

Consolidated Financial Statements of

# **WAGMATCOOK FIRST NATION**

Year ended March 31, 2017

# WAGMATCOOK FIRST NATION

## Consolidated Financial Statements

Year ended March 31, 2017

	Page
Management's Report.....	1
Independent Auditors' Report.....	2
Consolidated Statement of Financial Position .....	3
Consolidated Statement of Operations .....	4
Consolidated Statement of Change in Fund Balances .....	5
Consolidated Statement of Change in Net Debt.....	6
Consolidated Statement of Cash Flows.....	7
Notes to Consolidated Financial Statements.....	8
<b>Schedules</b>	
A Schedule of Operating Fund .....	28
B Schedule of Capital Fund .....	29
C Statement of Moveable Asset Reserve .....	30
D Schedule of Education .....	31
E Schedule of Health Program .....	32
F Schedule of Nova Scotia Gaming Agreement.....	33



## WAGMATCOOK FIRST NATION

P.O. BOX 30001  
WAGMATCOOK  
NOVA SCOTIA  
B0E 3N0

TEL: (902) 295-2598  
TEL: (902) 295-3222  
TEL: (902) 295-3332  
FAX: (902) 295-3398

### MANAGEMENT'S REPORT

#### **Management's Responsibility for the Financial Statements**

The accompanying consolidated financial statements of Wagmatcook First Nation are the responsibility of management and have been approved by the Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards and as such include amounts that are the best estimates and judgments of management.

Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control 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 consolidated financial statements and the external auditor's report.

The external auditors, MGM & Associates, Chartered Professional Accountants, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Wagmatcook First Nation and meet when required.

On behalf of Wagmatcook First Nation:

A handwritten signature in blue ink, appearing to read "Allan MacNeil", is written over a horizontal line.

Allan MacNeil  
Chief Financial Officer



**MGM & Associates**  
**Chartered Accountants**  
Commerce Tower  
15 Dorchester Street Suite 500  
PO Box 1  
Sydney NS B1P 6G9

Telephone (902) 539-3900  
Fax (902) 564-6062  
Internet [www.mgm.ca](http://www.mgm.ca)

## INDEPENDENT AUDITORS' REPORT

To the Members of  
Wagmatcook First Nation

We have audited the accompanying consolidated financial statements of Wagmatcook First Nation which comprise the consolidated statement of financial position as at March 31, 2017 and the consolidated statements of operations, change in fund balances, change in net debt and cash flows 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 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.

### **Auditors' 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 auditors' 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 auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

### **Opinion**

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Wagmatcook First Nation as at March 31, 2017 and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

A handwritten signature in cursive script that reads "MGM &amp; Associates".

Chartered Professional Accountants  
Licensed Public Accountants

Sydney, Canada  
July 6, 2017

# WAGMATCOOK FIRST NATION

## Consolidated Statement of Financial Position

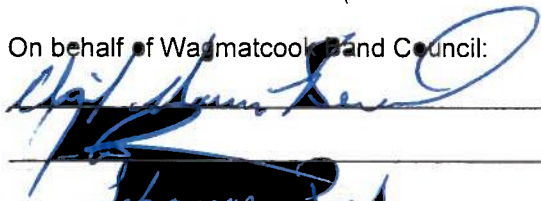


March 31, 2017, with comparative figures for 2016

	2017	2016
<b>FINANCIAL ASSETS</b>		
Cash (note 2)	\$ 314,797	\$ 267,598
Investments	—	31,527
Accounts receivable (note 3)	345,728	389,898
Inventories for resale (note 4)	204,468	154,097
Due from federal government (note 5)	603,960	812,088
Due from provincial government (note 6)	109,138	109,755
Trust funds – Indigenous and Northern Affairs Canada (note 8)	36,190	19,281
	1,614,281	1,784,244
<b>FINANCIAL LIABILITIES</b>		
Cheques issued in excess of funds on deposit (note 2)	1,159,921	1,697,212
Operating loans (note 9)	548,276	810,136
Accounts payable and accrued liabilities (note 10)	1,736,817	2,255,335
Deferred revenue (note 11)	785,919	642,433
Long-term debt (note 12)	3,472,762	3,752,879
	7,703,695	9,157,995
<b>NET DEBT</b>	(6,089,414)	(7,373,751)
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 13)	39,960,489	40,269,316
Inventories held for use and prepaid expenses	161,208	161,134
	40,121,697	40,430,450
<b>ACCUMULATED SURPLUS</b>	\$ 34,032,283	\$ 33,056,699

Contingencies (note 19)

See accompanying notes to consolidated financial statements.

