

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
Schedules	
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:

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

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.

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
FINANCIAL ASSETS		
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
	<u>1,614,281</u>	<u>1,784,244</u>
FINANCIAL LIABILITIES		
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
	<u>7,703,695</u>	<u>9,157,995</u>
NET DEBT	(6,089,414)	(7,373,751)
NON-FINANCIAL ASSETS		
Tangible capital assets (note 13)	39,960,489	40,269,316
Inventories held for use and prepaid expenses	161,208	161,134
	<u>40,121,697</u>	<u>40,430,450</u>
ACCUMULATED SURPLUS	\$ 34,032,283	\$ 33,056,699

Contingencies (note 19)

See accompanying notes to consolidated financial statements.

On behalf of Wagmatcook Band Council:

Chairman Peck
Chairman Peck
Chairman Peck
Chairman Peck
Chairman Peck

Lester Peck
Constance Peck

WAGMATCOOK FIRST NATION

Consolidated Statement of Operations

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

		2017	2016
	Budget	Actual	Actual
	(unaudited)		
REVENUES			
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
EXPENSES			
Governance			
Economic and employment development	1,542,489	1,462,356	1,488,164
Operations and maintenance	272,268	603,652	433,872
Social development	887,428	1,229,851	1,186,297
Education	2,461,131	2,286,010	2,389,755
Capital	3,115,695	3,516,314	3,423,959
Housing	234,644	91,000	83,997
Health program	611,824	956,004	634,605
Fisheries – treaty	1,128,285	1,139,068	1,528,224
Fisheries – commercial	177,464	174,741	175,335
Wagmatcook Gas Bar	2,419,377	2,516,773	2,478,750
Gaming	3,785,821	3,466,433	3,478,682
Enterprise, Heritage and Community	516,536	488,025	476,989
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
ANNUAL SURPLUS	\$ 404	\$ 881,476	\$ 560,751

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				
BALANCE, BEGINNING OF YEAR	\$ (120,822)	\$ 32,693,587	\$ 19,281	\$ 333,733	\$ —	\$ 130,920	\$ —	\$ 33,056,699	\$ 32,584,938	\$ 32,584,938				
Annual surplus (deficit)	749,226	(223,830)	—	1,440	325,000	29,640	—	—	881,476	560,751	560,751			
External contribution	—	—	16,552	—	—	—	—	—	—	16,552	16,000	16,000		
Current year allocations	—	—	—	—	—	—	—	75,000	75,000	75,000	—	—		
Withdrawals	—	—	—	—	—	—	—	—	—	—	(107,000)	(107,000)		
Interest earned	—	—	357	2,199	—	—	—	—	—	2,556	2,010	2,010		
BALANCE, END OF YEAR	\$ 628,404	\$ 32,469,757	\$ 36,190	\$ 337,372	\$ 325,000	\$ 160,560	\$ 75,000	\$ 34,032,283	\$ 33,056,699	\$ 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
ANNUAL SURPLUS	\$ 881,476	\$ 560,751
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)
	<u>308,827</u>	<u>(755,147)</u>
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)
	<u>94,108</u>	<u>(88,990)</u>
DECREASE (INCREASE) IN NET DEBT	1,284,337	(277,177)
NET DEBT, BEGINNING OF YEAR	(7,373,751)	(7,096,574)
NET DEBT, END OF YEAR	\$ (6,089,414)	\$ (7,373,751)

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)		
OPERATING ACTIVITIES		
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
FINANCING ACTIVITIES		
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)
INVESTING ACTIVITIES		
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)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	601,399	(286,170)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	(1,410,333)	(1,124,163)
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ (808,934)	\$ (1,410,333)
Cash and cash equivalents are comprised of the following		
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
	\$ 204,468	\$ 154,097

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'kmaq Kina'matnewey	274,961	54,927
Other	50,135	58,014
	\$ 603,960	\$ 812,088

6. DUE FROM PROVINCIAL GOVERNMENT

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

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
	<hr/> \$ 548,276	<hr/> \$ 810,136
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
	<hr/> \$ 1,736,817	<hr/> \$ 2,255,335

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
Social Housing		
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
	<hr/> 761,030	<hr/> 830,074

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
Capital Fund		
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
	\$ 3,472,762	\$ 3,752,879

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					Closing Balance
	Opening Balance	Additions	Disposals	Transfer of assets		
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					Closing Balance
	Opening Balance	Additions	Disposals	Transfer of assets		
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
Total	\$ 52,958,130	\$ 1,059,850	\$ —	\$ —	\$ —	\$ 54,017,980

