



Grant Thornton

Consolidated Financial Statements

Acadia First Nation

March 31, 2019

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Independent Auditor's Report

**To the Chief and Council of
Acadia First Nation**

Opinion

We have audited the consolidated financial statements of **Acadia First Nation** (the "Band"), which comprise the statement of financial position as at March 31, 2019, and the consolidated statements of operations, accumulated surplus, changes in net debt and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of **Acadia First Nation** as at March 31, 2019, and the results of its consolidated operations, changes in net debt and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

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 subject to the auditing procedures applied, only to the extent necessary to express an opinion, in the audit of the consolidated financial statements taken as a whole.

Basis for Opinion

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

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

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

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

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

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

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

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

We also:

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

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

Grant Thornton LLP

Acadia First Nation

Management's Responsibility for Financial Reporting

March 31, 2019

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.

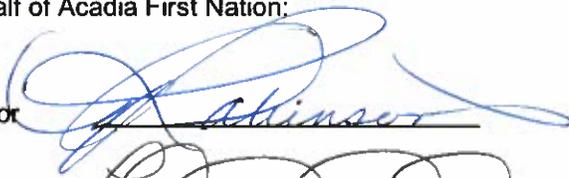
The band council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements.

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



Acadia First Nation

Consolidated Statement of Operations

Year Ended March 31

	<u>Budget</u> <u>2019</u>	<u>Actual</u> <u>2019</u>	<u>Actual</u> <u>2018</u>
Revenues			
Federal government operating transfers	\$ 2,532,035	\$ 3,871,747	\$ 3,632,064
Federal government capital transfers	225,000	1,103,135	1,051,554
Provincial government operating transfers	225,000	205,228	185,516
Economic activities	8,150,000	9,090,982	8,911,108
Economic activities – retail operations	24,900,000	25,423,798	23,193,871
Other	<u>1,153,750</u>	<u>1,164,123</u>	<u>1,052,636</u>
	<u>37,185,785</u>	<u>40,859,013</u>	<u>38,026,749</u>
Expenses			
Band management and support	8,713,000	10,025,803	8,990,334
Education	760,850	796,151	794,922
Community maintenance	1,100,000	999,470	785,965
Social services	767,000	985,757	682,555
Community health	508,150	527,603	487,445
Housing	498,750	593,592	580,767
Fisheries	3,088,000	3,825,562	4,001,730
Training	376,000	485,435	446,137
Forestry	240,000	176,923	259,785
Retail operations	<u>23,742,696</u>	<u>19,091,307</u>	<u>17,009,015</u>
	<u>39,794,446</u>	<u>37,507,603</u>	<u>34,038,655</u>
Annual surplus	<u>\$ (2,608,661)</u>	<u>\$ 3,351,410</u>	<u>\$ 3,988,094</u>

See accompanying notes to the consolidated financial statements.

Acadia First Nation
Consolidated Statement of Accumulated Surplus

Year Ended March 31

2019 2018

	Investment in Capital Assets	Unrestricted Fund	Funds on with DISC	Net Assets - externally restricted	deposit Replacement Reserve	Total	Total
Opening balance, as previously reported	\$ 8,821,260	\$ 7,329,764	\$ 11,222	\$ 176,375	\$ 16,338,621	\$ 12,351,175	
Surplus	-	3,351,410	-	-	3,351,410	3,988,094	
Change in prepaid expenses	-	(21,176)	-	-	(21,176)	(648)	
Current year allocations	-	-	-	-	-	(357)	
Interest earned	-	(2,310)	131	2,179	-	357	
Ending balance	\$ 8,821,260	\$10,657,688	\$ 11,353	\$ 178,554	\$ 19,668,855	\$ 16,338,621	

See accompanying notes to the consolidated financial statements.

Acadia First Nation

Consolidated Statement of Financial Position

March 31

2019

2018

Financial assets

Cash and cash equivalents	\$ 4,022,100	\$ 5,827,716
Receivables (Note 5)	2,323,752	2,823,157
Inventory held for resale	866,946	699,489
Restricted cash and deposits		
Funds on deposit at DISC (Note 14)	11,353	11,222
CMHC reserves (Note 9)	<u>178,554</u>	<u>176,375</u>
	<u>7,402,705</u>	<u>9,537,959</u>

Financial liabilities

Payables and accruals (Note 8)	1,506,709	969,449
Deferred revenue	2,232,028	2,242,262
Assessment of sales tax, penalties and interest (Note 16)	2,086,438	2,411,438
Long-term debt (Note 7)	<u>4,978,342</u>	<u>5,363,523</u>
	<u>10,803,517</u>	<u>10,986,672</u>

Net debt

(3,400,812) (1,448,714)

Non-financial assets

Tangible capital assets (Note 6)	23,038,553	17,735,045
Prepaid expenses	<u>31,114</u>	<u>52,290</u>
	<u>23,069,667</u>	<u>17,787,335</u>

Accumulated surplus

\$ 19,668,855 \$ 16,338,621

Accumulated surplus (Page 5)

\$ 19,668,855 \$ 16,338,621

Contingencies and commitments (Note 16)

On behalf of the Band

 Councillor
  Band Manager

See accompanying notes to the consolidated financial statements.