On behalf of Wagmatcook Band Council:

  
\_\_\_\_\_  
  
\_\_\_\_\_  
  
\_\_\_\_\_

  
  
\_\_\_\_\_  
\_\_\_\_\_

# WAGMATCOOK FIRST NATION

## Consolidated Statement of Operations

Year ended March 31, 2017, with comparative figures for 2016

	2017		2016
	Budget (unaudited)	Actual	Actual
<b>REVENUES</b>			
Federal Government			
Indigenous and Northern Affairs			
Canada	\$ 4,057,594	\$ 4,560,065	\$ 4,712,519
Mikmaw Kina'matnewey	2,769,511	3,097,338	3,085,901
Health Canada	1,046,068	1,193,235	1,390,088
Fisheries and Oceans Canada	171,000	171,000	371,000
Human Resources and Social			
Development Canada	282,013	282,013	282,013
Canada Mortgage and Housing Corporation	162,000	381,725	173,995
Heritage Canada	—	—	18,750
Environment Canada	—	—	3,500
Province of Nova Scotia	130,000	147,722	98,835
Economic activities	11,289,000	12,004,648	11,154,116
Interest, rent and other	452,406	348,375	396,508
	20,359,592	22,186,121	21,687,225
<b>EXPENSES</b>			
Governance	1,542,489	1,462,356	1,488,164
Economic and employment development	272,268	603,652	433,872
Operations and maintenance	887,428	1,229,851	1,186,297
Social development	2,461,131	2,286,010	2,389,755
Education	3,115,695	3,516,314	3,423,959
Capital	234,644	91,000	83,997
Housing	611,824	956,004	634,605
Health program	1,128,285	1,139,068	1,528,224
Fisheries – treaty	177,464	174,741	175,335
Fisheries – commercial	2,419,377	2,516,773	2,478,750
Wagmatcook Gas Bar	3,785,821	3,466,433	3,478,682
Gaming	516,536	488,025	476,989
Enterprise, Heritage and Community			
Complex	1,348,154	1,308,922	1,445,526
Tobacco	1,858,072	2,065,496	1,902,319
	20,359,188	21,304,645	21,126,474
<b>ANNUAL SURPLUS</b>	<b>\$ 404</b>	<b>\$ 881,476</b>	<b>\$ 560,751</b>

See accompanying notes to consolidated financial statements.

# **WAGMATCOOK FIRST NATION** Consolidated Statement of Change in Fund Balances

Year ended March 31, 2017, with comparative figures for 2016

	2017					2016				
	Operating	Capital	Trust	Housing Replacement	Equipment Replacement	Sewer Equity	Community Building Fund	Total	Total	Total
<b>BALANCE, BEGINNING OF YEAR</b>	\$ (120,822)	\$ 32,693,587	\$ 19,281	\$ 333,733	\$ -	\$ 130,920	\$ -	\$ 33,056,699	\$ 32,584,938	
Annual surplus (deficit)	749,226	(223,830)	-	1,440	325,000	29,640	-	881,476	560,751	
External contribution	-	-	16,552	-	-	-	-	16,552	16,000	
Current year allocations	-	-	-	-	-	-	75,000	75,000	-	
Withdrawals	-	-	-	-	-	-	-	-	(107,000)	
Interest earned	-	-	357	2,199	-	-	-	2,556	2,010	
<b>BALANCE, END OF YEAR</b>	\$ 628,404	\$ 32,469,757	\$ 36,190	\$ 337,372	\$ 325,000	\$ 160,560	\$ 75,000	\$ 34,032,283	\$ 33,056,699	

