$291, including principal and interest.	28,382	31,487
1.3% mortgage, maturing May 1, 2027, payable in monthly instalments of \$295, including principal and interest.	30,572	33,679
4.75% mortgage, maturing January 1, 2019 payable in monthly payments of \$963, including principal and interest.	80,828	88,549
1.97% mortgage, maturing December 1, 2027, payable in monthly instalments of \$298, including principle and interest.	31,755	34,736
1.14% mortgage, maturing July 1, 2036, payable in monthly instalments of \$1,414, including principle and interest.	280,751	294,446
2.39% mortgage, maturing March 1, 2043, payable in monthly instalments of \$3,761, including principle and interest.	850,000	-
0% vehicle loan, maturing March 2019, payable in monthly instalments of \$642.	7,605	15,315
0% vehicle loan, maturing March 2019, payable in monthly instalments of \$808.	9,596	19,297
2.49% vehicle loan, maturing October 2019, payable in monthly instalments of \$642.	<u>11,100</u>	<u>18,274</u>
Total carried forward	<u>\$ 2,759,827</u>	<u>\$ 1,979,060</u>

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**Acadia First Nation**  
**Notes to the Consolidated Financial Statements**  
Year Ended March 31, 2018

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<b>7. Long-term debt (continued)</b>	<u><b>2018</b></u>	<u><b>2017</b></u>
Balance carried forward	\$ <b>2,759,827</b>	\$ 1,979,060
4.75% loan, maturing November 2018, with monthly payments of \$1,992, including principal and interest.	<b>165,206</b>	177,581
2.35% mortgage, maturing August 1, 2028, payable in monthly instalments of \$300, including principal and interest.	<b>33,264</b>	36,052
1.92% mortgage, maturing January 1, 2029, payable in monthly instalments of \$297, including principal and interest.	<b>34,898</b>	37,770
1.05% mortgage, maturing July 1, 2031, payable in monthly instalments of \$411, including principal and interest.	<b>61,311</b>	65,573
4.75% mortgage, maturing in October 2018 payable in monthly instalments of \$2,158, including principal and interest.	<b>178,100</b>	195,555
1.01% mortgage, maturing February 1, 2031, payable in monthly instalments of \$885, including principal and interest.	<b>128,489</b>	137,757
0.94% mortgage, maturing July 1, 2030 payable in monthly instalments of \$576, including principal and interest.	<b>80,489</b>	86,617
1.3% mortgage, maturing April 1, 2032 payable in monthly instalments of \$1,304, including principal and interest.	<b>201,308</b>	214,166
1.31% mortgage, maturing December 1, 2031 payable in monthly instalments of \$633, including principal and interest.	<b>95,576</b>	101,881
1.44% mortgage, maturing February 1, 2032 payable in monthly instalments of \$2,030, including principal and interest.	<b>307,030</b>	326,822
1.83% mortgage, maturing November 1, 2034 payable in monthly instalments of \$2,053, including principal and interest.	<b>353,770</b>	371,773
1.37% mortgage, maturing June 1, 2035 payable in monthly instalments of \$977, including principal and interest.	<u><b>180,129</b></u>	<u>189,327</u>
Total carried forward	<u><b>\$ 4,579,397</b></u>	<u>\$ 3,919,934</u>

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**Acadia First Nation**  
**Notes to the Consolidated Financial Statements**  
Year Ended March 31, 2018

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7. Long-term debt (continued)	<u>2018</u>	<u>2017</u>
Balance carried forward	\$ 4,579,397	\$ 3,919,934
1.01% mortgage, maturing January 1, 2036, payable in monthly instalments of \$469, including principle and interest.	91,851	96,530
1.84% mortgage, maturing September 1, 2037, payable in monthly instalments of \$1,493, including principle and interest.	293,448	305,945
1.3% mortgage, maturing June 1, 2037, payable in monthly instalments of \$944, including principle and interest.	192,940	201,628
1.46% mortgage, maturing March 1, 2042, payable in monthly instalments of \$847, including principle and interest.	<u>205,884</u>	<u>213,000</u>
	<u>\$ 5,363,520</u>	<u>\$ 4,737,037</u>

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

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, 2018 the amount drawn was \$nil (2017 - \$nil).