Acadia First Nation Consolidated Statement of Changes in Net Debt

March 31	Budget	2019	2018
Surplus	\$ 1,093,076	\$ 3,351,410	\$ 3,988,094
Tangible capital asset additions	(5,000,000)	(6,841,783)	(5,268,828)
Loss on disposal of tangible capital assets	-	21,515	232,728
Amortization of tangible capital assets	<u>1,150,000</u>	<u>1,516,760</u>	<u>1,228,711</u>
Decrease in net debt	<u>\$ (2,756,924)</u>	<u>(1,952,098)</u>	180,705
Net debt, beginning of year		<u>(1,448,714)</u>	<u>(1,629,418)</u>
Net debt, end of year		<u>\$ (3,400,812)</u>	<u>\$ (1,448,714)</u>

See accompanying notes to the consolidated financial statements.

Acadia First Nation

Consolidated Statement of Cash Flows

March 31

2019

2018

Increase (decrease) in cash and cash equivalents

Operations

Annual surplus	\$ 3,351,410	\$ 3,988,094
Amortization	1,516,760	1,228,711
Loss on disposal of tangible capital assets	21,525	232,728
Changes in non-cash operating working capital balances (Note 10)	<u>531,663</u>	<u>(978,042)</u>
	<u>5,421,358</u>	<u>4,471,491</u>

Financing

Repayment of long-term debt, net of advances	<u>(385,191)</u>	<u>626,486</u>
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Capital transactions

Purchase of tangible capital assets	<u>(6,841,783)</u>	<u>(5,268,828)</u>
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Decrease in cash and cash equivalents (1,805,616) (170,851)

Cash and cash equivalents

Beginning of year	<u>5,827,716</u>	<u>5,998,567</u>
End of year	<u>\$ 4,022,100</u>	<u>\$ 5,827,716</u>

See accompanying notes to the consolidated financial statements.

Acadia First Nation

Notes to the Consolidated Financial Statements

Year Ended March 31, 2019

1. Summary of significant accounting policies

Reporting entity and principles of financial reporting

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

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

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

Principles of consolidation

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

The Band had full control over the following enterprises during the year and their accounts have been consolidated. The enterprises recorded in this manner are Your Winner's World – AFN Ltd., Medway Entertainment – AFN, The Gold Nugget – AFN Ltd., Kespuwick Fisheries Incorporated, and AFN Entertainment Centre/Winner's Corner – 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 April 24, 2018.

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, \$84,191 (2018 - \$104,637) was recorded as rental revenue in the Housing Fund and as rental expense in the Social Services Fund and \$280,684 (2018 – \$243,504) 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.

Acadia First Nation

Notes to the Consolidated Financial Statements

Year Ended March 31, 2019

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
Gas pumps	

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.

Acadia First Nation

Notes to the Consolidated Financial Statements

Year Ended March 31, 2019

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, 2019, the equity in Trust Funds under its trusteeship amounted to \$450,280 (2018 - \$440,881), 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.

Acadia First Nation

Notes to the Consolidated Financial Statements

Year Ended March 31, 2019

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.

2. Future accounting standards

The Band will be required to adopt the following future accounting standards:

PS 3280 – *Asset retirement obligations*

This new section establishes the standards on how to account for and report a liability for asset retirement obligations. An asset retirement obligation is a legal obligation associated with the retirement of a tangible capital asset. The new section is effective for fiscal years beginning on or after April 1, 2021 with early adoption permitted.

PS 3400 – *Revenues*

This new section establishes the standards on how to account for and report revenue. The section distinguishes between revenue that arises from transactions that include performance obligations and transactions that do not have performance obligations. The new section is effective for fiscal years beginning on or after April 1, 2022 with early adoption permitted.

PS 3450 – *Financial Instruments*

This section establishes standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives and enhanced disclosure. The new section is effective for fiscal years beginning on or after April 1, 2021 with early adoption permitted.

The Band is currently assessing the impact of the new standards, however it is not expected that the new standards will have a material impact on its consolidated financial statements.

Acadia First Nation

Notes to the Consolidated Financial Statements

Year Ended March 31, 2019

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 \$2,434 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.

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.

5. Receivables	<u>2019</u>	<u>2018</u>
Mi'kmaw Kina'matnewey	\$ 18,107	\$ 19,044
Province of Nova Scotia	354,501	184,273
Department of Fisheries and Oceans	-	521,169
Department of Indigenous Services Canada	1,457,155	1,623,514
Canada Revenue Agency	126,431	161,681
Health Canada	-	22,000
Canada Mortgage and Housing Corporation	113,959	92,649
Mi'kmaq Employment/Training Secretariat	106,419	130,202
Other	<u>147,180</u>	<u>68,625</u>
	<u>\$ 2,323,752</u>	<u>\$ 2,823,157</u>