# WAGMATCOOK FIRST NATION

## Consolidated Statement of Change in Net Debt

Year ended March 31, 2017, with comparative figures for 2016

	2017	2016
<b>ANNUAL SURPLUS</b>	<b>\$ 881,476</b>	<b>\$ 560,751</b>
Tangible capital assets		
Net acquisition of tangible capital assets	(1,059,850)	(2,158,079)
Amortization of tangible capital assets	1,368,677	1,393,627
Proceeds on sale of government business enterprise	250,000	—
Gain on sale of interest in government business enterprise	(250,000)	—
Proceeds on disposal of assets	—	100,100
Gain on sale of assets	—	(90,795)
	308,827	(755,147)
Other non-financial assets		
Decrease (increase) in inventories held for use and prepaid expenses	(74)	6,209
Other		
Interest earned	2,556	2,010
External contributions to restricted funds	16,552	16,000
Contribution to Community Building Fund	75,000	—
Withdrawals from reserves	—	(107,000)
	94,108	(88,990)
<b>DECREASE (INCREASE) IN NET DEBT</b>	<b>1,284,337</b>	<b>(277,177)</b>
<b>NET DEBT, BEGINNING OF YEAR</b>	<b>(7,373,751)</b>	<b>(7,096,574)</b>
<b>NET DEBT, END OF YEAR</b>	<b>\$ (6,089,414)</b>	<b>\$ (7,373,751)</b>

See accompanying notes to consolidated financial statements.



# WAGMATCOOK FIRST NATION

## Consolidated Statement of Cash Flows

Year ended March 31, 2017, with comparative figures for 2016

	2017	2016
Cash provided by (used in)		
<b>OPERATING ACTIVITIES</b>		
Annual surplus	\$ 881,476	\$ 560,751
Items not involving cash		
Amortization of tangible capital assets	1,368,677	1,393,627
Gain on sale of interest in government business enterprise	(250,000)	–
Gain on disposal of vessel	–	(90,795)
	2,000,153	1,863,583
Change in non-cash items		
Decrease (increase) in accounts receivable	44,170	(133,268)
Decrease (increase) in inventories for resale	(50,371)	37,609
Decrease (increase) in due from federal government	208,128	(66,517)
Decrease in due from provincial government	617	26,421
Decrease (increase) in inventories held for use and prepaid expenses	(74)	6,209
Increase (decrease) in accounts payable and accrued liabilities	(518,518)	436,720
Increase in deferred revenue	143,486	39,925
	(172,562)	347,099
<b>FINANCING ACTIVITIES</b>		
Repayments of bank loans	(261,860)	(491,107)
Issuance of long-term debt	101,072	366,662
Principal payments on long-term debt	(381,189)	(388,534)
Interest on mortgage advances	–	759
	(541,977)	(512,220)
<b>INVESTING ACTIVITIES</b>		
Additions to tangible capital assets	(1,059,850)	(2,158,079)
Decrease in investments	31,527	162,337
Increase in trust funds	19,108	18,010
Contribution to community building fund	75,000	–
Proceeds on sale of government business enterprise	250,000	–
Decrease in trust funds	–	(107,000)
Proceeds on disposal of assets	–	100,100
	(684,215)	(1,984,632)
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>601,399</b>	<b>(286,170)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>(1,410,333)</b>	<b>(1,124,163)</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ (808,934)</b>	<b>\$ (1,410,333)</b>
<b>Cash and cash equivalents are comprised of the following</b>		
Cash	\$ 314,797	\$ 267,598
Trust funds – Indigenous and Northern Affairs Canada	36,190	19,281
Cheques issued in excess of funds on deposit	(1,159,921)	(1,697,212)
	\$ (808,934)	\$ (1,410,333)

See accompanying notes to consolidated financial statements.

# WAGMATCOOK FIRST NATION

## Notes to Consolidated Financial Statements

Year ended March 31, 2017

---

### NATURE OF OPERATIONS

Wagmatcook First Nation Council is comprised of a Chief and six councilors under the Indian Act of Canada. The Council is accountable to the local Mi'kmaq community members for the delivery of programs and services, management of all financial resources and planning to support future community-based self-government.

### 1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards.

(b) Reporting entity

The Wagmatcook First Nation reporting entity includes Wagmatcook First Nation government and all related entities which are accountable to the First Nation.

(c) Principles of consolidation

These consolidated financial statements consolidate the assets, liabilities and results of operations for the following entities which use accounting principles which lend themselves to consolidation:

Wagmatcook First Nation Operating and Capital Funds  
Wagmatcook First Nation Trust Funds  
Wagmatcook Enterprise, Heritage and Community Complex  
Wagmatcook Education Authority Limited

(d) Fund accounting

The resources and operations of the First Nation are comprised of the operating and capital funds. Transfers between funds are recorded as adjustments to the appropriate fund balance. Supporting schedules to the consolidated financial statements are included to show the financial activities and change in the balance of each fund.

(e) 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 government 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.

# WAGMATCOOK FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2017

## 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks net of bank overdrafts and term deposits having a maturity of three months or less at acquisition which are held for the purpose of meeting short-term cash commitments.

