



Consolidated financial statements

Paqtnkek Mi'kmaw Nation

March 31, 2017

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## Management's responsibility for financial reporting

The accompanying consolidated financial statements of the Paqtnkek Mi'kmaw Nation and all the information in this annual report are the responsibility of management and have been approved by the Chief and Council.

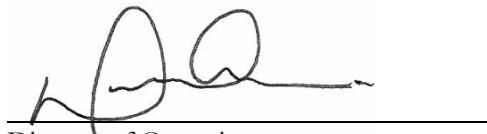
The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Consolidated financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the consolidated financial statements are presented fairly, in all material respects.

The Band maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable, and accurate, and the Band's assets are appropriately accounted for and adequately safeguarded.

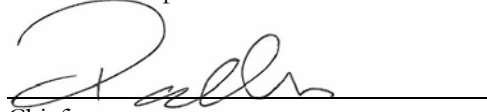
The Band Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements.

The Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters, and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the consolidated financial statements, and the external auditors' report.

The consolidated financial statements have been audited by Grant Thornton LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. Grant Thornton LLP has full and free access to the Council.



Director of Operations



Chief

## Independent auditor's report

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To the Chief and Councillors of

Paqtnkek Mi'kmaw Nation

We have audited the accompanying consolidated statement of financial position of the Paqtnkek Mi'kmaw Nation (the "First Nation") as at March 31, 2017, and the consolidated statement of operations, statement of changes in net financial liabilities, statement of fund balances, and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's responsibility for the financial statements

The First Nation's management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 First Nation'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 First Nation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the First Nation's 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 the Paqtnkek Mi'kmaw Nation as at March 31, 2017, and the results of its operations, changes in its net financial liabilities, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Port Hawkesbury, Canada  
July 24, 2017

*Grant Thornton LLP*  
Chartered Professional Accountants  
Licensed Public Accountants

# Paqtnkek Mi'kmaw Nation

## Consolidated statement of operations

Year ended March 31                      Schedule                      Budget                      2017                      2016

### Revenue

Education	B	\$ 1,097,940	\$ 1,121,857	\$ 1,259,537
Social services	C	2,178,220	2,150,559	2,134,626
Capital	D	1,721,589	1,279,986	202,677
Operations and maintenance	E	212,561	254,321	210,760
Economic development and native employment	F	1,267,880	1,279,387	541,831
First Nation financial management	G	342,804	575,052	534,451
Health Canada programs	H	867,853	873,584	878,047
CMHC subsidized housing				
- 13 537 394	I	16,000	15,411	79,553
- 19 042 894	I	225,000	206,321	217,260
Non-subsidized housing projects	J	210,000	210,021	139,394
Gaming	K	80,312	80,312	74,616
Paqtnkek Tobacco Fund	L	1,840,000	1,967,250	1,839,060
Paqtnkek Fisheries	M	614,000	816,526	1,046,360
Paqtnkek Gas Bar	N	858,500	861,724	727,072
Paqtnkek VLT	O	1,010,500	1,173,015	1,097,449
		<u>\$ 12,543,159</u>	<u>\$ 12,865,326</u>	<u>\$ 10,982,693</u>

### Expenditures

Education	B	\$ 955,582	\$ 1,132,533	\$ 1,131,542
Social services	C	2,133,495	2,104,434	2,169,698
Capital	D	1,049,019	926,218	290,234
Operations and maintenance	E	196,690	150,902	128,907
Economic development and native employment	F	1,371,589	1,337,895	588,460
First Nation financial management	G	829,265	953,633	828,699
Health Canada programs	H	808,414	790,763	717,313
CMHC subsidized housing				
- 13 537 394	I	64,000	33,219	42,236
- 19 042 894	I	237,500	123,138	113,904
Non-subsidized housing projects	J	130,600	178,419	90,998
Gaming	K	-	-	-
Paqtnkek Tobacco Fund	L	1,693,220	1,791,675	1,678,708
Paqtnkek Fisheries	M	652,280	741,477	691,007
Paqtnkek Gas Bar	N	1,065,000	929,367	840,249
Paqtnkek VLT	O	589,300	602,187	573,349
Depreciation		-	565,534	590,136
		<u>\$ 11,775,954</u>	<u>\$ 12,361,394</u>	<u>\$ 10,475,440</u>

Excess of revenue over (under) expenditure                      \$ 767,205                      \$ 503,932                      \$ 507,253

See accompanying notes to the consolidated financial statements.