Acadia First Nation Notes to the Consolidated Financial Statements

Year Ended March 31, 2019

6. Tangible capital assets	<u>Land</u>	<u>Community Buildings</u>	<u>Commercial Buildings</u>	<u>Furniture & Equipment</u>	<u>Paving & Roads</u>	<u>Forestry Equipment</u>	<u>Housing</u>	<u>Balance Forward</u>
Cost								
Balance, beginning of the year	\$ 679,568	\$ 9,450,561	\$ 6,000,359	\$ 312,350	\$ 875,959	\$ 181,248	\$ 8,798,663	\$ 26,298,707
Additions	418,484	899,425	4,175,376	3,826	122,645	-	538,118	6,157,874
Disposals	-	(115,962)	-	-	-	-	-	(115,962)
Balance, end of the year	<u>1,098,052</u>	<u>10,234,024</u>	<u>10,175,735</u>	<u>316,176</u>	<u>998,604</u>	<u>181,248</u>	<u>9,336,781</u>	<u>32,340,620</u>
Accumulated depreciation								
Balance, beginning of the year	-	5,591,045	818,919	266,676	312,437	167,220	3,691,102	10,847,399
Depreciation during the year	-	320,644	327,999	8,935	33,287	1,841	312,154	1,004,860
Disposals	-	(105,110)	-	-	-	-	-	(105,110)
Balance, end of the year	<u>-</u>	<u>5,806,579</u>	<u>1,146,918</u>	<u>275,611</u>	<u>345,724</u>	<u>169,061</u>	<u>4,003,256</u>	<u>11,747,149</u>
Net Book Value	<u>\$ 1,098,052</u>	<u>\$ 4,427,445</u>	<u>\$ 9,028,817</u>	<u>\$ 40,565</u>	<u>\$ 652,880</u>	<u>\$ 12,187</u>	<u>\$ 5,333,525</u>	<u>\$ 20,593,471</u>
Cost								
Balance, beginning of the year	\$ 102,340	\$ 804,004	\$ 3,340,050	\$ 938,220	\$ 651,548	\$ 263,390	\$ 32,398,260	\$ 27,619,886
Additions	-	-	443,859	83,462	126,019	30,569	6,841,783	5,268,828
Disposals	-	-	-	(310,831)	-	-	(426,793)	490,455
Balance, end of the year	<u>102,340</u>	<u>804,004</u>	<u>3,783,909</u>	<u>710,851</u>	<u>777,567</u>	<u>293,959</u>	<u>38,813,250</u>	<u>32,398,260</u>
Accumulated depreciation								
Balance, beginning of the year	51,170	673,654	1,962,348	676,387	275,510	176,747	14,663,215	13,692,230
Depreciation during the year	10,234	48,304	304,338	73,491	36,287	39,247	1,516,760	1,228,711
Disposals	-	-	-	(300,168)	-	-	(405,278)	257,726
Balance, end of the year	<u>61,404</u>	<u>721,958</u>	<u>2,266,686</u>	<u>449,710</u>	<u>311,797</u>	<u>215,994</u>	<u>15,774,697</u>	<u>14,663,215</u>
Net Book Value	<u>\$ 40,936</u>	<u>\$ 82,046</u>	<u>\$ 1,517,223</u>	<u>\$ 261,141</u>	<u>\$ 465,770</u>	<u>\$ 77,965</u>	<u>\$ 23,038,553</u>	<u>\$ 17,735,045</u>

Acadia First Nation

Notes to the Consolidated Financial Statements

Year Ended March 31, 2019

7. Long-term debt	<u>2019</u>	<u>2018</u>
1.77% mortgage, maturing November 1, 2039, payable in monthly instalments of \$343, including principal and interest.	\$ 71,246	\$ 74,078
1.31% mortgage, maturing December 1, 2041, payable in monthly instalments of \$539, including principal and interest.	127,335	132,111
1.01% mortgage, maturing February 1, 2041, payable in monthly instalments of \$400, including principal and interest.	94,450	98,282
1.82% mortgage, maturing September 1, 2039, payable in monthly instalments of \$995, including principal and interest.	204,408	212,568
2.06% mortgage, maturing November 1, 2042, payable in monthly instalments of \$456, including principal and interest.	102,561	105,894
1.92% mortgage, maturing April 1, 2019, payable in monthly instalments of \$447, including principal and interest.	447	5,751
0.97% mortgage, maturing January 1, 2021, payable in monthly instalments of \$520, including principal and interest.	8,264	14,393
2.11% mortgage, maturing October 1, 2033, payable in monthly instalments of \$654, including principal and interest.	98,505	104,219
Prime plus 1.5% BMO loan, maturing in November 2028, payable in monthly instalment of \$ 5,858, including principal and interest.	379,539	426,509
1.86% mortgage, maturing April 1, 2034, payable in monthly instalments of \$1,009, including principal and interest.	<u>158,460</u>	<u>167,438</u>
Total carried forward	<u>\$ 1,245,215</u>	<u>\$ 1,341,243</u>

Acadia First Nation

Notes to the Consolidated Financial Statements

Year Ended March 31, 2019

7. Long-term debt (continued)	<u>2019</u>	<u>2018</u>
Balance carried forward	\$ 1,245,215	\$ 1,341,243
1.30% mortgage, maturing December 1, 2022, payable in monthly instalments of \$339, including principal and interest.	14,900	18,753
1.86% mortgage, maturing April 1, 2024, payable in monthly instalments of \$301, including principal and interest.	17,461	20,701
2.04% mortgage, maturing January 1, 2024, payable in monthly instalments of \$353, including principal and interest.	18,859	22,672
1.30% mortgage, maturing August 1, 2025, payable in monthly instalments of \$305, including principal and interest.	22,524	25,869
1.31% mortgage, maturing October 1, 2026, payable in monthly instalments of \$291, including principal and interest.	25,237	28,382
1.30% mortgage, maturing May 1, 2027, payable in monthly instalments of \$295, including principal and interest.	27,411	30,572
3.67% BNS loan, maturing January 1, 2021 payable in monthly payments of \$1,500, including principal and interest.	61,537	80,828
1.97% mortgage, maturing December 1, 2027, payable in monthly instalments of \$298, including principle and interest.	28,770	31,755
1.14% mortgage, maturing July 1, 2036, payable in monthly instalments of \$1,414, including principle and interest.	266,899	280,751
2.39% mortgage, maturing March 1, 2043, payable in monthly instalments of \$3,761, including principle and interest.	824,770	850,000
0% vehicle loan, matured March 2019.	-	7,605
0% vehicle loan, matured March 2019.	-	9,596
2.49% vehicle loan, maturing October 2019, payable in monthly instalments of \$642.	<u>3,747</u>	<u>11,100</u>
Total carried forward	<u>\$ 2,557,330</u>	<u>\$ 2,759,827</u>