(g) Inventories for resale

Inventory of goods available for resale, is recorded at the lower of cost and net realizable value.

(h) Tangible capital assets

Tangible capital assets acquired since 1987 are reported in the statement of financial position at cost net of accumulated amortization. All tangible capital assets acquired prior to 1987 have been written off. They are amortized on a straight-line basis over their estimated useful lives at the following rates:

Asset	Basis	Rate
Buildings	Straight-line	40 years
Equipment	Straight-line	5-10 years
Roads	Straight-line	50 years
Lagoons and water systems	Straight-line	40 years
Fishing vessels	Straight-line	15 years
Fishing licences	N/A	Not amortized
Wharf	Straight-line	40 years

A full year's amortization is taken in the year of acquisition.

Tangible capital assets are written down when conditions indicate that they no longer contribute to Wagmatcook First Nation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the consolidated statement of operations.

Contributed capital assets are recorded into revenues at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as tangible capital assets. Assets under construction are not amortized until the asset is available to be put into service.

# WAGMATCOOK FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2017

## 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (i) Revenue recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

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 related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

### (j) Financial instruments

#### Measurement of financial instrument

The First Nation initially measures its financial assets and financial liabilities at fair value and subsequently measures its financial assets and financial liabilities as follows:

Financial instrument	Measurement basis
Cash/cheques issued in excess of funds on deposit	Fair value
Investments	Fair value
Receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Bank loans	Amortized cost
Long-term debt	Amortized cost

Transaction costs related to financial assets are expensed as incurred.

#### Impairment

Financial assets measured at cost or amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in income. A previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in income.

# WAGMATCOOK FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2017

## 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (k) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, the disclosure of contingencies and the reported amounts of revenues and expenditures in the consolidated financial statements and accompanying notes. Items requiring the use of significant estimates include the valuation of receivables, inventories, capital assets and intangible assets. Due to the inherent uncertainty in making estimates, actual results could differ from those estimates.

## 2. CASH AND CASH EQUIVALENTS

	2017	2016
Externally restricted Replacement	\$ 314,797	\$ 267,598
Cheques issued in excess of funds on deposit	\$ 1,159,921	\$ 1,697,212
Trust funds – Indigenous and Northern Affairs Canada	\$ 36,190	\$ 19,281

## 3. ACCOUNTS RECEIVABLE

	2017	2016
Employees	\$ 210,029	\$ 244,172
Members	141,597	141,597
Ultramar fuel rebate and credit	29,617	25,265
Lottery retailers	32,996	32,996
Accrued interest	3,526	905
Other	268,978	244,853
Nova Scotia Community College	37,491	80,757
	724,234	770,545
Allowance for doubtful accounts	(378,506)	(380,647)
	\$ 345,728	\$ 389,898

# WAGMATCOOK FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2017

## 4. INVENTORIES FOR RESALE

	2017	2016
Gas bar	\$ 135,377	\$ 97,633
Gift shop	21,821	21,287
Tobacco shop	29,468	22,034
Cleanwave Restaurant	17,802	13,143
	<u>\$ 204,468</u>	<u>\$ 154,097</u>

## 5. DUE FROM FEDERAL GOVERNMENT

	2017	2016
Indigenous and Northern Affairs Canada	\$ 129,143	\$ 368,049
Human Resources and Social Development Canada	100,871	70,504
Fisheries and Oceans Canada	17,100	217,100
Canada Mortgage and Housing Corporation	27,575	25,800
Health Canada	4,175	17,694
Mi'kmaw Kina'matnewey	274,961	54,927
Other	50,135	58,014
	<u>\$ 603,960</u>	<u>\$ 812,088</u>

## 6. DUE FROM PROVINCIAL GOVERNMENT

	2017	2016
Nova Scotia Gaming Commission	\$ 108,000	\$ 107,000
Province of Nova Scotia - other	1,138	2,755
	<u>\$ 109,138</u>	<u>\$ 109,755</u>

## 7. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISES

The commercial government business enterprises that are included in the First Nation reporting entity, as described in note 1c) to these financial statements includes:

- Nova Ice Production Limited

Wagmatcook First Nation has accounted for the investment in Nova Ice Productions Limited on a modified equity basis.

During the year, the First Nation disposed of their interest in Nova Ice Productions Limited.

# WAGMATCOOK FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2017

## 8. TRUST FUNDS HELD BY FEDERAL GOVERNMENT

Trust fund accounts arise from moneys 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.