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# Paqtnkek Mi'kmaw Nation

## Consolidated statement of financial position

March 31

2017

2016

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### Financial assets

Cash	\$ 1,447,691	\$ 890,037
Receivables (Note 2)	1,563,164	934,573
Inventory	33,397	43,230
Restricted cash		
Replacement reserve fund (Note 3)	160,364	66,345
Funds held in trust (Note 4)	<u>22,120</u>	<u>21,717</u>
	<u>3,226,736</u>	<u>1,955,902</u>

### Financial liabilities

Payables and accruals (Note 6)	2,671,621	1,485,668
Deferred revenue (Note 7)	459,800	29,404
Long term debt (Note 8)	<u>2,419,639</u>	<u>2,591,372</u>
	<u>5,551,060</u>	<u>4,106,444</u>

### Net financial liabilities

(2,324,324)      (2,150,542)

### Non-financial assets

Capital assets (Note 5)	8,727,458	8,642,806
Capital projects under construction	<u>925,458</u>	<u>354,550</u>
	9,652,916	8,997,356
Prepays	<u>39,909</u>	<u>17,352</u>
	<u>9,692,825</u>	<u>9,014,708</u>

### Accumulated surplus

\$ 7,368,501      \$ 6,864,166

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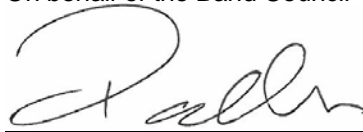
### Net assets (Page 6)

\$ 7,368,501      \$ 6,864,166

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Contingencies (Note 13)

On behalf of the Band Council



Chief



Councillor

See accompanying notes to the consolidated financial statements.

**Paqtnkek Mi'kmaw Nation**  
**Consolidated statement of accumulated surplus**

Year ended March 31

2017

2016

	Investment in capital assets	Surplus	Net assets - externally restricted			Total	Total
			Funds on deposit with INAC	Replacement reserves	Operating reserve		
Opening balance	\$ 6,409,245	\$ 127,316	\$ 21,717	\$ 278,150	\$ 27,738	\$ <b>6,864,166</b>	\$ 6,356,462
Excess of revenue (under) over expenditure	(565,534)	1,069,466	-	-	-	<b>503,932</b>	507,253
Purchase of property and equipment	1,220,200	(1,220,200)	-	-	-	-	-
Increase in long term debt	-	-	-	-	-	-	-
Bank charges	(2,370)	2,395	-	(25)	-	-	-
Current year allocations	-	(33,250)	-	33,250	-	-	-
Withdrawals	-	-	-	-	-	-	-
Interest earned	-	(44)	403	44	-	<b>403</b>	451
Principal payments on long term debt	<u>171,733</u>	<u>(171,733)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending balance	<u>\$ 7,233,274</u>	<u>\$ (226,050)</u>	<u>\$ 22,120</u>	<u>\$ 311,419</u>	<u>\$ 27,738</u>	<u>\$ <b>7,368,501</b></u>	<u>\$ 6,864,166</u>

See accompanying notes to the consolidated financial statements.



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# Paqtnkek Mi'kmaw Nation

## Consolidated statement of changes in net financial liabilities

March 31	2017	2016
Excess of revenue over expenditure	\$ 503,932	\$ 507,253
Depreciation	565,534	590,136
Purchase of property and equipment	<u>(1,220,200)</u>	<u>(793,750)</u>
	<u>(150,734)</u>	<u>303,639</u>
Trust allocations and interest	403	451
Acquisition of prepaid expenses, net of usage	<u>(23,448)</u>	<u>22,084</u>
	<u>(23,045)</u>	<u>22,535</u>
Change in net financial liabilities	(173,779)	326,174
Net financial liabilities, beginning of year	<u>(2,150,542)</u>	<u>(2,476,716)</u>
Net financial liabilities, end of year	<u>\$ (2,324,321)</u>	<u>\$ (2,150,542)</u>

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See accompanying notes to the consolidated financial statements.

