



**GrantThornton**

Consolidated Financial Statements

Abegweit First Nation

March 31, 2017



## Independent Auditors' report

To the Chief and Band Council of

Abegweit First Nation

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

### **Management's responsibility for the consolidated financial statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board, 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.

### **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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Band'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 company'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 consolidated financial statements.

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

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### **Basis for Qualified Opinion**

The statement of financial position includes intangible assets in the amount of \$385,000 for fishing licenses and permits purchased by Abegweit First Nation. Recording intangible assets is a departure from Canadian public sector accounting standards. Accordingly, both the purchased licenses and permits and accumulated surplus are overstated by \$385,000 as at March 31, 2017. If intangible assets were not recorded in order to be in compliance with Canadian public sector accounting standards, purchased licenses and permits and accumulated surplus would both decrease by \$385,000.

### **Qualified Opinion**

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the consolidated financial statements present fairly, in all material respects, the financial position of Abegweit First Nation as at March 31, 2017 and the results of its operations, changes in net debt and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board.

### **Other matter**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The schedule included on Page 20 is presented for purposes of additional information and is not a required part of the consolidated financial statements. Such supplementary information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion, on the audit of the consolidated financial statements taken as a whole.

*Grant Thornton LLP*

Charlottetown, Prince Edward Island

July 20, 2017

Chartered Professional Accountants

# Abegweit First Nation

## Consolidated statement of operations

March 31	Budget	2017	2016
<b>Revenue</b>			
Indigenous & Northern Affairs			
Canada (INAC)	\$ 2,057,271	\$ 3,151,554	\$ 2,543,376
ACOA	-	156,000	-
Canada Mortgage & Housing Corporation	60,130	77,852	79,611
Department of Fisheries & Oceans Canada	281,567	585,122	287,820
Employment Development Agency	-	22,216	24,985
Fuel & tobacco rebates	900,000	930,324	889,115
Government of PEI	160,000	254,192	251,934
Health Canada	785,975	1,096,695	802,729
Heritage Canada	14,500	14,195	13,500
Mi'kmaq Confederacy of PEI	90,600	418,329	432,374
Miscellaneous	183,421	223,908	183,014
Gain on sale of assets	-	9,400	-
Revenue from sale of products or services	<u>6,762,630</u>	<u>7,253,048</u>	<u>6,911,930</u>
	<u>11,296,094</u>	<u>14,192,836</u>	<u>12,420,388</u>
<b>Expenditures</b>			
Administration	1,140,647	1,319,122	1,553,128
Capital, Operating & Maintenance	971,632	1,383,711	1,079,571
Conservation Society	-	10,495	-
Economic Development	40,000	234,026	200,064
Education	973,745	1,016,350	925,744
Epekwitk Gas Bar	4,907,200	5,035,840	5,013,369
Fisheries	1,082,159	2,000,114	1,544,191
Fisheries – AFS	110,000	120,721	108,613
Hatchery	113,485	124,869	121,867
Health Services	1,077,705	1,315,157	994,567
Redstone Auto & Marine	264,900	593,169	416,066
Social Services	<u>398,500</u>	<u>347,891</u>	<u>360,968</u>
	<u>11,079,973</u>	<u>13,501,465</u>	<u>12,418,148</u>
<b>Net revenue</b>	<u>216,121</u>	<u>691,371</u>	<u>2,240</u>
Accumulated surplus, beginning of year	5,454,936	<b>5,454,936</b>	5,452,696
<b>Net revenue</b>	<u>216,121</u>	<u>691,371</u>	<u>2,240</u>
<b>Accumulated surplus, end of year</b>	<u>\$ 5,671,057</u>	<u>\$ 6,146,307</u>	<u>\$ 5,454,936</u>

See accompanying notes and schedules to the consolidated financial statements.

**Abegweit First Nation**  
**Consolidated statement of financial position**

March 31	2017	2016
<b>Financial assets</b>		
Accounts receivable (Note 3)	\$ 669,510	\$ 460,931
Inventory held for resale (Note 4)	150,997	138,186
Replacement reserve (Note 5)	124,579	89,816
Restricted cash	89,697	-
Trust Funds INAC (Note 6)	<u>13,450</u>	<u>13,205</u>
	<u>1,048,232</u>	<u>702,138</u>
<b>Financial liabilities</b>		
Accounts payable and accrued liabilities	238,555	243,913
Bank indebtedness (Note 8)	232,135	403,004
Deferred revenue	267,072	314,915
Long-term debt (Note 9)	2,438,747	2,195,036
RRAP liability (Note 10)	<u>167,860</u>	<u>45,155</u>
	<u>3,344,370</u>	<u>3,202,023</u>
<b>Net debt</b>	<u>(2,296,137)</u>	<u>(2,499,886)</u>
<b>Non financial assets</b>		
Prepays (Note 7)	11,426	32,258
Intangible assets	385,000	385,000
Tangible capital assets (Page 19)	<u>8,046,017</u>	<u>7,537,564</u>
	<u>8,442,444</u>	<u>7,954,822</u>
<b>Net assets</b>	<u>\$ 6,146,307</u>	<u>\$ 5,454,936</u>
<b>Accumulated surplus</b>	<b>\$ 5,998,276</b>	<b>\$ 5,326,150</b>
Replacement reserve (Note 5)	134,581	115,581
Trust Funds INAC (Note 6)	<u>13,450</u>	<u>13,205</u>
	<u>\$ 6,146,307</u>	<u>\$ 5,454,936</u>

On behalf of the Band Council

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See accompanying notes and schedules to the consolidated financial statements.