## 9. OPERATING LOANS

The operating loans are secured by a general borrowing resolution and collateral mortgages on land owned by Wagmatcook First Nation.

	2017	2016
TD Bank		
Demand loan repayable in monthly installments of \$17,959 plus interest at prime plus 1.25%	\$ 395,107	\$ 610,619
Demand loan with no fixed terms of repayment with interest charged at prime plus 1.25%	96,667	128,889
Demand loan with no fixed terms of repayment with interest charged at prime plus 1.25%	56,502	70,628
	<u>\$ 548,276</u>	<u>\$ 810,136</u>

Principal payments required in each of the next two years are as follows:

2018	\$ 215,500
2019	179,607

## 10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2017	2016
Trade payables	\$ 1,253,499	\$ 1,436,001
Government remittances payable	233,885	433,605
Accrued salaries and employee benefits payable	116,219	106,252
Other accrued liabilities	109,333	111,333
Harmonized sales tax payable	23,685	157,785
Province of Nova Scotia	196	10,359
	<u>\$ 1,736,817</u>	<u>\$ 2,255,335</u>

# WAGMATCOOK FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2017

## 11. DEFERRED REVENUE

	Balance March 31, 2016	Funding received 2017	Revenue recognized 2017	Balance March 31, 2017
Federal government				
Health Canada				
Health Services Integration Fund	\$ 191,554	\$ —	\$ 61,718	\$ 129,836
Indigenous and Northern Affairs Canada				
Community Infrastructure				
Local roads and bridges	270,984	—	270,984	—
Wastewater – lagoon	161,903	—	—	161,903
Construction of Satellite Court	—	75,000	—	75,000
Capacity Development				
Delivery of housing on reserve	—	30,000	10,000	20,000
Culture and Recreation				
Ballfield renovation	—	155,000	42,870	112,130
Innovation				
Delivery of elder housing on reserve	—	50,000	6,000	44,000
	624,441	310,000	391,572	542,869
Mi'kmaq Kina'matnewey				
Standby generator at new school	—	150,000	—	150,000
Daycare basement renovation	—	100,000	31,324	68,676
	—	250,000	31,324	218,676
Other	17,992	7,470	1,088	24,374
	\$ 642,433	\$ 567,470	\$ 423,984	\$ 785,919



# WAGMATCOOK FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2017

## 12. LONG-TERM DEBT

	2017	2016
<b>Social Housing</b>		
TD Bank		
Mortgage repayable in monthly instalments of \$928 including interest at 2.79% over a 5 year term ending March 1, 2022	\$ 50,308	\$ 59,554
Mortgage repayable in monthly instalments of \$679 including interest at 2.79% over a 5 year term ending April 1, 2022	64,283	69,735
Mortgage repayable in monthly instalments of \$921 including interest at 3.00% over a 5 year term ending December 1, 2017	58,334	67,499
Mortgage repayable in monthly instalments of \$409 including interest at 2.99% over a 5 year term ending February 1, 2018	26,921	30,959
Mortgage repayable in monthly instalments of \$735 including interest at 2.99% over a 5 year term ending March 1, 2018	82,724	88,989
Mortgage repayable in monthly instalments of \$1,597 including interest at 2.79% over a 5 year term ending April 1, 2018	244,355	256,560
Mortgage repayable in monthly instalments of \$531 including interest at 2.79% over a 5 year term ending April 1, 2018	81,407	85,473
Mortgage repayable in monthly instalments of \$532 including interest at 2.79% over a 5 year term ending April 1, 2018	81,303	85,364
Mortgage repayable in monthly instalments of \$681 including interest at 2.99% over a 5 year term ending July 1, 2019	53,755	60,219
Mortgage repayable in monthly instalments of \$729 including interest at 3.04% over a 5 year term ending April 1, 2019	17,640	25,722
	<u>761,030</u>	<u>830,074</u>