Acadia First Nation

Notes to the Consolidated Financial Statements

Year Ended March 31, 2019

7. Long-term debt (continued)	<u>2019</u>	<u>2018</u>
Balance carried forward	\$ 2,557,330	\$ 2,759,827
4.75% BNS loan, maturing May 2019, with monthly payments of \$1,992, including principal and interest.	152,003	165,206
2.35% mortgage, maturing August 1, 2028, payable in monthly instalments of \$300, including principal and interest.	30,410	33,264
1.86% mortgage, maturing January 1, 2029, payable in monthly instalments of \$297, including principal and interest.	31,971	34,898
1.05% mortgage, maturing July 1, 2031, payable in monthly instalments of \$411, including principal and interest.	57,003	61,311
3.79% BNS loan, maturing in April 2020 payable in monthly instalments of \$2,500, including principal and interest.	134,958	178,100
1.01% mortgage, maturing February 1, 2031, payable in monthly instalments of \$885, including principal and interest.	119,127	128,489
0.94% mortgage, maturing July 1, 2030 payable in monthly instalments of \$576, including principal and interest.	74,304	80,489
1.30% mortgage, maturing April 1, 2032 payable in monthly instalments of \$1,304, including principal and interest.	188,194	201,308
1.31% mortgage, maturing December 1, 2031 payable in monthly instalments of \$633, including principal and interest.	89,189	95,576
1.44% mortgage, maturing February 1, 2032 payable in monthly instalments of \$2,030, including principal and interest.	286,952	307,030
1.83% mortgage, maturing November 1, 2034 payable in monthly instalments of \$2,053, including principal and interest.	335,436	353,770
1.37% mortgage, maturing June 1, 2035 payable in monthly instalments of \$977, including principal and interest.	<u>170,806</u>	<u>180,129</u>
Total carried forward	<u>\$ 4,227,683</u>	<u>\$ 4,579,397</u>

Acadia First Nation

Notes to the Consolidated Financial Statements

Year Ended March 31, 2019

7. Long-term debt (continued)	<u>2019</u>	<u>2018</u>
Balance carried forward	\$ 4,227,683	\$ 4,579,397
1.01% mortgage, maturing January 1, 2036, payable in monthly instalments of \$469, including principle and interest.	87,125	91,851
1.84% mortgage, maturing September 1, 2037, payable in monthly instalments of \$1,493, including principle and interest.	280,812	293,448
1.30% mortgage, maturing June 1, 2037, payable in monthly instalments of \$944, including principle and interest.	184,058	192,940
1.46% mortgage, maturing March 1, 2042, payable in monthly instalments of \$847, including principle and interest.	<u>198,664</u>	<u>205,884</u>
	<u>\$ 4,978,342</u>	<u>\$ 5,363,520</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, 2019 the amount drawn was \$nil (2018 - \$nil).

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

2020	\$382,623
2021	\$355,892
2022	\$362,651
2023	\$364,664
2024	\$356,307

8. Payables and accruals

	<u>2019</u>	<u>2018</u>
Vendors	\$ 267,939	\$ 271,118
Severance accrual	-	90,000
Accruals	989,184	474,730
Harmonized sales tax	46,449	-
Government remittances	122,255	113,867
Other	<u>80,882</u>	<u>19,734</u>
	<u>\$ 1,506,709</u>	<u>\$ 969,449</u>

Acadia First Nation

Notes to the Consolidated Financial Statements

Year Ended March 31, 2019

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, 2019, the Acadia First Nation has provided for funding of Reserves as follows:

(Pre 1997) Projects 1 to 11 Amount of reserve	(1997 Agreement) Projects 12 and 13 Amount of reserve	Amount funded
\$ -	\$178,554	\$ 178,554

At March 31, 2019, an amount of \$nil has been underfunded (2018 - \$nil).

10. Changes in non-cash operating working capital balances	2019	2018
Receivables	\$ 499,405	\$ (2,285,068)
Restricted cash and deposits	(2,310)	2,316
Inventory held for resale	(167,457)	(178,552)
Payables and accruals	537,260	(152,365)
Deferred revenue	(10,235)	1,980,162
Assessment of sales tax, penalties and interest	(325,000)	(344,535)
	<u>\$ 531,663</u>	<u>\$ (978,042)</u>

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, 2019 was \$179,583 (2018 - \$152,031).

Acadia First Nation

Notes to the Consolidated Financial Statements

Year Ended March 31, 2019

13. Non compliance

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

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>2019</u>	<u>2018</u>
Net assets, beginning of year	\$ 11,222	\$ 10,865
Interest earned	<u>131</u>	<u>357</u>
	<u>\$ 11,353</u>	<u>\$ 11,222</u>
Represented by		
Restricted for capital projects	\$ 4,362	\$ 4,362
Unrestricted	<u>6,991</u>	<u>6,860</u>
	<u>\$ 11,353</u>	<u>\$ 11,222</u>

15. Related party transactions

The Band had the following transactions with related parties:

	<u>2019</u>	<u>2018</u>
Building rental charged to related companies	\$ 76,256	\$ 67,064
Royalties received from the gaming companies	4,867,388	4,553,688
Acadia Commodity Taxes charged	1,103,101	959,736
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.