# Abegweit First Nation

## Consolidated statement of cash flows

March 31	2017	2016
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Increase (decrease) in cash and cash equivalents

**Operating activities**

Net revenues (expenditures)	\$ 691,371	\$ 2,240
(Increase) decrease in accounts receivable	(208,579)	252,780
(Gain) loss on sale	(9,400)	-
Depreciation	814,220	875,781
(Increase) decrease in inventory	(12,811)	(16,974)
Decrease in prepaid expenses	20,833	5,293
(Increase) decrease in replacement reserve	(34,763)	(18,149)
Increase in trust funds INAC	(245)	(137)
(Decrease) increase in accounts payable and accrued liabilities	(5,358)	(33,793)
Decrease in deferred revenue	(47,842)	211,712
Decrease in RRAP liabilities	<u>122,705</u>	<u>(7,816)</u>
	<u>1,330,131</u>	<u>1,270,937</u>

**Financing activities**

Proceeds from issuance of long term debt	393,156	122,120
Principal repayments of long term debt	(149,445)	(184,021)
Increase in bank indebtedness	<u>(170,869)</u>	<u>(268,354)</u>
	<u>72,841</u>	<u>(330,255)</u>

**Investing activities**

Increase in restricted cash	(89,697)	-
Purchase of tangible capital assets	(1,322,675)	(940,682)
Proceeds from disposal of assets	<u>9,400</u>	<u>-</u>
	<u>(1,402,973)</u>	<u>(940,682)</u>

Net change in cash and cash equivalents

- -

Cash and cash equivalents,

Beginning of year

- -

End of year

\$ - \$ -

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## Abegweit First Nation

### Consolidated statement of changes in net debt

March 31	Budget	2017	2016
Net revenues (expenditures)	\$ 216,121	\$ 691,371	\$ 2,240
Gain on sale of asset	-	(9,400)	-
Amortization	590,300	814,221	875,781
Acquisition of tangible capital assets		(1,322,675)	(940,682)
Proceeds from sale of tangible capital assets	—	9,400	—
	806,421	182,917	(62,661)
Use of prepaid expense, net of acquisitions	—	20,833	5,293
Change in net debt	806,421	203,749	(57,368)
Net debt beginning of year	(2,706,478)	(2,499,886)	(2,442,518)
Net debt, end of year	<u>\$ (1,900,057)</u>	<u>\$ (2,296,137)</u>	<u>\$ (2,499,886)</u>

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See accompanying notes and schedules to the consolidated financial statements.

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# **Abegweit First Nation**

## **Notes to the consolidated financial statements**

March 31, 2017

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### **1. Summary of significant accounting policies**

#### **Consolidation**

These consolidated financial statements consolidate the assets, liabilities and results of operations of the Abegweit First Nation's reporting entity.

#### **Reporting entity**

The consolidated financial statements reflect the assets, liabilities, revenues, expenditures, cash flows and changes in net debt of the reporting entity. The reporting entity is comprised of all organizations and committees that are accountable to the Band for administration of their financial affairs and resources and which are owned by the Band. Interdepartmental and organizational transactions and balances are eliminated.

#### **Basis of presentation**

The consolidated financial statements of Abegweit First Nation are the representations of management prepared in accordance with generally accepted accounting principles for local governments as established 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 of the assets and liabilities of the Band.

#### **Revenue recognition**

Government transfers and rebates are recognized as revenues in the period in which the events giving rise to the transfer and rebates occur, providing the amounts are authorized, any eligibility criteria have been met and reasonable estimates of the amounts can be made. Transfers associated with capital projects are restricted in their use and are recorded as deferred revenue until the qualifying capital project funds have been expended. All other revenues and unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor and are recognized as revenue when used for the specific purpose.

Revenue from sales of fish products are recognized when the price is fixed or determinable, collectability is reasonably assured and upon shipment to, and acceptance by, the buyer.

#### **Cash and cash equivalents**

Cash and cash equivalents include cash on hand, balances with banks and term deposits net of any bank overdraft. Bank borrowings are considered to be financing activities.

#### **Inventories for resale**

Inventories of supplies and goods available for resale are recorded at the lower of cost and net realizable value.