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

2019	\$346,063
2020	\$329,600
2021	\$329,430
2022	\$335,530
2023	\$344,107

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**8. Payables and accruals**

	<u>2018</u>	<u>2017</u>
Vendors	\$ 271,118	\$ 458,458
Severance accrual	90,000	190,000
Accruals	474,730	310,204
Harmonized sales tax	-	76,016
Government remittances	113,867	64,518
Other	<u>19,734</u>	<u>22,618</u>
	<u>\$ 969,449</u>	<u>\$ 1,121,814</u>

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# Acadia First Nation

## Notes to the Consolidated Financial Statements

Year Ended March 31, 2018

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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, 2018, 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>\$ 3,364</u>	<u>\$ 48,333</u>	<u>\$ 51,697</u>

At March 31, 2018, an amount of \$nil has been underfunded (2017 - \$7,847 underfunded).

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10. Changes in non-cash operating working capital balances	<u>2018</u>	<u>2017</u>
Receivables	\$ (2,285,068)	\$ 318,186
Restricted cash and deposits	2,316	30,905
Inventory held for resale	(178,552)	(88,164)
Payables and accruals	(152,365)	(206,546)
Deferred revenue	1,980,162	162,100
Assessment of sales tax, penalties and interest	<u>(344,535)</u>	<u>(300,000)</u>
	<u>\$ (978,042)</u>	<u>\$ (83,519)</u>

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### 11. Economic dependence

The Band receives a portion of its revenues pursuant to a funding arrangement with the Department of Indigenous Services Canada (DISC) 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, 2018 was \$ 152,031 (2017 - \$141,089).

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# Acadia First Nation

## Notes to the Consolidated Financial Statements

Year Ended March 31, 2018

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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 DISC

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>2018</u>	<u>2017</u>
Net assets, beginning of year	\$ 10,865	\$ 10,667
Interest earned	<u>357</u>	<u>198</u>
	<u>\$ 11,222</u>	<u>\$ 10,865</u>
Represented by		
Restricted for capital projects	\$ 4,362	\$ 4,362
Unrestricted	<u>6,860</u>	<u>6,503</u>
	<u>\$ 11,222</u>	<u>\$ 10,865</u>

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### 15. Related party transactions

The Band had the following transactions with related parties:

	<u>2018</u>	<u>2017</u>
Building rental charged to related companies	\$ 67,064	\$ 67,872
Royalties received from the gaming companies	4,553,688	4,409,802
Acadia Commodity Taxes charged	959,736	882,889
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, 2018

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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 2018 comparative figures have been reclassified to conform with the financial statement presentation adopted for 2018. 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, 2018

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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, \$ - (2017 - \$67,251) 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, 2018, the total amount recorded as a liability is \$90,000 (2017 - \$190,000).

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, \$100,000 (2017 - \$250,000) was paid, which represents a cumulative payment under the terms of the revised trust agreement.

Subsequent to year end a payment of \$90,000 was made to the councillors included in this agreement.

During the year, the Band established a defined contribution pension plan for its employees, the Band's obligation is limited to matching up to a maximum of 2% of the contributions made by employees. Obligations for contributions to the defined contribution pension plan are recognized as an employee benefit expense in the statement of operations during which the services are rendered by the employees. During the year, the Band made contributions in the amount of \$25,762 to the defined contribution pension plan.

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# Acadia First Nation

## Notes to the Consolidated Financial Statements

Year Ended March 31, 2018

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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

During 2017, 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 Dora Construction for the development of a new gas bar in Yarmouth. This gas bar will replace the current operations of Your Winners World AFN. The project is expected to be completed fall 2018 and the estimated value of the contract is \$3,600,000.

A LFA 33 lobster license worth \$420,000 was purchased in June 2018.