Acadia First Nation

Notes to the Consolidated Financial Statements

Year Ended March 31, 2019

16. Contingencies and commitments

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.

During fiscal 2018, 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 loan can be drawn on as projects are approved and developed. During fiscal 2019, this amount was amended and increased to a maximum of \$15 million. As at March 31, 2019 no amounts have been drawn on the borrowings.

17. Comparative figures

Certain of the 2018 comparative figures have been reclassified to conform with the financial statement presentation adopted for 2019. Certain balances within the consolidated financial statements may also be affected by rounding.

Acadia First Nation

Notes to the Consolidated Financial Statements

Year Ended March 31, 2019

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, \$nil (2018 - \$nil) 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.

During the year, the membership voted to utilize the remainder of the funds for the Hammonds Plains project, expected to be completed by the December 2019.

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, 2019, the total amount recorded as a liability is \$nil (2018 - \$90,000).

During a prior year, Chief and Council approved to cease accumulating any future amounts. Chief and Council signed a trust agreement whereby only \$105,000 can be withdrawn against these benefits in any year.

During the current year, \$90,000 (2018 - \$100,000) was paid, which represents a cumulative payment under the terms of the revised trust agreement.

The Band has 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 \$45,849 (2018 - \$25,762) to the defined contribution pension plan.

Acadia First Nation

Notes to the Consolidated Financial Statements

Year Ended March 31, 2019

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.

21. Subsequent events

The Band has entered into a contract with RCS Construction for the construction of a Tru by Hilton in Yarmouth. The project is expected to be completed during fiscal 2021 and the estimated value of the contract is \$13,200,000.

In relation to the construction of the Tru by Hilton, the Band has entered into a management contract with Crescita Hotels and Resorts Limited Partnership ("Crescita") to manage the construction of the hotel and manage the operations of the hotel once completed. The Band is paying a monthly management fee of \$25,000 to Crescita during the construction of the hotel.

The Band has entered into several contracts for the construction of the Hammonds Plains Business Centre. The project is expected to be completed in fiscal 2020 and the estimated value of the contracts is \$1,800,000.

Acadia First Nation

Schedule of Revenue and Expenditures

Band Management and Support

Year Ended March 31	Budget	2019	2018
Revenue			
Department of Indigenous Services Canada			
Registration and membership	\$ 15,000	\$ 14,964	\$ 14,794
Band support	320,000	321,109	317,460
Community Economic Development	50,000	49,378	48,817
Contribution	<u>165,000</u>	<u>1,579,630</u>	<u>1,343,871</u>
	550,000	1,965,081	1,724,942
Economic Activities - Retail operations	24,900,000	25,423,798	23,193,871
Economic Activities – Band tobacco	4,750,000	4,990,453	4,555,713
Other	50,000	327,070	330,521
Restricted reserves, net	-	(2,310)	(2,316)
Province of Nova Scotia	<u>225,000</u>	<u>205,228</u>	<u>185,516</u>
	<u>30,475,000</u>	<u>32,909,321</u>	<u>29,988,247</u>
Expenditures			
Allocation to band members	850,000	878,586	818,848
Allocation to housing	223,000	280,684	243,504
Amortization	630,000	1,204,606	912,045
Band member requests	75,000	53,926	101,725
Bank charges and interest	75,000	53,575	54,305
Changes in prepaid expenses	-	21,176	648
Community expenses	100,000	183,726	76,127
Community Economic Development	200,000	160,294	230,752
Donations	20,000	38,724	22,508
Heat and lights	65,000	104,990	57,923
Elders and disabled	325,000	403,000	361,200
Insurance	65,000	79,850	74,908
Land claim	5,000	11,549	458
Loss on disposal of tangible capital assets	-	8,495	194,258
Office and postage	75,000	111,782	81,771
Other	50,000	64,622	37,366
Professional fees	85,000	198,222	131,272
Economic Activities – Band tobacco	4,050,000	4,185,553	3,822,168
Economic Activities - Retail operations	23,742,696	19,017,815	16,950,461
Salaries, benefits and honorarium	1,500,000	1,692,000	1,692,171
Property taxes	20,000	23,393	17,926
Telephone	50,000	74,910	49,760
Travel, conferences and meetings	200,000	362,480	256,621
Vehicle operating	<u>50,000</u>	<u>50,000</u>	<u>54,131</u>
	<u>32,455,696</u>	<u>29,263,958</u>	<u>26,242,856</u>
Surplus	<u>\$ (1,980,696)</u>	<u>\$ 3,645,363</u>	<u>\$ 3,745,397</u>

Acadia First Nation

Schedule of Revenue and Expenditures

Education

Year Ended March 31	Budget	2019	2018
Revenue			
Mi'kmaw Kina'matnewey			
Elementary/Secondary			
Paraprofessional	\$ 100,000	\$ 101,370	\$ 99,881
Supplies	9,000	9,203	9,068
Student transportation	63,500	63,957	63,134
Financial assistance	3,000	3,209	3,162
Guidance and counselling	16,000	16,233	15,995
Advice and assistance	1,000	935	923
Post secondary			
Tuition and allowances	465,000	492,134	488,619
Government support	16,000	16,232	16,023
Governance	19,500	19,892	19,249
Language	-	36,215	37,904
Special education	57,000	59,349	58,477
New paths	10,000	10,647	10,491
Other	-	9,985	1,506
	<u>760,000</u>	<u>839,361</u>	<u>824,431</u>
Expenditures			
Elementary/Secondary			
Elementary/Secondary	75,000	101,757	101,075
Student transportation	64,000	63,986	63,169
Financial assistance	1,000	3,321	10,000
Guidance and counselling	16,250	16,623	16,100
Advice and assistance	3,500	993	4,500
Books and Supplies	35,700	9,420	-
Post secondary			
Tuition and allowances	459,000	526,536	492,341
Government support	16,250	16,623	16,183
Governance	20,000	19,989	19,425
Language	-	37,845	38,270
Other	-	10,299	3,000
Special education	59,500	59,386	60,534
New paths	10,650	13,208	20,326
	<u>760,850</u>	<u>879,986</u>	<u>844,922</u>
Deficit	\$ (850)	\$ (40,625)	\$ (20,491)