# WAGMATCOOK FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2017

## 12. LONG-TERM DEBT (CONTINUED)

	2017	2016
Carry forward	\$ 761,030	\$ 830,074
TD Bank (continued)		
Mortgage repayable in monthly instalments of \$2,034 including interest at 2.64% over a 5 year term ending April 1, 2021	92,598	114,216
Mortgage repayable in monthly instalments of \$521 including interest at 2.49% over a 5 year term ending May 1, 2021	51,223	56,081
Mortgage repayable in monthly instalments of \$719 including interest at 2.49% over a 5 year term ending June 1, 2021	95,266	101,310
Mortgage repayable in monthly instalments of \$1,080 including interest at 2.49% over a 5 year term ending August 1, 2021	157,014	165,642
CMHC		
Mortgage payable in monthly instalments of \$689 including interest at 1.82% over a 5 year term ending September 1, 2019	123,978	129,950
Mortgage payable in monthly instalments of \$441 including interest at 1.11% over a 5 year term ending April 1, 2021	90,722	94,925
Mortgage payable in monthly instalments of \$400 including interest at 1.11% over a 5 year term ending April 1, 2021	82,532	86,347
Mortgage payable in monthly instalments of \$465 including interest at 1.48% over a 5 year term ending September 1, 2022	94,462	98,554
Mortgage repayable in monthly instalments of \$412 including interest at 1.65% over a 5 year term ending June 1, 2017	24,869	29,368
Mortgage payable in monthly instalments of \$474 including interest at 1.69% over a 5 year term ending February 1, 2018	100,287	104,259
	1,673,981	1,810,726

# WAGMATCOOK FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2017

## 12. LONG-TERM DEBT (CONTINUED)

	2017	2016
Carry forward	\$ 1,673,981	\$ 1,810,726
CMHC (continued)		
Mortgage payable in monthly instalments of \$693 including interest at 1.69% over a 5 year term ending February 1, 2018	146,413	152,211
Mortgage payable in monthly instalments of \$474 including interest at 1.69% over a 5 year term ending February 1, 2018	100,287	104,259
Mortgage payable in monthly instalments of \$1,110 including interest at 1.67% over a 5 year term ending January 1, 2020	252,806	261,843
Mortgage payable in monthly instalments of \$473 including interest at 1.67% over a 5 year term ending January 1, 2020	107,828	111,683
Mortgage payable in monthly installments of \$1,778 including interest at 1.03% over a 5 year term ending October 1, 2021	463,175	—
Mortgage advance on assets in progress	—	367,421
Social housing	2,744,490	2,808,143
<b>Capital Fund</b>		
TD Bank		
Mortgage repayable in monthly instalments of \$1,184 including interest at 2.99% over a 5 year term ending August 1, 2019	94,490	105,712
Demand loan repayable in monthly installments of \$11,283 plus interest at prime plus 1.25%	394,916	530,317
Nova Scotia Fisheries and Aquaculture Loan Board		
Vessel loan repayable in semi-annual principal payments of \$34,920 plus interest at 6.5% maturing 2020	238,866	308,707
Capital fund	728,272	944,736
	<b>\$ 3,472,762</b>	<b>\$ 3,752,879</b>

# WAGMATCOOK FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2017

## 12. LONG-TERM DEBT (CONTINUED)

Principal payments required in each of the next five years are as follows:

2018	\$ 1,155,200
2019	593,100
2020	718,800
2021	123,700
2022	649,500

Principal payments include the remaining principal due at date of maturity of term. Principal payments for 2018 include seven mortgages totaling \$539,800, maturing prior to March 31, 2018, and a demand loan of \$394,916. Management expects the mortgages to be renewed for 5 year terms upon maturity.

## 13. TANGIBLE CAPITAL ASSETS

	Cost				
	Opening Balance	Additions	Disposals	Transfer of assets	Closing Balance
Land	\$ 35,659	\$ —	\$ —	\$ —	\$ 35,659
Buildings					
Heritage and Cultural Centre	3,276,791	—	—	—	3,276,791
First Nation housing	2,068,500	—	—	—	2,068,500
Wharf and buildings	1,745,633	—	—	—	1,745,633
Other buildings	301,289	74,194	—	—	375,483
Gas Bar	1,618,665	—	—	—	1,618,665
Health Centre	2,097,645	—	—	—	2,097,645
New school	8,814,848	—	—	—	8,814,848
NSCC Learning Centre	3,193,471	—	—	—	3,193,471
Equipment					
Heritage and Cultural Centre	819,596	—	—	—	819,596
Fire equipment	249,543	—	—	—	249,543
Fishing vessels	2,548,137	—	—	—	2,548,137
Fishing equipment	60,317	—	—	—	60,317
Health Centre	54,334	—	—	—	54,334
School equipment and buses	216,386	—	—	—	216,386
Other					
Lagoon and water systems	10,701,180	166,874	—	—	10,868,054
Fishing licence	3,399,500	—	—	—	3,399,500
Wharf	2,764,350	—	—	—	2,764,350
Fire hydrants, roads	707,612	—	—	—	707,612
	44,673,456	241,068	—	—	44,914,524