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# Abegweit First Nation

## Notes to the consolidated financial statements

March 31, 2017

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### 1. Summary of significant accounting policies (cont'd)

#### Intangible assets

Fishing licenses have indefinite lives, are not amortized and are tested for impairment annually or more frequently, if events or changes in circumstances indicate that the assets might be impaired. Fishing licenses are determined to have infinite lives as the annual renewal fee is nominal, the Company has both the ability and intent to renew or extend the life of the license and there has been a history of being able to obtain renewals from government. The impairment test compares the fair value of fishing licenses to their carrying values. When the fair value is less than the carrying value then an impairment loss would be recognized in the statement of earnings and retained earnings.

#### Tangible capital assets

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development and betterment of the asset. The cost of the tangible capital asset is amortized using the declining balance method at the following rates:

Boats	15% declining balance
Buildings	4% declining balance
Computer hardware	30% declining balance
Computer software	100% declining balance
Equipment	20% declining balance
Fencing	8% declining balance
Furniture and equipment	20% declining balance
Headstart renovations	33.3% declining balance
Housing – CMHC Section 95	10% declining balance
Infrastructure	10% declining balance
Landscaping	8% declining balance
Office furniture	20% declining balance
Parking lot	8% declining balance
Sign	20% declining balance
Vehicles	30% declining balance

#### Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenue over expenditures, provides the consolidated change in net debt for the year.

#### Liability for contaminated sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all of the following criteria are met:

- I. an environmental standard exists;
- II. contamination exceeds the environmental standards;
- III. the Municipality is directly responsible or accepts responsibility; and
- IV. a reasonable estimate of the amount can be made.

Management has reviewed potential sites where they feel a material liability may exist and has concluded there is no known liability at this time.

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# Abegweit First Nation

## Notes to the consolidated financial statements

March 31, 2017

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### 2. Band employee benefits

The Band matches employee's contributions to a Registered Retirement Savings Plan (RRSP). During the year there was \$40,149 (2016 - \$50,954) contributed to RRSP plans. This represented both the Band's and the employees' portion of the contribution and was included in expenses for the year.

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3. Accounts receivable	<u>2017</u>	<u>2016</u>
Indigenous & Northern Affairs Canada	\$ 105,223	\$ 185,578
ACOA	<u>50,814</u>	-
Department of Fisheries and Oceans	383,525	47,934
Government of Prince Edward Island	10,000	30,000
Mi'kmaq Confederacy of PEI	50,615	45,808
Miscellaneous	34,960	73,123
Northlake Fisheries	-	43,840
Payroll advances	7,648	8,338
Province of PEI tax rebates	26,723	15,310
Ulooweg Development Corporation	-	11,000
	<u>\$ 669,510</u>	<u>\$ 460,931</u>

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### 4. Inventory held for resale

Inventory held for resale included in the consolidated statement of financial position are comprised of the following amounts:

	<u>2017</u>	<u>2016</u>
Gas bar inventory	\$ 109,441	\$ 121,697
Redstone Auto and Marine inventory	<u>41,556</u>	<u>16,489</u>
	<u>\$ 150,997</u>	<u>\$ 138,186</u>

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### 5. Replacement reserve

Under the terms of an agreement with Canada Mortgage and Housing Corporation, the replacement reserve is being credited annually based on \$1,000 per unit, per year pro rated in the year of acquisition. The funds for this reserve are maintained in accounts that are secured by the Canadian Deposit Insurance Corporation and may be used as approved by Canada Mortgage and Housing Corporation.

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# Abegweit First Nation

## Notes to the consolidated financial statements

March 31, 2017

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### 6. Trust funds INAC

	March 31, 2016	Additions 2017	Withdrawals 2017	March 31, 2017
Trust funds	\$ 13,205	\$ 245	\$ -	\$ 13,450

The trust funds arise 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. The management of these funds is primarily governed by Sections 63 to 69 of the *Indian Act*.

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### 7. Prepads

Prepaid expenses included in the consolidated statement of financial position are comprised of the following amounts:

	2017	2016
Admin prepaid	\$ -	\$ 2,693
Post-secondary education – living allowance	6,975	5,770
Social assistance	4,452	23,795
	<u>\$ 11,427</u>	<u>\$ 32,258</u>

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### 8. Bank indebtedness

The Band has access to operating lines of credit with approved borrowing amounts of \$750,000 from January 15 to April 2 and a borrowing limit of \$500,000 for the remainder of the year. The credit facility bears interest at a rate of prime plus 1.15%. As of March 31, 2017, \$570,000 of the line of credit was unused.