# Paqtnkek Mi'kmaw Nation

## Consolidated statement of cash flows

Year ended March 31

2017

2016

Increase in cash and cash equivalents

<b>Operating</b>		
Excess of revenue over expenditure	\$ 503,932	\$ 507,253
Depreciation	<u>565,534</u>	<u>590,136</u>
	<b>1,069,466</b>	<b>1,097,389</b>
Change in non-cash operating working capital		
Receivables	(628,591)	(117,512)
Inventory	9,833	17,208
Prepays	(23,451)	22,084
Payables and accruals	1,185,953	460,380
Deferred revenue	<u>430,396</u>	<u>(82,971)</u>
	<b>2,043,606</b>	<b>1,396,578</b>
<b>Financing</b>		
Trust contributions and interest	403	451
Repayment of long term debt	<u>(171,733)</u>	<u>(190,735)</u>
	<b>(171,330)</b>	<b>(190,284)</b>
<b>Investing</b>		
Purchase of property and equipment	<u>(1,220,200)</u>	<u>(793,750)</u>
	<b>(1,220,200)</b>	<b>(793,750)</b>
Net increase in cash and cash equivalents	<b>652,076</b>	<b>412,544</b>
Cash and cash equivalents, beginning of year	<u>978,099</u>	<u>565,555</u>
Cash and cash equivalents, end of year	<b>\$ 1,630,175</b>	<b>\$ 978,099</b>
Cash and cash equivalents, consists of:		
Cash	\$ 1,447,691	\$ 890,037
Restricted cash		
Replacement reserve fund	160,364	66,345
Funds in trust	<u>22,120</u>	<u>21,717</u>
	<b>\$ 1,630,175</b>	<b>\$ 978,099</b>

See accompanying notes to the consolidated financial statements.

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# Paqtnkek Mi'kmaw Nation

## Notes to the consolidated financial statements

March 31, 2017

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### 1. Summary of significant accounting policies

#### Reporting entity and principles of financial reporting

These financial statements have been prepared in accordance with Canadian public sector accounting standards, which encompass the principles common with First Nations.

The consolidated financial statements of the Paqtnkek Mi'kmaw Nation are the representations of management prepared in accordance with Canadian generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants.

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

The various funds have been amalgamated for the purpose of presentation in the consolidated financial statements. The Paqtnkek Mi'kmaw Nation maintains the following funds and unincorporated entities:

- The Operating Fund which reports the general activities of the First Nation Administration, including social services, band support, education, operations capital, operating and maintenance, economic development, community health and welfare, employment training, and miscellaneous.
- The Paqtnkek Mi'kmaw Nation Canada Mortgage and Housing Projects Fund which reports the social housing assets of the First Nation, together with related activities.
- The Paqtnkek Tobacco Fund which reports the First Nation's tobacco activities.
- The Paqtnkek Fisheries which reports the First Nation's commercial fishing operation.
- The Paqtnkek Gas Bar which reports the First Nation's commercial operations.
- The Paqtnkek VLT which reports the First Nation's gaming operations.

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

#### Principles of consolidation

The First Nation maintains a separate self-balancing set of accounts for the Operating Fund, the Capital Fund, and the Canada Mortgage and Housing Projects Fund. The Operating Fund includes the following statement of operations:

Social development	Education program
Band government	Economic development
Capital projects	Employment development
Operations and maintenance	Health Canada programs
Band operated school	Gaming
Miscellaneous	

#### Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks, and term deposits net of bank overdraft.

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# Paqtnkek Mi'kmaw Nation

## Notes to the consolidated financial statements

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March 31, 2017

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

#### Inventory

The cost of inventories is comprised of directly attributable costs and includes the purchase price plus other costs incurred in bringing the inventories to their present location and condition, such as freight. The cost is reduced by the value of rebates and allowances received from vendors. The First Nation estimates net realizable value as the amount that inventories are expected to be sold. Inventories are written down to net realizable value when the cost of inventories is not estimated to be recoverable due to obsolescence, damage or declining selling prices. When circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in selling price, the amount of the write-down previously recorded is reversed. Costs that do not contribute to bringing inventories to their present location and condition, such as storage and administrative overheads, are specifically excluded from the cost of inventories and are expensed in the period incurred.