# Acadia First Nation

## Schedule of Revenue and Expenditures

### Band Management and Support

Year Ended March 31	Budget	2018	2017
<b>Revenue</b>			
Department of Indigenous Services Canada			
Registration and membership	\$ 15,000	\$ 14,794	\$ 14,598
Band support	315,000	317,460	313,251
Community Economic Development	50,000	48,817	48,170
Contribution	<u>170,000</u>	<u>1,343,871</u>	<u>828,574</u>
	550,000	1,724,942	1,204,593
Income from Ponhook Trust	-	-	67,251
Economic Activities - Retail operations	24,200,000	23,193,871	17,435,645
Economic Activities – Band tobacco	3,850,000	4,555,713	4,259,670
Other	50,000	330,521	135,125
Restricted reserves, net	-	(2,316)	(30,905)
Province of Nova Scotia	<u>225,000</u>	<u>185,516</u>	<u>203,103</u>
	<u>28,875,000</u>	<u>29,988,247</u>	<u>23,274,482</u>
<b>Expenditures</b>			
Allocation to band members	850,000	818,848	825,000
Allocation to housing	223,000	243,504	289,936
Amortization	630,000	853,491	754,170
Band member requests	75,000	101,725	77,991
Bank charges and interest	75,000	54,305	44,259
Changes in prepaid expenses	-	648	(3,722)
Community expenses	100,000	76,127	186,764
Community Economic Development	200,000	230,752	100,546
Donations	20,000	22,508	25,885
Heat and lights	65,000	57,923	65,069
Elders and disabled	325,000	361,200	340,200
Insurance	65,000	74,908	70,816
Land claim	5,000	458	754
Loss on disposal of tangible capital assets	-	194,258	-
Office and postage	75,000	81,771	100,358
Other	50,000	37,366	55,931
Professional fees	85,000	131,272	122,085
Economic Activities – Band tobacco	3,300,000	3,822,168	3,478,824
Economic Activities - Retail operations	16,908,750	17,009,015	10,977,244
Salaries, benefits and honorarium	1,500,000	1,692,171	1,628,388
Property taxes	20,000	17,926	20,769
Telephone	50,000	49,760	74,625
Travel, conferences and meetings	200,000	256,621	210,088
Vehicle operating	<u>50,000</u>	<u>54,131</u>	<u>38,497</u>
	<u>24,871,750</u>	<u>26,242,856</u>	<u>19,484,477</u>
Surplus	<u>\$ 4,003,250</u>	<u>\$ 3,745,397</u>	<u>\$ 3,790,005</u>

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

Year Ended March 31	Budget	2018	2017
<b>Revenue</b>			
Mi'kmaw Kina'matnewey			
Elementary/Secondary			
Paraprofessional	\$ 80,000	\$ 99,881	\$ 79,933
Supplies	9,000	9,068	8,792
Student transportation	50,000	63,134	62,421
Financial assistance	3,000	3,162	3,066
Guidance and counselling	15,000	15,995	15,508
Advice and assistance	1,000	923	913
Post secondary			
Tuition and allowances	450,000	488,619	426,307
Government support	16,000	16,023	15,842
Governance	19,000	19,249	18,663
Language	-	37,904	-
Special education	47,000	58,477	56,697
New paths	10,000	10,491	10,172
Other	-	1,506	68,732
	<u>700,000</u>	<u>824,431</u>	<u>767,046</u>
<b>Expenditures</b>			
Elementary/Secondary			
Elementary/Secondary	80,000	101,075	82,634
Student transportation	60,000	63,169	55,973
Financial assistance	30,000	10,000	45,072
Guidance and counselling	17,500	16,100	20,000
Advice and assistance	30,000	4,500	31,300
Post secondary			
Tuition and allowances	415,000	492,341	416,555
Government support	17,500	16,183	20,000
Governance	20,000	19,425	20,000
Language	-	38,270	-
Other	-	3,000	-
Special education	60,000	60,534	62,984
New paths	12,000	20,326	13,491
	<u>742,000</u>	<u>844,922</u>	<u>768,009</u>
Deficit	\$ (42,000)	\$ (20,491)	\$ (963)