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### 9. Long-term debt

	2017	2016
1.83% demand loan maturing in 2019, repayable in equal monthly instalments of principal and interest of \$497.	\$ 90,603	\$ 94,891
3.19% demand loan maturing in 2019, repayable in equal monthly instalments of principal and interest of \$584.	92,497	96,480
1.49% demand loan maturing in 2017, repayable in equal monthly instalments of principal and interest of \$533.	110,029	114,777
1.92% demand loan maturing in 2017, repayable in equal monthly instalments of principal and interest of \$561.	112,326	116,876
1.92% demand loan maturing in 2017, repayable in equal monthly instalments of principal and interest of \$561.	112,322	116,872

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## **Abegweit First Nation**

### **Notes to the consolidated financial statements**

March 31, 2017

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9. Long term debt (cont'd)	<u>2017</u>	<u>2016</u>
1.67% demand loan maturing in 2017, repayable in equal monthly instalments of principal and interest of \$557.	113,826	118,588
2.75% demand loan maturing in 2016, repayable in equal monthly instalments of principal and interest of \$630.	112,186	117,350
2.75% demand loan maturing in 2016, repayable in equal monthly instalments of principal and interest of \$630.	112,186	117,350
2.84% demand loan maturing in 2017, repayable in equal monthly instalments of principal and interest of \$1,702.	253,697	266,672
3.22% demand loan maturing in 2017, repayable in equal monthly instalments of principal and interest of \$585.	84,206	88,445
3.22% demand loan maturing in 2017, repayable in equal monthly instalments of principal and interest of \$585.	84,206	88,445
2.83% demand loan maturing in 2018, repayable in equal monthly instalments of principal and interest of \$540.	83,723	87,762
Prime plus 1.15% demand loan maturing in 2020, to be repaid as follows: \$35,000 per year, payable on June 1 of each year, from June 1, 2014 to and including June 1, 2019 and \$25,000 on or before June 1, 2020.	130,000	165,000
1.62% term loan maturing in 2018, repayable in equal monthly instalments of principal and interest of \$579.	123,757	128,674
1.98% term loan maturing in 2019, repayable in equal monthly instalments of principal and interest of \$603.	130,119	134,759
2.18% term loan maturing in 2019, repayable in equal monthly instalments of principal and interest of \$617.	128,900	133,472
4.34% term loan maturing in October 2018, repayable in equal monthly instalments of principal and interest of \$661.	12,115	19,344
4.81% term loan maturing in 2020, repayable in equal annual instalments of principal and interest of \$9,110.	24,900	32,455
1.17% demand loan maturing in 2021, repayable in equal monthly instalments of principal and interest of \$546.	136,211	121,447

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## **Abegweit First Nation**

### **Notes to the consolidated financial statements**

March 31, 2017

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<b>9. Long-term debt (cont'd)</b>	<b>2017</b>	<b>2016</b>
4.00% term loan maturing in 2021, repayable in equal monthly instalments of principal and interest of \$861	<b>35,941</b>	-
Prime plus 1.75% term loan maturing in 2019,	<b>175,000</b>	-
Prime plus 1.10% term loan maturing in 2018, to be repaid as follows: \$18,000 per year, payable on June 1 of each year, from June 1, 2017 to and including June 1, 2026.	<b>180,000</b>	-
Loans repaid during the year	<b>—</b>	<b>35,380</b>
	<b>\$2,438,750</b>	<b>\$2,195,039</b>

Based on these terms the principal repayments in the next five years are due as follows:

2018	\$ 331,170
2019	\$ 155,782
2020	\$ 153,901
2021	\$ 132,559
2022	\$ 101,642

Demand loans are secured by a general security agreement constituting a first ranking security interest in all property and irrevocable Band Council resolution authorizing borrowings.

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#### **10. RRAP liability**

Canada Mortgage and Housing Corporation ("CMHC") has granted forgivable loans to Abegweit First Nation through the Residential Rehabilitation Assistance Program to finance modifications for the accessibility of disabled members. The loans are only forgivable if the First Nation fulfills a list of conditions proposed by CMHC and must be repaid if these conditions are not met. The loans are forgivable over periods of three to five years and give rise to a liability until the funds are fully forgiven. The liability for the remaining balance of the loans to be forgiven as of March 31, 2017, totals \$167,860 (2016 - \$45,155).

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#### **11. CMHC funding**

Abegweit First Nation is an eligible recipient under the Section 95 housing program operated by Canada Mortgage and Housing Corporation.

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# **Abegweit First Nation**

## **Notes to the consolidated financial statements**

March 31, 2017

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### **12. Commitments**

The Abegweit First Nation has provided a letter of guarantee to Ultramar Ltd. and has a franchise agreement with Merrik Franchising (Maritimes) Limited relating to the gas bar operation.

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### **13. Economic dependence**

The Abegweit First Nation receives a major portion of its revenues pursuant to a funding arrangement with Indigenous & Northern Affairs Canada. As this is the major source of revenues, the organization's ability to continue viable operations is dependent upon maintaining this funding source.

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### **14. Prior year's figures**

Certain prior year's figures have been reclassified to conform with current year financial statement presentation.