Acadia First Nation

Schedule of Revenue and Expenditures

Community Maintenance

Year Ended March 31	Budget	2019	2018
Revenue			
Department of Indigenous Services			
Canada			
Capital	\$ 100,000	\$ 103,135	\$ 101,963
Facilities O&M	125,000	116,444	115,121
CMHC	-	29,283	153,144
	<u>225,000</u>	<u>248,862</u>	<u>370,228</u>
Expenditures			
Fire protection	15,000	24,044	12,984
Garbage collection	45,000	45,402	41,864
Repairs	400,000	482,816	138,985
Salaries	550,000	645,810	499,074
Snow removal	15,000	74,368	32,139
Water and sewer	75,000	85,126	60,920
	<u>1,100,000</u>	<u>1,357,566</u>	<u>785,965</u>
Excess of expenditures over revenue	(875,000)	(1,108,704)	(415,737)
Transfer within block funding	283,000	358,096	270,312
Deficit	<u>\$ (592,000)</u>	<u>\$ (750,608)</u>	<u>\$ (145,425)</u>

Acadia First Nation
Schedule of Revenue and Expenditures
Social Services

Year Ended March 31	Budget	2019	2018
Revenue			
Department of Indigenous Services			
Canada			
Income assistance	\$ 1,000,000	\$ 1,040,763	\$ 1,028,935
Assisted living	<u>50,000</u>	<u>54,185</u>	<u>53,569</u>
	<u>1,050,000</u>	<u>1,094,948</u>	<u>1,082,504</u>
Expenditures			
Administrative	25,000	33,734	28,476
Adult care	55,000	54,648	54,199
Bank charges	500	-	60
Basic needs	585,000	556,217	605,695
Salaries and benefits	70,000	72,845	66,575
Special needs	25,000	19,224	48,732
Travel	<u>6,500</u>	<u>185</u>	<u>8,455</u>
	<u>767,000</u>	<u>736,852</u>	<u>812,192</u>
Excess of revenue over expenditures	283,000	358,096	270,312
Transfer within block funding	<u>(283,000)</u>	<u>(358,096)</u>	<u>(270,312)</u>
Surplus	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Acadia First Nation

Schedule of Revenue and Expenditures

Community Health Representatives

Year Ended March 31	Budget	2019	2018
Revenue			
Health Canada			
Health planning	\$ 60,393	\$ 62,893	\$ 25,002
HIV	-	1,000	-
Immunization	-	1,000	1,250
Capital	-	-	8,228
Oral health	4,431	5,003	4,431
Maternal health	7,964	8,375	7,964
Facilities operation and management	47,300	47,300	47,300
Mental health	36,374	36,374	36,374
Home and community	66,163	81,133	72,885
Aboriginal diabetes initiative	14,373	18,223	19,373
Health promotion and prevention	95,735	95,735	95,735
Environmental - drinking water	13,530	13,557	13,530
Head start	11,989	11,989	11,989
Prenatal	7,542	7,542	7,542
Brighter futures	36,241	36,241	36,241
	<u>402,035</u>	<u>426,365</u>	<u>387,844</u>
Expenditures			
HIV	-	1,000	-
Maternal health	8,000	8,500	8,000
Brighter futures	36,500	37,932	36,347
Home care	66,500	81,498	73,268
Mental health	36,500	40,232	37,252
Aboriginal diabetes	15,000	18,515	19,843
Health promotion and prevention	100,000	96,428	96,360
Environmental - drinking water	15,000	14,016	13,789
Oral care	4,500	5,003	4,500
Capital	-	-	8,342
Immunizations	-	1,000	1,500
Head start	36,000	24,493	29,549
Facilities operation and management renovations	120,000	128,138	125,595
Health planning	62,500	63,029	25,500
Prenatal	7,650	7,819	7,600
	<u>508,150</u>	<u>527,603</u>	<u>487,445</u>
Deficit	\$ (106,150)	\$ (101,238)	\$ (99,601)

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

Year Ended March 31	Budget	2019	2018
Revenue			
Rent	\$ 110,000	\$ 84,191	\$ 104,637
CMHC	155,000	179,583	152,031
Allocation from Band	<u>233,750</u>	<u>280,684</u>	<u>243,504</u>
	<u>498,750</u>	<u>544,458</u>	<u>500,172</u>
Expenditures			
Administration	25,000	25,000	25,000
Amortization	210,000	312,154	316,666
Mortgage interest	60,000	73,328	59,039
Maintenance	75,000	40,564	42,499
Replacement reserve current year charge	55,000	80,562	106,068
Accounting and audit	8,500	8,500	8,025
Bank charges	250	-	36
Insurance	20,000	17,481	18,175
Utilities	<u>45,000</u>	<u>61,003</u>	<u>30,259</u>
	<u>498,750</u>	<u>618,592</u>	<u>605,767</u>
Deficit	<u>\$ -</u>	<u>\$ (74,134)</u>	<u>\$ (105,595)</u>