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

Year Ended March 31	Budget	2018	2017
<b>Revenue</b>			
Department of Indigenous Services			
Canada			
Capital	\$ 100,000	\$ 101,963	\$ 100,611
Facilities O&M	115,000	115,121	113,595
CMHC RRAP	<u>16,000</u>	<u>153,144</u>	<u>110,797</u>
	<u>231,000</u>	<u>370,228</u>	<u>325,003</u>
<b>Expenditures</b>			
Fire protection	20,000	12,984	18,983
Garbage collection	40,000	41,864	41,300
Repairs	250,000	138,985	337,476
Salaries	500,000	499,074	406,304
Snow removal	25,000	32,139	42,849
Water and sewer	<u>75,000</u>	<u>60,920</u>	<u>74,924</u>
	<u>910,000</u>	<u>785,965</u>	<u>921,836</u>
Excess of expenditures over revenue	(679,000)	(415,737)	(596,833)
Transfer within block funding	<u>288,500</u>	<u>270,312</u>	<u>315,605</u>
Deficit	<u>\$ (390,500)</u>	<u>\$ (145,425)</u>	<u>\$ (281,228)</u>

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

Year Ended March 31	Budget	2018	2017
<b>Revenue</b>			
Department of Indigenous Services			
Canada			
Assisted living	\$ 1,000,000	\$ 1,028,935	\$ 52,859
Income assistance	<u>50,000</u>	<u>53,569</u>	<u>1,015,292</u>
	<u>1,050,000</u>	<u>1,082,504</u>	<u>1,068,151</u>
<b>Expenditures</b>			
Administrative	27,500	28,476	24,148
Adult care	40,000	54,199	52,386
Bank charges	1,500	60	183
Basic needs	600,000	605,695	577,820
Salaries and benefits	65,000	66,575	83,312
Special needs	25,000	48,732	10,653
Travel	<u>2,500</u>	<u>8,455</u>	<u>4,044</u>
	<u>761,500</u>	<u>812,192</u>	<u>752,546</u>
Excess of revenue over expenditures	288,500	270,312	315,605
Transfer within block funding	<u>(288,500)</u>	<u>(270,312)</u>	<u>(315,605)</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	2018	2017
<b>Revenue</b>			
Health Canada			
Health planning	\$ 25,000	\$ 25,002	\$ 25,002
Planning response	-	-	2,500
Immunization	-	1,250	-
Capital	-	8,228	-
Oral Health	-	4,431	-
Maternal health	8,000	7,964	7,964
Facilities operation and management	47,000	47,300	47,300
Mental Health	35,000	36,374	35,315
Home and community	65,000	72,885	64,236
Aboriginal Diabetes Initiative	20,000	19,373	19,373
Health promotion and prevention	95,000	95,735	92,947
Environmental - drinking water	12,000	13,530	12,505
Head start	12,000	11,989	11,989
Prenatal	7,000	7,542	7,322
Brighter Futures	35,000	36,241	35,185
	<u>361,000</u>	<u>387,844</u>	<u>361,638</u>
<b>Expenditures</b>			
Planning response	-	-	2,505
Maternal Health	9,000	8,000	8,684
Brighter Futures	34,000	36,347	35,450
Home care	65,000	73,268	65,951
Mental health	35,000	37,252	36,176
Aboriginal Diabetes	17,500	19,843	19,408
Health promotion and prevention	100,000	96,360	96,274
Environmental - drinking water	15,000	13,789	15,600
Oral Care	-	4,500	-
Capital	-	8,342	-
Immunizations	-	1,500	-
Head start	35,000	29,549	35,192
Facilities operation and management renovations	125,000	125,595	141,460
Health planning	20,000	25,500	26,437
Prenatal	8,000	7,600	8,224
	<u>463,500</u>	<u>487,445</u>	<u>491,361</u>
Deficit	\$ (102,500)	\$ (99,601)	\$ (129,723)