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### **15. Government transfers**

	<b>2017</b>			<b>2016</b>		
	<b>Operating</b>	<b>Capital</b>	<b>Total</b>	<b>Operating</b>	<b>Capital</b>	<b>Total</b>
<b>Federal Government Transfers:</b>						
Indigenous and Northern Affairs Canada	\$ 3,000,205	\$ 151,349	\$ 3,151,554	\$ 2,344,599	\$ 198,777	\$ 2,543,376
Canada Mortgage & Housing Corporation	77,852		77,852	79,611	-	79,611
Department of Fisheries & Oceans	145,499	334,719	480,218	156,053	131,767	287,820
Health Canada	1,096,695	-	1,096,695	779,487	23,242	802,729
Heritage Canada	14,195	-	14,195	13,500		13,500
Total	4,334,447	486,068	4,820,515	3,373,250	353,786	3,727,036
Provincial Government Transfers	154,192	100,000	254,192	151,934	100,000	251,934
	<b>\$ 4,488,639</b>	<b>\$ 586,068</b>	<b>\$ 5,074,707</b>	<b>\$ 3,525,184</b>	<b>\$ 453,786</b>	<b>\$ 3,978,970</b>

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### **16. Budgeted figures**

Budgeted figures have been provided for comparison purposes and have been derived from the estimates approved by the Band Council.

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# Abegweit First Nation

## Notes to the consolidated financial statements

March 31, 2017

### 17. Funding reconciliation

Programs	Funding received	Unexpended federal funding beginning of year	Adjustments / Transfers	Total federal funding available	Federal funding expended	Unexpended funding at year end
<b>INAC:</b>						
Block - Indian Government Support - Band	\$ 345,910	\$ -	\$ -	\$ 345,910	\$ 345,910	\$ -
Block - LTS Core Funding - Registration and membership	5,865	-	-	5,865	5,865	-
Block - Elementary/Secondary	795,784	-	-	795,784	795,784	-
Block - Post Secondary education	126,607	-	-	126,607	126,607	-
Block - Income Assistance	415,757	-	-	415,757	415,757	-
Block - Assisted living - block funding	33,932	-	-	33,932	33,932	-
Block - LEDSP Ec Dev Allocations	45,047	-	-	45,047	45,047	-
Block - Other - Capital	151,349	-	-	151,349	151,349	-
Block - Other - Facilities O&M	118,963	-	-	118,963	118,963	-
Fixed - Instruc Serv Formula	39,421	-	-	39,421	39,421	-
Fixed - LEDSP-EcDev-Planning	31,737	-	-	31,737	31,737	-
Fixed - Corp-EcDev-Opportunities	5,319	-	-	5,319	5,319	-
Fixed - Water Systems	53,280	-	-	53,280	53,280	-
Flexible - A&C Water	239,781	293,445	-	533,226	444,655	88,571
Flexible - Renovation and additions	150,000	-	-	150,000	150,000	-
Flexible - Capacity development	87,980	-	-	87,980	87,980	-
Flexible - B2016 Cult & Rec	69,000	-	-	69,000	69,000	-
Flexible - Comp Comm Based Funding	70,617	-	-	70,617	65,202	5,415
Flexible - First Nations Water and Wastewater	-	-	-	-	-	-
Set - Leadership Gov Cap Dev	8,800	-	-	8,800	8,800	-
Set - Instruc Serv Formula	7,098	-	-	7,098	7,098	-
Set - Enhanced Teachers Sal	1,113	-	-	1,113	1,113	-
Set - School Effectiveness	20,225	-	-	20,225	20,225	-
Set - Language and Culture	18,510	-	-	18,510	18,510	-
Set - First Nation and Inuit - Summer Work Exp	19,000	-	-	19,000	19,000	-
Set - First Nation and Inuit - Skill Link Prog	65,000	-	-	65,000	65,000	-
Set - Prevention Projects	30,000	-	-	30,000	30,000	-
<b>Subtotal INAC</b>	<b>2,952,095</b>	<b>293,445</b>	<b>-</b>	<b>3,245,540</b>	<b>3,151,554</b>	<b>93,985</b>
<b>Health Canada:</b>						
Block - KA01 - Prenatal	8,088	-	-	8,088	8,088	-
Block - KA03 - Maternal Child Health	16,200	-	-	16,200	23,407	-
Block - KA04 - Health - CDHI	4,024	-	-	4,024	4,024	-
Block - KA05 - Headstart	52,063	-	-	52,063	173,717	-
Block - KB01 - Building Healthy Communities	31,573	-	-	31,573	31,573	-
Block - KB02 - Brighter Futures	31,456	-	-	31,456	31,456	-
Block - KB03 - Suicide Prevention	5,681	-	-	5,681	6,800	-
Block - KB05 - Mental Well. Team	19,224	-	-	19,224	19,224	-
Block - KB10 - National Native Alcohol and Drug Abuse	104,370	-	-	104,370	105,012	-
Block - KB12 - YSAP	6,532	-	-	6,532	6,532	-
Block - KC01 - Aboriginal Diabetes Initiatives	38,253	-	-	38,253	45,753	-
Block - KC99 - HL Pub Hlth & Chr	125,963	-	-	125,963	126,907	-
Block - KD00 - CDE Plan. & Response	2,500	-	-	2,500	2,500	-
Block - KE02 - Drinking Water	16,097	-	-	16,097	16,097	-
Block - KG01 - HCC Service Del	56,425	-	-	56,425	77,199	-
Block - KJ00 - Health Planning and Management	259,301	-	-	259,301	104,560	154,741
Block - KJ10 - Accreditation	37,521	-	-	37,521	38,522	-
Block - KM10 - Operations and Maintenance programs	43,560	-	-	43,560	61,084	-
Block - KN00 - HSF	82,000	-	-	82,000	86,464	-
Flexible - KW00 - Capital Investment	70,530	-	-	70,530	80,944	-
Set - KB32 - IRS	110,660	-	-	110,660	100,662	9,998
Set - KJ99	-	-	-	-	-	-
Set - KH30 - MT Client Ins.	39,371	-	-	39,371	38,175	1,196
Set - KH44 - MT-CA Admin	3,937	-	-	3,937	3,937	-
Set - KH50 - Mental Health Care	82,500	-	-	82,500	75,725	6,775
Set - KP20 - Survline	8,276	-	-	8,276	8,987	-
Set - KP31 - Telehealth-Maint	13,200	-	-	13,200	13,474	-
<b>Subtotal Health Canada</b>	<b>1,269,405</b>	<b>-</b>	<b>-</b>	<b>1,269,405</b>	<b>1,290,822</b>	<b>172,710</b>
<b>Department of Fisheries and Oceans (DFO):</b>						
AICFI Component 2.3	40,000	-	-	40,000	40,000	-
AICFI Component 2.4	5,965	-	-	5,965	5,965	-
AICFI Component 4.0	288,754	-	-	288,754	288,754	-
AFS	110,000	-	-	110,000	110,000	-
Aboriginal Fund for Species at Risk	25,499	-	-	25,499	25,499	-
Recreational Fisheries Conservation Partnerships	25,765	-	-	25,765	25,765	-
<b>Subtotal DFO</b>	<b>505,983</b>	<b>-</b>	<b>-</b>	<b>505,983</b>	<b>505,983</b>	<b>-</b>
Headstart EYC	87,077	-	-	87,077	87,077	-
<b>Total funding</b>	<b>\$ 4,814,560</b>	<b>\$ 293,445</b>	<b>\$ -</b>	<b>\$ 5,108,005</b>	<b>\$ 5,035,437</b>	<b>\$ 266,696</b>