Acadia First Nation

Schedule of Revenue and Expenditures

Fisheries Fund

Year Ended March 31	Budget	2019	2018
Revenue			
Fishing settlements	\$ 2,500,000	\$ 3,171,076	\$ 2,822,895
Disposal of license	-	-	670,000
Leased quota	800,000	881,091	790,837
Department of Fisheries & Oceans grant	<u>-</u>	<u>575,000</u>	<u>521,169</u>
	<u>3,300,000</u>	<u>4,627,167</u>	<u>4,804,901</u>
Expenditures			
Bait	120,000	154,469	142,882
Bank charges	500	-	52
Crew share	1,300,000	1,487,793	1,435,712
Dockside monitoring	10,000	4,954	7,916
Dues and fees	25,000	26,899	38,287
Fuel	110,000	110,758	125,775
Gear	100,000	37,725	35,724
Insurance	30,000	25,728	25,070
License expense	830,000	1,345,000	1,520,000
Miscellaneous	2,500	11,280	2,660
Office supplies	2,500	1,274	1,336
Professional fees	8,500	10,500	20,000
Repairs and maintenance	200,000	173,996	297,468
Salaries and benefits	230,000	317,546	228,711
Telephone	5,000	2,143	3,093
Training	4,000	10,832	2,336
Travel	5,000	13,228	7,231
Vehicle operations	5,000	11,978	3,533
Wharfage	15,000	19,502	15,450
Workers' Compensation insurance	<u>85,000</u>	<u>59,957</u>	<u>88,493</u>
	<u>3,088,000</u>	<u>3,825,561</u>	<u>4,001,730</u>
Surplus	<u>\$ 212,000</u>	<u>\$ 801,605</u>	<u>\$ 803,171</u>

Acadia First Nation
Schedule of Revenue and Expenditures
Training Fund

Year Ended March 31	Budget	2019	2018
Revenue			
Mi'kmaq Employment/Training Secretariat	<u>\$ 375,000</u>	<u>\$ 485,043</u>	<u>\$ 444,900</u>
Expenditure			
Job creation	-	26,187	20,979
Office	1,000	6,262	1,532
Programs	-	-	121,106
Salaries and benefits	200,000	293,617	190,881
Skills Development	85,000	81,664	-
Single seat purchases	-	-	103,639
Target Wages	80,000	29,581	-
Youth	-	32,250	-
Travel	<u>10,000</u>	<u>15,874</u>	<u>8,000</u>
	<u>376,000</u>	<u>485,435</u>	<u>446,137</u>
Deficit	<u>\$ (1,000)</u>	<u>\$ (392)</u>	<u>\$ (1,237)</u>

Acadia First Nation
Schedule of Revenue and Expenditures
Forestry Fund

Year Ended March 31	Budget	2019	2018
Revenue			
Sales	<u>\$ 100,000</u>	<u>\$ 48,362</u>	<u>\$ 71,663</u>
Expenditures			
Office	5,000	2,823	5,989
Repairs and maintenance	20,000	22,624	13,689
Salaries and benefits	200,000	145,732	227,845
Supplies	<u>15,000</u>	<u>5,744</u>	<u>12,261</u>
	<u>240,000</u>	<u>176,923</u>	<u>259,785</u>
Deficit	<u>\$ (140,000)</u>	<u>\$ (128,561)</u>	<u>\$ (188,122)</u>

Acadia First Nation Schedule of Segment Disclosure

Year Ended March 31

	Band M&S		Education		Maintenance		Social		CHR	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Revenues										
Federal government operating transfers	\$ 965,081	\$ 775,351	\$ -	\$ -	\$ 145,727	\$ 268,265	\$ 1,094,948	\$ 1,082,504	\$ 426,365	\$ 387,844
Federal government capital transfers	1,000,000	949,591	-	-	103,135	101,963	-	-	-	-
Provincial government operating transfers	205,228	185,516	-	-	-	-	-	-	-	-
Provincial government Economic activities	4,990,453	4,555,713	-	-	-	-	-	-	-	-
Income retail operations	25,423,798	23,193,871	-	-	-	-	-	-	-	-
Income from investment	-	-	-	-	-	-	-	-	-	-
Other	324,761	228,205	839,362	824,431	-	-	-	-	-	-
	<u>32,909,321</u>	<u>29,888,247</u>	<u>839,362</u>	<u>824,431</u>	<u>248,862</u>	<u>370,228</u>	<u>1,094,948</u>	<u>1,082,504</u>	<u>426,365</u>	<u>387,844</u>
Expenses										
Salaries	1,692,000	1,692,171	-	-	645,810	499,074	72,845	66,575	-	-
Amortization	1,204,606	853,491	-	-	-	-	-	-	-	-
Interest	53,575	54,305	-	-	-	-	-	-	-	-
Economic activities	4,185,553	3,822,168	-	-	-	-	-	-	-	-
Expense retail operations	19,017,815	17,009,015	-	-	-	-	-	-	-	-
Other	2,963,561	2,568,202	796,151	794,922	353,660	16,579	912,912	886,292	527,603	487,445
	<u>29,117,110</u>	<u>25,999,352</u>	<u>796,151</u>	<u>794,922</u>	<u>999,470</u>	<u>515,653</u>	<u>985,757</u>	<u>952,867</u>	<u>527,603</u>	<u>487,445</u>
Surplus (deficit) for the year	<u>\$ 3,792,211</u>	<u>\$ 3,888,895</u>	<u>\$ 43,211</u>	<u>\$ 29,509</u>	<u>\$ (750,608)</u>	<u>\$ (145,425)</u>	<u>\$ 109,191</u>	<u>\$ 129,637</u>	<u>\$ (101,238)</u>	<u>\$ (99,601)</u>
Eliminated interfund charges	(146,848)	(143,504)	(83,836)	(50,000)	-	-	(109,191)	(129,637)	-	-
Surplus (deficit)	<u>\$ 3,645,363</u>	<u>\$ 3,745,391</u>	<u>\$ (40,625)</u>	<u>\$ (20,491)</u>	<u>\$ (750,608)</u>	<u>\$ (145,425)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (101,238)</u>	<u>\$ (99,601)</u>