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

Year Ended March 31	Budget	2018	2017
<b>Revenue</b>			
Rent	\$ 120,000	\$ 104,637	\$ 102,975
CMHC	150,000	152,031	141,089
Allocation from Band	<u>248,000</u>	<u>243,504</u>	<u>289,936</u>
	<u>518,000</u>	<u>500,172</u>	<u>534,000</u>
<b>Expenditures</b>			
Administration	25,000	25,000	25,000
Amortization	250,000	316,666	271,145
Mortgage interest	70,000	59,039	56,697
Maintenance	50,000	42,499	99,419
Replacement reserve			
Current year charge	50,000	106,068	49,412
Accounting and audit	7,500	8,025	8,025
Bank charges	500	36	72
Insurance	20,000	18,175	16,355
Utilities	<u>45,000</u>	<u>30,259</u>	<u>79,873</u>
	<u>518,000</u>	<u>605,767</u>	<u>605,998</u>
Deficit	\$ -	\$ (105,595)	\$ (71,998)

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

Year Ended March 31	Budget	2018	2017
<b>Revenue</b>			
Fishing settlements	\$ 1,750,000	\$ 2,822,895	\$ 2,383,388
Disposal of license	-	670,000	
Leased quota	500,000	790,837	597,714
Department of Fisheries & Oceans grant	50,000	521,169	-
	<u>2,300,000</u>	<u>4,804,901</u>	<u>2,981,102</u>
<b>Expenditures</b>			
Bait	85,000	142,882	123,102
Bank charges	1,000	52	55
Crew share	900,000	1,435,712	1,177,563
Dockside monitoring	10,000	7,916	7,335
Dues and fees	25,000	38,287	21,029
Fuel	100,000	125,775	103,922
Gear	75,000	35,724	42,518
Insurance	26,500	25,070	22,831
Leasing costs – vessels	25,000	-	-
License expense	-	1,520,000	420,000
Miscellaneous	2,500	2,660	5,882
Office supplies	2,500	1,336	2,345
Professional fees	8,500	20,000	-
Repairs and maintenance	150,000	297,468	192,025
Salaries and benefits	200,000	228,711	229,145
Telephone	5,000	3,093	2,913
Training	4,000	2,336	3,825
Travel	10,000	7,231	3,816
Vehicle operations	10,000	3,533	5,244
Wharfage	15,000	15,450	15,729
Workers' Compensation insurance	125,000	88,493	61,295
	<u>1,780,000</u>	<u>4,001,730</u>	<u>2,020,574</u>
<b>Surplus</b>	<b>\$ 520,000</b>	<b>\$ 803,171</b>	<b>\$ 960,528</b>

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

Year Ended March 31	Budget	2018	2017
<b>Revenue</b>			
Mi'kmaq Employment/Training Secretariat	<u>\$ 400,000</u>	<u>\$ 444,900</u>	<u>\$ 439,116</u>
<b>Expenditure</b>			
Job creation	45,000	20,979	6,770
Office	1,500	1,532	72
Programs	100,000	121,106	109,324
Salaries and benefits	200,000	190,881	269,176
Single seat purchases	60,000	103,639	78,181
Travel	<u>8,000</u>	<u>8,000</u>	<u>9,640</u>
	<u>414,500</u>	<u>446,137</u>	<u>473,163</u>
Deficit	<u>\$ (14,500)</u>	<u>\$ (1,237)</u>	<u>\$ (34,047)</u>

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

Year Ended March 31	Budget	2018	2017
<b>Revenue</b>			
Sales	<u>\$ 150,000</u>	<u>\$ 71,663</u>	<u>\$ 103,846</u>
<b>Expenditures</b>			
Office	15,000	5,989	5,137
Repairs and maintenance	15,000	13,689	9,000
Salaries and benefits	200,000	227,845	204,881
Supplies	<u>10,000</u>	<u>12,261</u>	<u>33,910</u>
	<u>240,000</u>	<u>259,785</u>	<u>252,928</u>
Deficit	<u>\$ (90,000)</u>	<u>\$ (188,122)</u>	<u>\$ (149,082)</u>

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## Acadia First Nation Schedule of Segment Disclosure