As at March 31, 2017, \$105,223 was due from INAC and included in accounts receivable. As at March 31, 2017, no balance was due with Health Canada.

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# **Abegweit First Nation**

## **Notes to the consolidated financial statements**

March 31, 2017

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### **18. Segmented reporting**

The presentation by segment is based on the same accounting policies as described in the summary of significant accounting policies as described in Note 1. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations. Band services are provided by departments and their activity is reported in these funds. The services provided by these departments are as follows:

#### Admin

This segment includes departments that are responsible for the overall financial and local government administration. The tasks include, but are not limited to, daily accounting functions, preparation and coordination of the annual audited financial statements, coordination of the development of the annual budget, human resource functions for the entire municipal unit, economic development initiatives and maintenance of bylaws and policies. This would also include administrative and policy support for the Chief and all members of the Council.

#### Capital/Housing

This segment is responsible for providing housing and capital infrastructure for the Band's residents. This includes the operation water and sewer utilities.

#### Social Services

This segment is responsible for providing social assistance to band members in need. This includes the basic needs and social needs programs.

#### Education Services

This segment is responsible for providing education funding. This includes tuition agreements, student's costs, and supplies as required.

#### Health Services

Services provided by the Heath department are included in this segment. The following tasks are delivered by this department: Aboriginal diabetes initiatives, adult car, brighter futures program, the early learning centre, health planning and various other programs depending on the funding obtained.

#### Epikwitk Gas Bar

The Band operates a gas station on the reserve. The revenues and expenses associated with the operations of the gas station are included in this segment.

#### Fisheries/Fisheries AFS

This segment is responsible for the commercial fishing of lobster, snow crab, etc. and other related fishing projects such as the hatchery.

#### Redstone Auto & Marine

The Band operates an auto and marine mechanic shop on the reserve. The revenues and expenses associated with the operations of the mechanic shop are included in this segment.

#### Economic Development

The Band is involved in activities to promote economic development that benefits its community and members.

#### Abegweit Conservation Society

This segment is a registered charity, with the purpose of protecting the environment of Prince Edward Island by saving, supporting, protecting and assisting stressed and endangered fish, plant and animal species as well as cleaning, remediating and protecting streams, rivers, watersheds and forests.