Acadia First Nation Schedule of Segment Disclosure

Year Ended March 31

	Housing		Fisheries		Training		Forestry		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Revenues										
Federal government operating transfers	\$ 179,583	\$ 152,031	\$ 575,000	\$ 521,169	\$ 485,043	\$ 444,900	\$ -	\$ -	\$ 3,871,747	\$ 3,632,064
Federal government capital transfers	-	-	-	-	-	-	-	-	1,103,135	1,051,554
Provincial government operating transfers	-	-	-	-	-	-	-	-	205,228	185,516
Economic activities	-	-	4,052,167	4,283,732	-	-	48,362	71,663	9,090,982	8,911,108
Income – retail operations	-	-	-	-	-	-	-	-	25,423,798	23,193,871
Other	-	-	-	-	-	-	-	-	1,164,123	1,052,636
	<u>179,583</u>	<u>152,031</u>	<u>4,627,167</u>	<u>4,804,901</u>	<u>485,043</u>	<u>444,900</u>	<u>48,362</u>	<u>71,663</u>	<u>40,859,013</u>	<u>38,026,749</u>
Expenses										
Salaries	-	-	317,546	228,711	293,617	190,881	145,732	227,845	3,167,550	2,905,254
Amortization	312,154	316,666	-	-	-	-	-	-	1,516,760	1,228,711
Interest	73,328	59,039	-	-	-	-	-	-	126,903	113,344
Economic activities	-	-	3,508,016	3,773,019	-	-	31,191	31,940	7,724,760	7,627,127
Expense retail operations	-	-	-	-	-	-	-	-	19,017,815	16,950,461
Other	208,110	205,062	-	-	191,818	255,256	-	-	5,953,815	5,213,758
	<u>593,592</u>	<u>580,767</u>	<u>3,825,562</u>	<u>4,001,730</u>	<u>485,435</u>	<u>446,137</u>	<u>176,923</u>	<u>259,785</u>	<u>37,507,603</u>	<u>34,038,655</u>
Surplus (deficit) for the year	<u>\$ (414,009)</u>	<u>\$ (428,736)</u>	<u>\$ 801,605</u>	<u>\$ 803,171</u>	<u>\$ (392)</u>	<u>\$ (1,237)</u>	<u>\$ (128,561)</u>	<u>\$ (188,122)</u>	<u>\$ 3,341,175</u>	<u>\$ 3,988,094</u>
Eliminated interfund-charges	339,875	323,141	-	-	-	-	-	-	-	-
Surplus (deficit)	<u>\$ (74,134)</u>	<u>\$ (105,595)</u>	<u>\$ 801,605</u>	<u>\$ 803,171</u>	<u>\$ (392)</u>	<u>\$ (1,237)</u>	<u>\$ (128,561)</u>	<u>\$ (188,122)</u>	<u>\$ 3,341,175</u>	<u>\$ 3,988,094</u>

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

Year Ended March 31	2019	2018
Assets		
Restricted investments	<u>\$ 450,280</u>	<u>\$ 440,880</u>
Trust Equity		
Restricted funds on deposit with Scotia McLeod	<u>\$ 450,280</u>	<u>\$ 440,880</u>

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

Year Ended March 31	2019	2018
Balance, beginning of year	\$ 440,880	\$ 423,833
Income earned	9,400	17,047
Withdrawals	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 450,280</u>	<u>\$ 440,880</u>

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

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

Year Ended March 31, 2019

<u>Name of Individual Chief/Council Member</u>	<u>Months</u>	<u>Honoraria</u>	<u>Travel Expenses</u>	<u>Other Remuneration</u>	<u>2019 Total</u>	<u>2018 Total</u>
Chief Deborah Robinson	12	\$ 130,000	\$ 4,198	\$ 26,591	\$ 160,789	\$ 160,919
Darlene Coulton	12	80,000	20,000	20,338	120,338	116,617
Charmaine Stevens	12	80,000	3,851	18,692	102,543	103,297
Michael Paul	12	80,000	4,960	13,492	98,452	98,418
Thomas Pictou	12	80,000	17,511	19,628	117,139	117,021
Andrew Francis	12	80,000	6,815	-	86,815	83,821
Avis Johnson	12	80,000	3,810	937	84,747	80,270
Rachel Falls	12	80,000	2,463	1,306	83,769	80,284
Jeff Purdy	12	80,000	19,044	-	99,044	86,452
		<u>\$ 770,000</u>	<u>\$ 82,653</u>	<u>\$ 100,983</u>	<u>\$ 953,636</u>	<u>\$ 927,101</u>