The cost of inventory recognized as an expense in these financial statements during fiscal 2017 was \$2,247,289 (2016 - \$2,033,178). There were no write downs of inventory below cost to net realizable value during the year. There were no reversals of inventories written down previously that are no longer estimated to sell below cost.

#### Capital assets

Capital assets are recorded at cost, which includes all amounts directly attributable to their acquisition, construction or betterment of the asset. Interest on construction is also included in cost. Depreciation, at rates noted below, is expensed in the current year.

Rates and methods of depreciation applied to write off the cost of capital assets over their estimated useful lives are as follows:

Buildings	2.5 - 5%, declining balance
Housing properties	25 years, straight line
Infrastructure and roads	4 - 10%, declining balance
Equipment	20%, declining balance
Motor vehicles	30%, declining balance
Vessels	15%, declining balance

In the year of acquisition, depreciation of capital assets is calculated at half the full annual rate as stated above.

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# Paqtnkek Mi'kmaw Nation

## Notes to the consolidated financial statements

March 31, 2017

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

#### Revenue recognition

Unconditional and conditional transfers from other governments for operating and capital purposes are recognized as revenue in the period in which all eligibility criteria and/or stipulations have been met and the amounts are authorized. Any funding received prior to satisfying these conditions is deferred until the conditions have been met. When revenue is received without eligibility criteria or stipulations, it is recognized when the transfer is authorized.

All non-government contributions or grant revenues that are externally restricted for specified purpose are recognized as revenue in the period in which the resources are used for the purpose or purposes specified. Any externally restricted revenues not yet used for the purpose or purposes specified are reported as deferred revenue.

Commercial revenues are recognized as revenues when product is sold and when services are provided if the amounts can be reasonably estimated and collection is reasonably assured.

Gaming revenue from video lottery net of corresponding direct expenses are recognized at the time of play and are recorded net of commissions and credits paid out. Other gaming revenues are recognized as earned when received or receivable as long as collection is reasonably assured.

#### Use of estimates

In preparing the First Nation's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

#### Income taxes

The Band Council is exempt from income taxes under Section 149(l)(c) of the *Canadian Income Tax Act*.

#### RRAP expenditures

Repairs and renovations incurred under the CMHC Residential Renovations Assistance Program (RRAP) are expensed in the Operating Fund in the year incurred.

#### Net debt

The Band's financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt of the Band is determined by its liabilities less its financial assets.

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# Paqtnkek Mi'kmaw Nation

## Notes to the consolidated financial statements

March 31, 2017

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<b>2. Receivables</b>	<b><u>2017</u></b>	<b><u>2016</u></b>
Indigenous and Northern Affairs Canada	\$ 895,350	\$ -
Health Canada	5,000	-
Mi'kmaq Employment Training Secretariat	180,563	51,582
Mi'kmaw Kina'matnewey	24,110	165,301
Canada Mortgage and Housing Corporation	34,000	-
Members	137,806	248,898
Province of Nova Scotia	100,312	80,312
Service Canada	-	10,071
Commodity taxes	68,472	82,014
Trade receivables	<u>141,100</u>	<u>433,631</u>
	<b>1,586,713</b>	1,071,809
Less: allowance for doubtful accounts	<u>(23,549)</u>	<u>(137,236)</u>
	<b><u>\$ 1,563,164</u></b>	<b><u>\$ 934,573</u></b>

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# Paqtnkek Mi'kmaw Nation

## Notes to the consolidated financial statements

March 31, 2017

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### 3. Replacement reserve fund

Under the terms of the agreement with the CMHC, the replacement reserve account is to be increased by annual charges to equity. The charge in the current year is \$33,250 (2016 - \$33,250). These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by the CMHC from time to time. The funds in the account may only be used as approved by the CMHC. Withdrawals are credited to interest first and then principal. At year end, the funds in reserve consisted of the following:

	<u>2017</u>	<u>2016</u>
Cash	<u>\$ 160,364</u>	<u>\$ 66,345</u>
Replacement reserve funds:		
<u>13 537 394 Series</u>		
Balance, beginning of year	\$ 92,590	\$ 91,259
Annual appropriation	1,350	1,350
Bank charges	(10)	(21)
Interest earned during the year	<u>18</u>	<u>2</u>
Balance, end of year	<u>\$ 93,948</u>	<u>\$ 92,590</u>
<u>19 042 894 Series</u>		
Balance, beginning of year	\$ 185,560	\$ 156,686
Annual appropriation	31,900	31,900
Bank charges	(15)	(3,030)
Interest earned during the year	<u>26</u>	<u>4</u>
Balance, end of year	<u>\$ 217,471</u>	<u>\$ 185,560</u>
	<u>\$ 311,419</u>	<u>\$ 278,150</u>

As of March 31, 2017, there was a shortfall of \$151,055 (2016 - \$211,805) in the replacement reserve accounts. Accordingly, the projects are not in compliance with the agreement.

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# Paqtnkek Mi'kmaw Nation

## Notes to the consolidated financial statements

March 31, 2017

### 4. Funds held in trust

The Trust Fund arises from monies derived from capital or revenue sources as outlined in Section 62 of the *Indian Act*. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the *Indian Act*.

The changes in net assets of the Trust Fund during the year are as follows:

	<u>2017</u>	<u>2016</u>
Net assets, beginning of year	\$ 21,717	\$ 21,266
Interest earned	<u>403</u>	<u>451</u>
Net assets, end of year	<u>\$ 22,120</u>	<u>\$ 21,717</u>

### 5. Capital assets

			<u>2017</u>	<u>2016</u>
	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>Net book value</u>	<u>Net book value</u>
Land	\$ 277,176	\$ -	\$ 277,176	\$ 277,176
Buildings and housing properties	10,597,933	4,872,510	5,725,423	5,302,000
Equipment	630,857	490,832	140,025	304,879
Vehicles	657,435	528,437	128,998	154,046
Vessels	726,927	469,630	257,297	302,705
Infrastructure and roads	<u>3,783,590</u>	<u>1,585,051</u>	<u>2,198,539</u>	<u>2,302,000</u>
	<u>\$ 16,673,918</u>	<u>\$ 7,946,460</u>	<u>\$ 8,727,458</u>	<u>\$ 8,642,806</u>

### 6. Payables and accruals

	<u>2017</u>	<u>2016</u>
Indigenous and Northern Affairs Canada	\$ 175,070	\$ 131,698
Health Canada	9,751	9,751
Commodity taxes	275,946	275,968
Trade payables and accruals	<u>2,210,854</u>	<u>1,068,251</u>
	<u>\$ 2,671,621</u>	<u>\$ 1,485,668</u>



# Paqtnkek Mi'kmaw Nation

## Notes to the consolidated financial statements

March 31, 2017

7. Deferred revenue	<u>2017</u>	<u>2016</u>
CMHC	\$ -	\$ 29,404
Indigenous and Northern Affairs Canada	<b>454,800</b>	-
Health Canada	<u>5,000</u>	<u>-</u>
	<b><u>\$ 459,800</u></b>	<b><u>\$ 29,404</u></b>

8. Long term debt	<u>2017</u>	<u>2016</u>
<b>Canada Mortgage and Housing Corporation</b>		
1.82% mortgage maturing in May 2024, payable in equal monthly instalments of principal and interest of \$400	<b>\$ 32,219</b>	\$ 36,393
1.03% mortgage maturing in March 2026, payable in equal monthly instalments of principal and interest of \$370	<b>38,135</b>	42,017
1.43% mortgage maturing in February 2027, payable in equal monthly instalments of principal and interest of \$1,153	<b>126,437</b>	138,072
1.62% mortgage maturing in January 2028, payable in equal monthly instalments of principal and interest of \$363	<b>43,333</b>	46,966
1.92% mortgage maturing in March 2029, payable in equal monthly instalments of principal and interest of \$352	<b>45,305</b>	48,634
1.82% mortgage maturing in September 2029, payable in equal monthly instalments of principal and interest of \$716	<b>96,138</b>	102,934
1.01% mortgage maturing in December 2030, payable in equal monthly instalments of principal and interest of \$676	<b>104,176</b>	111,207
1.03% mortgage maturing in July 2031, payable in equal monthly instalments of principal and interest of \$407	<b>64,996</b>	68,958