# Abegweit First Nation Schedule of segmented disclosure

March 31, 2017

The following table presents the expenses incurred and the revenue generated by main object of expense and by major revenue type. The segment results for the period are as follows:

	Admin	Capital/ Housing	Social Services Services	Education Services	Health Services	Epileptic Gas Bar	Fisheries	Hatchery	Fisheries Arts Auto & Marine	Redstone Auto & Marine	Economic Development	Abegweit Conservation Society	Total	Less Intercompany Eliminations	2017
<b>Revenues</b>															
Indigenous & Northern Affairs Canada	\$ 587,777	\$ 1,006,227	\$ 415,757	\$ 1,021,758	\$ 33,932	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 80,103	\$ -	\$ 3,151,554	\$ -	\$ 3,151,554
Other Federal government	170,195	77,852	-	-	1,096,655	-	370,218	-	110,000	-	-	104,904	1,939,884	1,939,884	345,413
Provincial government	44,331	100,000	-	-	87,077	-	69,000	-	-	-	45,005	-	345,413	-	418,329
Mi'kmaq Confederacy of PEI	186,487	-	-	-	86,949	-	87,886	7,056	-	50,000	-	-	7,233,048	7,233,048	7,233,048
Economic activities	-	-	-	-	14,615	5,009,795	1,437,018	-	-	661,685	129,324	-	-	90,324	90,324
Fuel & tobacco rebates	394,390	-	-	-	-	531,934	-	-	-	-	-	-	35,238	389,737	215,434
Other revenue	935,399	2,651	-	-	12,499	-	183,708	54,201	-	7,852	-	-	-	-	164,303
	<b>\$ 1,480,690</b>	<b>\$ 1,186,730</b>	<b>\$ 415,757</b>	<b>\$ 1,021,758</b>	<b>\$ 1,331,768</b>	<b>\$ 554,1729</b>	<b>\$ 2,078,861</b>	<b>\$ 130,257</b>	<b>\$ 110,000</b>	<b>\$ 669,547</b>	<b>\$ 260,027</b>	<b>\$ 185,146</b>	<b>\$ 14,418,270</b>	<b>\$ (215,434)</b>	<b>\$ 14,192,836</b>
<b>Expenditures</b>															
Salaries & benefits	\$ 563,821	\$ 188,678	\$ 79,932	\$ 189,584	\$ 79,933	\$ 381,294	\$ 1,003,313	\$ 89,361	\$ 90,505	\$ 112,169	\$ 45,047	\$ -	\$ 3,541,985	\$ -	\$ 3,541,985
Good & services	695,436	639,981	268,060	814,533	56,930	4,579,598	826,533	35,506	30,216	466,248	188,979	193,593	9,265,634	(215,434)	9,040,200
Amortization	-	555,052	-	11,472	31,540	47,864	157,192	-	-	9,833	-	813,013	-	-	813,013
Interest	59,885	-	-	-	761	27,082	13,056	2	-	4,880	-	641	10,267	-	10,267
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>\$ 1,319,122</b>	<b>\$ 1,383,711</b>	<b>\$ 347,692</b>	<b>\$ 1,016,350</b>	<b>\$ 1,356,852</b>	<b>\$ 5,035,339</b>	<b>\$ 2,000,114</b>	<b>\$ 124,869</b>	<b>\$ 120,722</b>	<b>\$ 593,169</b>	<b>\$ 24,026</b>	<b>\$ 194,234</b>	<b>\$ 13,726,889</b>	<b>\$ (215,434)</b>	<b>\$ 13,501,465</b>
Net revenues (expenditures)	<b>\$ 161,568</b>	<b>\$ (196,381)</b>	<b>\$ 67,865</b>	<b>\$ 11,408</b>	<b>\$ (25,985)</b>	<b>\$ 505,890</b>	<b>\$ 78,747</b>	<b>\$ 5,388</b>	<b>\$ (10,722)</b>	<b>\$ 76,378</b>	<b>\$ 26,001</b>	<b>\$ (1,087)</b>	<b>\$ 691,531</b>	<b>\$ -</b>	<b>\$ 691,371</b>