# WAGMATCOOK FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2017

## 13. TANGIBLE CAPITAL ASSETS (CONTINUED)

	Cost				
	Opening Balance	Additions	Disposals	Transfer of assets	Closing Balance
Carry forward	\$ 44,673,456	\$ 241,068	\$ —	\$ —	\$ 44,914,524
Social housing					
Land	145,200	—	—	—	145,200
Housing	6,544,881	—	—	598,158	7,143,039
Equipment	108,270	—	—	—	108,270
Work in progress	1,486,323	818,782	—	(598,158)	1,706,947
<b>Total</b>	<b>\$ 52,958,130</b>	<b>\$ 1,059,850</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 54,017,980</b>

	Accumulated amortization				Net book value	
	Opening Balance	Amortization	Disposals, write-offs and other adjustments	Closing Balance	Total 2017	Total 2016
Tangible assets						
Land	\$ —	\$ —	\$ —	\$ —	\$ 35,659	\$ 35,659
Buildings						
Heritage and Cultural Centre	1,217,920	81,918	—	1,299,838	1,976,953	2,058,871
First Nation housing	1,128,692	51,714	—	1,180,406	888,094	939,808
Wharf and buildings	563,760	43,640	—	607,400	1,138,233	1,181,873
Other buildings	35,507	9,387	—	44,894	330,589	265,782
Gas Bar	473,248	40,466	—	513,714	1,104,951	1,145,417
Health Centre	504,814	52,439	—	557,253	1,540,392	1,592,831
New school	893,605	220,371	—	1,113,976	7,700,872	7,921,243
NSCC Learning Centre	159,672	79,836	—	239,508	2,953,963	3,033,799
Equipment						
Heritage and Cultural Centre	780,602	38,994	—	819,596	—	38,994
Fire equipment	199,633	24,954	—	224,587	24,956	49,910
Fishing vessels	1,612,145	156,259	—	1,768,404	779,733	935,992
Fishing equipment	60,317	—	—	60,317	—	—
Health Centre	27,165	5,433	—	32,598	21,736	27,169
School equipment and buses	171,324	43,576	—	214,900	1,486	45,062
	<b>7,828,404</b>	<b>848,987</b>		<b>8,677,391</b>	<b>18,497,617</b>	<b>19,272,410</b>

# WAGMATCOOK FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2017

## 13. TANGIBLE CAPITAL ASSETS (CONTINUED)

	Accumulated amortization				Net book value	
	Opening Balance	Amortization	Disposals, write-offs and other adjustments	Closing Balance	Total 2017	Total 2016
Carry forward	\$ 7,828,404	\$ 848,987	\$ —	\$ 8,677,391	\$ 18,497,617	\$ 19,272,410
Other						
Lagoon and water systems	2,013,347	271,702	—	2,285,049	8,583,005	8,687,833
Fishing licence	—	—	—	—	3,399,500	3,399,500
Wharf	1,038,379	69,109	—	1,107,488	1,656,862	1,725,971
Fire hydrants, roads	138,436	14,153	—	152,589	555,023	569,176
Social housing						
Land	—	—	—	—	145,200	145,200
Housing	1,601,550	162,883	—	1,764,433	5,378,606	4,943,331
Equipment	68,698	1,843	—	70,541	37,729	39,572
Work in progress	—	—	—	—	1,706,947	1,486,323
<b>Total</b>	<b>\$12,688,814</b>	<b>\$ 1,368,677</b>	<b>\$ —</b>	<b>\$14,057,491</b>	<b>\$ 39,960,489</b>	<b>\$ 40,269,316</b>

# WAGMATCOOK FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2017

## 14. GOVERNMENT TRANSFERS

	2017			2016		
	Operating	Capital	Total	Operating	Capital	Total
Federal government transfers						
Indigenous and Northern Affairs Canada	\$ 3,769,120	\$ 790,945	\$ 4,560,065	\$ 3,754,716	\$ 957,803	\$ 4,712,519
Mi'kmaq Kina'matnewey	3,066,014	31,324	3,097,338	2,885,901	200,000	3,085,901
Health Canada	1,193,235	—	1,193,235	1,390,088	—	1,390,088
Fisheries and Oceans Canada	171,000	—	171,000	171,000	200,000	371,000
Human Resources and Social Development Canada	282,013	—	282,013	282,013	—	282,013
Canada Mortgage and Housing Corporation	381,725	—	381,725	173,995	—	173,995
Heritage Canada	—	—	—	18,750	—	18,750
Environment Canada	—	—	—	3,500	—	3,500
Total	8,863,107	822,269	9,685,376	8,679,963	1,357,803	10,037,766
Provincial government transfers	147,722	—	147,722	98,835	—	98,835
	\$ 9,010,829	\$ 822,269	\$ 9,833,098	\$ 8,778,798	\$ 1,357,803	\$10,136,601