Year Ended March 31

	Band M&S		Education		Maintenance		Social		CHR	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
<b>Revenues</b>										
Federal government operating transfers	\$ 775,351	\$ 545,139	\$ -	\$ -	\$ 268,265	\$ 224,392	\$ 1,082,504	\$ 1,068,151	\$ 387,844	\$ 361,638
Federal government capital transfers	949,591	659,454	-	-	101,963	100,611	-	-	-	-
Provincial government operating transfers	185,516	203,103	-	-	-	-	-	-	-	-
Provincial government Economic activities	4,555,713	4,259,670	-	-	-	-	-	-	-	-
Income retail operations	23,193,871	17,435,645	-	-	-	-	-	-	-	-
Income from investment	-	-	-	-	-	-	-	-	-	-
Other	<u>228,205</u>	<u>51,470</u>	<u>824,431</u>	<u>767,046</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>29,888,247</u>	<u>23,154,482</u>	<u>824,431</u>	<u>767,046</u>	<u>370,228</u>	<u>325,003</u>	<u>1,082,504</u>	<u>1,068,151</u>	<u>387,844</u>	<u>361,638</u>
<b>Expenses</b>										
Salaries	1,692,171	1,628,388	-	-	499,074	406,304	66,575	83,312	-	-
Amortization	853,491	754,170	-	-	-	-	-	-	-	-
Interest	54,305	44,259	-	-	-	-	-	-	-	-
Economic activities	3,822,168	3,478,824	-	-	-	-	-	-	-	-
Expense retail operations	17,009,015	10,977,244	-	-	-	-	-	-	-	-
Other	<u>2,568,202</u>	<u>2,311,655</u>	<u>794,922</u>	<u>698,009</u>	<u>16,579</u>	<u>199,927</u>	<u>886,292</u>	<u>856,864</u>	<u>487,445</u>	<u>491,361</u>
	<u>25,999,352</u>	<u>19,194,541</u>	<u>794,922</u>	<u>698,009</u>	<u>515,653</u>	<u>606,231</u>	<u>952,867</u>	<u>940,176</u>	<u>487,445</u>	<u>491,361</u>
<b>Surplus (deficit) for the year</b>	<u>\$ 3,888,895</u>	<u>\$ 3,959,941</u>	<u>\$ 29,509</u>	<u>\$ 69,037</u>	<u>\$ (145,425)</u>	<u>\$ (281,228)</u>	<u>\$ 129,637</u>	<u>\$ 127,975</u>	<u>\$ (99,601)</u>	<u>\$ (129,723)</u>
Eliminated interfund charges	<u>(143,504)</u>	<u>(169,936)</u>	<u>(50,000)</u>	<u>(70,000)</u>	<u>-</u>	<u>-</u>	<u>(129,637)</u>	<u>(127,975)</u>	<u>-</u>	<u>-</u>
<b>Surplus (deficit)</b>	<u>\$ 3,745,391</u>	<u>\$ 3,790,005</u>	<u>\$ (20,491)</u>	<u>\$ (963)</u>	<u>\$ (145,425)</u>	<u>\$ (281,228)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (99,601)</u>	<u>\$ (129,723)</u>