	Accumulated amortization				Net book value	
	Opening Balance	Amortization	Disposals, write-offs and other adjustments		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
	7,828,404	848,987		8,677,391	18,497,617	19,272,410

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
Total	\$12,688,814	\$ 1,368,677	\$ —	\$14,057,491	\$ 39,960,489	\$ 40,269,316

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
REVENUES						
Federal government operating transfers	\$ 505,258	\$ 510,208	\$ 520,446	\$ 384,574	\$ 441,907	\$ 435,742
Federal government capital transfers	—	—	—	—	—	—
Provincial government operating transfers	—	—	—	—	14,006	—
Mi'kmaq Kina'matnewey	—	—	—	—	—	—
Economic activities	7,000	—	107,000	—	161,915	65,699
Other revenue	370,000	371,649	306,009	—	—	—
	882,258	881,857	933,455	384,574	617,828	501,441
EXPENSES						
Salaries and benefits	1,049,898	943,853	908,643	45,594	276,326	144,283
Debt servicing	55,000	56,368	70,261	—	—	—
Other expenses	437,591	376,080	425,060	226,674	327,326	289,589
	1,542,489	1,376,301	1,403,964	272,268	603,652	433,872
Balance before amortization and other	(660,231)	(494,444)	(470,509)	112,306	14,176	67,569
Amortization	—	(86,055)	(84,200)	—	—	—
Consolidation revenue entries	(180,000)	(180,000)	(180,000)	—	—	(450,581)
Consolidation expense entries	—	—	—	—	—	(442,800)
ANNUAL SURPLUS (DEFICIT)	\$ (840,231)	\$ (760,499)	\$ (734,709)	\$ 112,306	\$ 14,176	\$ 67,569
					\$ (369,903)	\$ (739,383)
						\$ (700,927)

WAGMATCOOK FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2017

15. SEGMENT DISCLOSURE

	Social Development			Education			Capital		
	Budget 2017	Actual 2017	Actual 2016	Budget 2017	Actual 2017	Actual 2016	Budget 2017	Actual 2017	Actual 2016
REVENUES									
Federal government operating transfers	\$ 2,635,208	\$ 2,595,310	\$ 2,569,431	\$ 61,613	\$ 10,840	\$ 234,644	\$ 559,854	\$ 929,016	
Federal government capital transfers	—	—	—	—	—	—	—	—	—
Provincial government operating transfers	—	—	—	2,769,511	3,066,014	3,085,901	—	31,324	—
Mi'kmaq Kina'matnewey	—	—	—	34,000	85,759	133,971	—	—	135,016
Economic activities	—	—	—	—	24,381	32,979	—	—	—
Other revenue	2,635,208	2,595,310	2,569,431	2,865,124	3,186,994	3,263,691	234,644	591,178	1,064,032
EXPENSES									
Salaries and benefits	113,237	313,695	194,250	1,932,103	2,045,935	2,204,524	—	67,745	67,745
Debt servicing	—	—	—	40,000	38,851	59,260	—	—	—
Other expenses	2,367,894	1,992,315	2,215,505	1,163,592	1,107,745	836,392	234,644	786,614	1,608,643
	2,481,131	2,306,010	2,409,755	3,135,695	3,192,531	3,100,176	234,644	854,359	1,676,388
Balance before amortization and other	154,077	289,300	159,676	(270,571)	(5,537)	163,515	—	(263,181)	(612,356)
Amortization	—	—	—	—	—	—	—	—	—
Consolidation revenue entries	(192,589)	69,186	79,453	101,000	(343,783)	(343,783)	—	—	—
Consolidation expense entries	20,000	20,000	20,000	20,000	—	—	—	—	—
ANNUAL SURPLUS (DEFICIT)	\$ (18,512)	\$ 378,486	\$ 259,129	\$ (149,571)	\$ (329,320)	\$ (160,268)	\$ —	\$ 500,178	\$ 1,070,830