# WAGMATCOOK FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2017

## 15. SEGMENT DISCLOSURE

	Band Government		Economic Development		Operations and Maintenance	
	Budget 2017	Actual 2017	Budget 2017	Actual 2017	Budget 2017	Actual 2017
		Actual 2016		Actual 2016		Actual 2016
<b>REVENUES</b>						
Federal government operating transfers	\$ 505,258	\$ 510,208	\$ 520,446	\$ 441,907	\$ 517,525	\$ 490,468
Federal government capital transfers	-	-	-	-	-	-
Provincial government operating transfers	-	-	-	14,006	-	-
Mikmaq Kina'mathewey	-	-	-	-	-	-
Economic activities	7,000	-	107,000	161,915	-	-
Other revenue	370,000	306,009	-	-	-	-
	882,258	881,857	384,574	617,828	517,525	490,468
		933,455		501,441		485,370
<b>EXPENSES</b>						
Salaries and benefits	1,049,898	943,853	908,643	276,326	159,544	165,394
Debt servicing	55,000	56,368	70,261	-	-	-
Other expenses	437,591	376,080	425,060	327,326	727,884	613,876
	1,542,489	1,376,301	1,403,964	603,652	887,428	779,270
						743,497
Balance before amortization and other	(660,231)	(494,444)	(470,509)	14,176	(369,903)	(258,127)
Amortization	-	(86,055)	(84,200)	-	-	(450,581)
Consolidation revenue entries	(180,000)	(180,000)	(180,000)	-	-	-
Consolidation expense entries	-	-	-	-	-	-
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ (840,231)</b>	<b>\$ (760,499)</b>	<b>\$ (734,709)</b>	<b>\$ 14,176</b>	<b>\$ (369,903)</b>	<b>\$ (739,383)</b>
						<b>\$ (700,927)</b>



## Notes to Consolidated Financial Statements (continued)

## 15. SEGMENT DISCLOSURE

23

# WAGMATCOOK FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2017

## 15. SEGMENT DISCLOSURE

	Health		Housing		Other	
	Budget 2017	Actual 2017	Budget 2017	Actual 2017	Budget 2017	Actual 2017
		Actual 2016	Budget 2017	Actual 2016	Budget 2017	Actual 2016
<b>REVENUES</b>						
Federal government operating transfers	\$ 1,046,853	\$ 1,228,235	\$ 162,000	\$ 349,125	\$ 171,000	\$ 189,750
Federal government capital transfers	—	—	—	231,091	—	—
Provincial government operating transfers	—	25,000	—	—	130,000	98,835
Mikmaq Kina matnewey	—	—	—	—	—	—
Economic activities	20,000	41,250	—	—	11,258,000	10,679,573
Other revenue	—	—	77,894	69,186	184,512	104,604
	1,066,853	1,294,485	239,894	649,402	11,743,512	11,072,762
<b>EXPENSES</b>						
Salaries and benefits	532,785	535,788	88,268	283,569	1,856,304	1,881,259
Debt servicing	—	—	70,000	61,187	25,500	30,310
Other expenses	615,500	565,408	473,556	631,248	8,353,620	7,750,339
	1,148,285	1,101,196	631,824	976,004	10,235,424	9,659,961
Balance before amortization and other	(81,432)	193,289	(391,930)	(326,602)	1,508,088	1,412,801
Amortization	—	(57,872)	—	—	—	(464,972)
Consolidation revenue entries	91,589	—	—	(69,186)	(30,000)	(67,332)
Consolidation expense entries	20,000	20,000	20,000	20,000	130,000	167,332
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ 30,157</b>	<b>\$ 155,417</b>	<b>\$ (371,930)</b>	<b>\$ (375,788)</b>	<b>\$ 1,608,088</b>	<b>\$ 2,038,209</b>
						<b>\$ 1,047,829</b>

## Notes to Consolidated Financial Statements (continued)

## 15. SEGMENT DISCLOSURE

25