## Acadia First Nation Schedule of Segment Disclosure

Year Ended March 31

	Housing		Fisheries		Training		Forestry		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
<b>Revenues</b>										
Federal government operating transfers	\$ 152,031	\$ 141,089	\$ 521,169	\$ -	\$ 444,900	\$ 439,116	\$ -	\$ -	\$ 3,632,064	\$ 2,779,525
Federal government capital transfers	-	-	-	-	-	-	-	-	1,051,554	760,065
Provincial government operating transfers	-	-	-	-	-	-	-	-	185,516	203,103
Economic activities	-	-	4,283,732	2,981,102	-	-	71,663	103,846	8,911,108	7,344,618
Income – retail operations	-	-	-	-	-	-	-	-	23,193,871	17,435,645
Other	-	-	-	-	-	-	-	-	1,052,636	818,517
	<u>152,031</u>	<u>141,089</u>	<u>4,804,901</u>	<u>2,981,102</u>	<u>444,900</u>	<u>439,116</u>	<u>71,663</u>	<u>103,846</u>	<u>38,026,749</u>	<u>29,341,473</u>
<b>Expenses</b>										
Salaries	316,666	271,145	228,711	229,145	190,881	269,176	227,845	204,881	2,905,254	2,821,205
Amortization	59,039	56,697	-	-	-	-	-	-	1,170,157	1,025,315
Interest	-	-	3,773,019	1,791,429	-	-	31,940	48,048	113,344	100,956
Economic activities	-	-	-	-	-	-	-	-	7,627,127	5,318,301
Expense retail operations	-	-	-	-	-	-	-	-	17,009,015	10,977,244
Other	<u>205,062</u>	<u>253,156</u>	<u>-</u>	<u>-</u>	<u>255,256</u>	<u>203,987</u>	<u>-</u>	<u>-</u>	<u>5,213,758</u>	<u>5,014,959</u>
	<u>580,767</u>	<u>580,998</u>	<u>4,001,730</u>	<u>2,020,574</u>	<u>446,137</u>	<u>473,163</u>	<u>259,785</u>	<u>252,929</u>	<u>34,038,655</u>	<u>25,257,982</u>
<b>Surplus (deficit) for the year</b>	<u>\$ (428,736)</u>	<u>\$ (439,909)</u>	<u>\$ 803,171</u>	<u>\$ 960,528</u>	<u>\$ (1,237)</u>	<u>\$ (34,047)</u>	<u>\$ (188,122)</u>	<u>\$ (149,082)</u>	<u>\$ 3,988,094</u>	<u>\$ 4,083,491</u>
Eliminated interfund-charges	<u>323,141</u>	<u>367,911</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Surplus (deficit)</b>	<u>\$ (105,595)</u>	<u>\$ (71,998)</u>	<u>\$ 803,171</u>	<u>\$ 960,528</u>	<u>\$ (1,237)</u>	<u>\$ (34,047)</u>	<u>\$ (188,122)</u>	<u>\$ (149,082)</u>	<u>\$ 3,988,094</u>	<u>\$ 4,083,491</u>

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

March 31	2018	2017
<b>Assets</b>		
Restricted investments	<u>\$ 440,880</u>	<u>\$ 423,833</u>
<b>Trust Equity</b>		
Restricted funds on deposit with Scotia McLeod	<u>\$ 440,880</u>	<u>\$ 423,833</u>

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

Year Ended March 31	2018	2017
Balance, beginning of year	\$ 423,833	\$ 483,432
Income earned	17,047	7,652
Withdrawals	<u>-</u>	<u>(67,251)</u>
Balance, end of year	<u>\$ 440,880</u>	<u>\$ 423,833</u>

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, 2018

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<u>Name of Individual Chief/Council Member</u>	<u>Months</u>	<u>Honoraria</u>	<u>Travel Expenses</u>	<u>Other Remuneration</u>	<u>2018 Total</u>	<u>2017 Total</u>
Chief Deborah Robinson	12	\$ 130,000	\$ 1,375	\$ 29,546	<b>\$ 160,919</b>	\$ 204,471
Darlene Coulton	12	80,000	17,299	19,318	<b>116,617</b>	144,187
Charmaine Stevens	12	80,000	3,979	19,318	<b>103,297</b>	132,235
Michael Paul	12	80,000	5,918	12,500	<b>98,418</b>	118,173
Thomas Pictou	12	80,000	17,703	19,318	<b>117,021</b>	144,458
Andrew Francis	12	80,000	3,821	-	<b>83,821</b>	83,060
Avis Johnson	12	80,000	270	-	<b>80,270</b>	80,212
Rachel Falls	12	80,000	284	-	<b>80,284</b>	80,489
Jeff Purdy	12	<u>80,000</u>	<u>6,452</u>	<u>-</u>	<u><b>86,452</b></u>	<u>85,800</u>
		<u>\$ 770,000</u>	<u>\$ 57,101</u>	<u>\$ 100,000</u>	<u><b>\$ 927,101</b></u>	<u>\$ 1,073,085</u>