WAGMATCOOK FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2017

15. SEGMENT DISCLOSURE

	Health			Housing			Other		
	Budget 2017	Actual 2017	Actual 2016	Budget 2017	Actual 2017	Actual 2016	Budget 2017	Actual 2017	Actual 2016
REVENUES									
Federal government operating transfers	\$ 1,046,853	\$ 1,228,235	\$ 1,440,088	\$ 162,000	\$ 349,125	\$ 142,395	\$ 171,000	\$ 171,000	\$ 189,750
Federal government capital transfers	—	—	—	—	231,091	228,787	—	—	—
Provincial government operating transfers	—	25,000	—	—	—	—	130,000	108,716	98,835
Mi'kmaq Kina'matnewey	—	—	—	—	—	—	—	—	—
Economic activities	20,000	41,250	62,857	—	—	—	11,258,000	11,745,724	10,679,573
Other revenue	—	—	—	77,894	69,186	79,453	184,512	113,159	104,604
	1,066,853	1,294,485	1,502,945	239,894	649,402	450,635	11,743,512	12,138,599	11,072,762
EXPENSES									
Salaries and benefits	532,785	535,788	632,434	88,268	283,569	127,267	1,856,304	1,881,259	1,879,312
Debt servicing	—	—	—	70,000	61,187	69,464	25,500	25,339	30,310
Other expenses	615,500	565,408	857,918	473,556	631,248	437,874	8,353,620	7,863,406	7,750,339
	1,148,285	1,101,196	1,490,352	631,824	976,004	634,605	10,235,424	9,770,004	9,659,961
Balance before amortization and other	(81,432)	193,289	12,593	(391,930)	(326,602)	(183,970)	1,508,088	2,368,595	1,412,801
Amortization	—	—	—	—	—	—	—	—	—
Consolidation revenue entries	91,589	(57,872)	(57,872)	—	—	(79,453)	(30,000)	(430,386)	(464,972)
Consolidation expense entries	20,000	—	—	20,000	20,000	—	130,000	(80,000)	(67,332)
ANNUAL SURPLUS (DEFICIT)	\$ 30,157	\$ 155,417	\$ (25,279)	\$ (371,930)	\$ (375,788)	\$ (263,423)	\$ 1,608,088	\$ 2,038,209	\$ 1,047,829

WAGMATCOOK FIRST NATION

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2017

15. SEGMENT DISCLOSURE

	Total before Adjustments			Consolidation Adjustments			Consolidation Total		
	Budget 2017		Actual 2016	Budget 2017		Actual 2016	Budget 2017		Actual 2016
	Budget 2017	Actual 2017	Actual 2016	Budget 2017	Actual 2017	Actual 2016	Budget 2017	Actual 2017	Actual 2016
REVENUES									
Federal government operating transfers	\$ 5,484,031	\$ 5,797,093	\$ 5,794,062	\$	\$	\$	\$ 5,484,031	\$ 5,797,093	\$ 5,794,062
Federal government capital transfers	234,644	790,945	1,157,803	—	—	—	234,644	790,945	1,157,803
Provincial government operating transfers	130,000	147,722	98,835	—	—	—	130,000	147,722	98,835
Mikmaq Kina'matnewey	2,769,511	3,097,338	3,085,901	—	—	—	2,769,511	3,097,338	3,085,901
Economic activities	11,319,000	12,034,648	11,184,116	(30,000)	(30,000)	(30,000)	11,289,000	12,004,648	11,154,116
Other revenue	632,406	578,375	523,045	(180,000)	(230,000)	(126,537)	452,406	348,375	366,508
	20,569,592	22,446,121	21,843,762	(210,000)	(260,000)	(156,537)	20,359,592	22,186,121	21,687,225
EXPENSES									
Salaries and benefits	5,777,733	6,513,564	6,327,472	—	—	—	5,777,733	6,513,564	6,327,472
Debt servicing	190,500	181,745	229,295	—	—	—	190,500	181,745	229,295
Other expenses	14,600,955	14,264,018	14,995,803	(210,000)	(1,023,359)	(1,819,723)	14,390,955	13,240,659	13,176,080
	20,569,188	20,959,327	21,552,570	(210,000)	(1,023,359)	(1,819,723)	20,359,188	19,935,968	19,732,847
Balance before amortization and other	404	1,486,794	291,192	—	763,359	1,663,186	404	2,250,153	1,954,378
Amortization	—	(1,368,677)	(1,393,627)	—	—	—	(1,368,677)	(1,393,627)	—
Consolidation revenue entries	(210,000)	(260,000)	(156,537)	210,000	260,000	156,537	—	—	—
Consolidation expense entries	210,000	1,023,359	1,819,723	(210,000)	(1,023,359)	(1,819,723)	—	—	—
ANNUAL SURPLUS (DEFICIT)	\$ 404	\$ 881,476	\$ 560,751	\$ —	\$ —	\$ —	\$ 404	\$ 881,476	\$ 560,751