# Abegweit First Nation

## Schedule of segmented disclosure

March 31, 2016

	Admin	Capital/ Housing	Social Services	Education Services	Health Services	Epekwitk Gas Bar	Fisheries	Hatchery	Fisheries AFS	Redstone Auto & Marine	Economic Development	Total
<b>Revenues</b>												
Indigenous & Northern Affairs Canada	\$ 570,717	\$ 515,481	\$ 413,284	\$ 965,385	\$ 33,730	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,779	\$ 2,543,376
Other Federal government	13,500	79,611	-	-	802,729	-	177,820	-	110,000	-	-	1,183,660
Provincial government	27,129	100,000	-	-	81,934	-	98,236	-	-	-	-	307,299
Mi'kmaq Confederacy of PEI	304,923	-	-	3,998	58,938	-	58,341	6,174	-	-	-	432,374
Economic activities	-	-	-	-	26,770	5,033,516	1,224,427	-	-	423,020	233,823	6,941,556
Fuel & tobacco rebates	198,893	-	-	-	-	690,222	-	-	-	-	-	889,115
Other revenue	28,098	3,022	-	-	5,000	-	36,814	38,390	-	11,684	-	123,008
	<b>\$ 1,143,260</b>	<b>\$ 698,114</b>	<b>\$ 413,284</b>	<b>\$ 965,383</b>	<b>\$ 1,009,101</b>	<b>\$ 5,723,738</b>	<b>\$ 1,497,402</b>	<b>\$ 142,800</b>	<b>\$ 110,000</b>	<b>\$ 434,704</b>	<b>\$ 278,602</b>	<b>\$ 12,420,388</b>
<b>Expenditures</b>												
Salaries & benefits	\$ 758,397	\$ 148,139	\$ 78,926	\$ 146,743	\$ 563,549	\$ 403,601	\$ 809,372	\$ 90,869	\$ 77,980	\$ 107,618	\$ 44,779	\$ 3,229,974
Goods & services	731,670	330,185	281,043	761,029	396,272	4,528,698	673,013	30,988	30,510	292,284	155,285	8,211,977
Amortization	-	601,246	-	16,370	34,746	53,628	147,924	-	-	12,462	-	866,376
Interest	63,062	-	-	1,602	-	27,441	13,881	10	123	3,703	-	109,822
	<b>\$ 1,553,129</b>	<b>\$ 1,079,570</b>	<b>\$ 360,968</b>	<b>\$ 925,744</b>	<b>\$ 994,567</b>	<b>\$ 5,013,368</b>	<b>\$ 1,644,191</b>	<b>\$ 121,867</b>	<b>\$ 108,614</b>	<b>\$ 416,066</b>	<b>\$ 200,064</b>	<b>\$ 12,418,148</b>
Net revenues (expenditures)	<b>\$ (409,868)</b>	<b>\$ (381,456)</b>	<b>\$ 52,316</b>	<b>\$ 43,639</b>	<b>\$ 14,534</b>	<b>\$ 710,370</b>	<b>\$ (146,790)</b>	<b>\$ 20,933</b>	<b>\$ 1,386</b>	<b>\$ 18,637</b>	<b>\$ 78,538</b>	<b>\$ 2,240</b>

**Abegweit First Nation**  
**Schedule of tangible capital assets**

Year ended March 31, 2017

	<u>Boats</u>	<u>Infrastructure</u>	<u>Housing</u>	<u>Buildings</u>	<u>Vehicles</u>	<u>Equipment</u>	<u>2017</u>	<u>2016</u>
<b>Cost:</b>								
Opening balance	\$ 1,977,564	\$ 4,283,688	\$ 5,925,460	\$ 2,630,701	\$ 561,653	\$ 2,408,195	\$ 17,787,262	\$ 16,846,581
Acquisition of tangible capital assets	385,719	489,019	35,943	244,181	38,164	140,082	1,333,107	940,681
Disposal of tangible capital assets			(6,493)	-	-	(3,939)	(10,432)	-
Balance, end of year	\$ 2,363,283	\$ 4,766,214	\$ 5,961,403	\$ 2,874,882	\$ 599,817	\$ 2,544,288	\$ 19,109,937	\$ 17,787,262
<b>Accumulated amortization</b>								
Opening balance	\$ 1,430,076	\$ 2,374,221	\$ 3,227,911	\$ 781,627	\$ 438,107	\$ 1,997,773	\$ 10,249,716	\$ 9,373,422
Annual amortization	89,195	274,733	238,076	75,232	42,434	94,532	814,203	875,781
Balance, end of year	1,519,271	2,648,955	3,465,987	856,860	480,542	2,092,304	11,063,919	10,249,716
<b>Net book value of tangible capital assets</b>	<b>\$ 844,012</b>	<b>\$ 2,351,940</b>	<b>\$ 2,495,416</b>	<b>\$ 1,783,342</b>	<b>\$ 119,275</b>	<b>\$ 451,984</b>	<b>\$ 8,046,018</b>	<b>\$ 7,537,564</b>

**Abegweit First Nation**  
**Schedule of salaries, honoraria and travel**  
**paid to Chief and Council**

Year ended March 31, 2017

	<b>Salary</b>	<b>Honoraria</b>	<b>Travel</b>	<b>Total</b>
Chief – Band administrator				
Brian Francis	\$ 100,018	\$ 20,500	\$ 5,829	\$ 126,347
Councilor				
Daren Knockwood	51,703	20,500	2,362	74,566
Councilor				
Jacob Jadis	41,750	20,300	10,615	72,865
Director of				
Administration and finance	55,150	-	3,135	58,285
Education	54,550	-	6,597	61,147
Fisheries	50,400	-	3,402	53,802
Health	60,570	-	12,089	72,659
Housing	70,150	-	7,002	77,152
Operations	74,700	-	2,975	77,675
Social development	<u>57,150</u>	<u>-</u>	<u>6,711</u>	<u>63,861</u>
	<b><u>\$ 616,142</u></b>	<b><u>\$ 61,500</u></b>	<b><u>\$ 60,717</u></b>	<b><u>\$ 738,359</u></b>