# Paqtnkek Mi'kmaw Nation

## Notes to the consolidated financial statements

March 31, 2017

8. Long term debt (continued)	<u>2017</u>	<u>2016</u>
1.71% mortgage maturing in July 2032, payable in equal monthly instalments of principal and interest of \$716	115,800	122,359
1.67% mortgage maturing in April 2033, payable in equal monthly instalments of principal and interest of \$1,035	175,226	184,657
1.67% mortgage maturing in June 2033, payable in equal monthly instalments of principal and interest of \$1,907	325,614	342,934
1.83% mortgage maturing in December 2034, payable in equal monthly instalments of principal and interest of \$358	65,181	68,266
1.23% mortgage maturing in April 2035, payable in equal monthly instalments of principal and interest of \$741	144,231	151,316
1.13% mortgage maturing in May 2036, payable in equal monthly instalments of principal and interest of \$1,287	266,131	277,866
1.65% mortgage maturing in May 2022, payable in equal monthly instalments of principal and interest of \$371	20,317	24,397
1.39% mortgage maturing in August 2037, payable in equal monthly instalments of principal and interest of \$299	63,686	66,368
1.62% mortgage maturing in March 2038, payable in equal monthly instalments of principal and interest of \$527	112,527	116,998
1.85% mortgage maturing in August 2039, payable in equal monthly instalments of principal and interest of 500	109,995	113,927
<b>Bank of Nova Scotia</b>		
4.55% mortgage maturing in May 2023, payable in equal monthly instalments of principal and interest of \$920	60,349	68,566

# Paqtnkek Mi'kmaw Nation

## Notes to the consolidated financial statements

March 31, 2017

8. Long term debt (continued)	<u>2017</u>	<u>2016</u>
4.49% mortgage maturing in February 2028, payable in equal monthly instalments of principal and interest of \$508	52,734	56,405
4.49% mortgage maturing in February 2028, payable in equal monthly instalments of principal and interest of \$508	52,734	56,405
4.49% mortgage maturing in February 2028, payable in equal monthly instalments of principal and interest of \$508	52,734	56,405
4.55% mortgage maturing in February 2029, payable in equal monthly instalments of principal and interest of \$327	35,921	38,280
4.55% mortgage maturing in February 2029, payable in equal monthly instalments of principal and interest of \$327	35,921	38,280
4.55% mortgage maturing in February 2029, payable in equal monthly instalments of principal and interest of \$327	35,921	38,280
4.55% mortgage maturing in February 2029, payable in equal monthly instalments of principal and interest of \$327	36,115	38,280
4.55% mortgage maturing in February 2029, payable in equal monthly instalments of principal and interest of \$327	35,921	38,280
4.55% mortgage maturing in February 2029, payable in equal monthly instalments of principal and interest of \$327	35,921	38,280
4.55% mortgage maturing in February 2029, payable in equal monthly instalments of principal and interest of \$327	35,921	38,280

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# Paqtnkek Mi'kmaw Nation

## Notes to the consolidated financial statements

March 31, 2017

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8. Long term debt (continued)	<u>2017</u>	<u>2016</u>
<b>Ulnooweg Development Group Inc.</b>		
8.25% loan, repaid during the year	-	15,779
8.00% loan, repaid during the year	-	5,583
	<b>2,419,639</b>	2,591,372
Less: Current portion of long term debt		
Principal payments due within one year	<b>151,494</b>	181,754
	<b><u>\$ 2,268,145</u></b>	<b><u>\$ 2,409,618</u></b>

As security, the Band has provided a Band Council Resolution providing an irrevocable authorization to the Indigenous and Northern Affairs Canada to assign all funding until all loans are repaid to the bank and a floating charge on the assets of the Band Council.

The aggregate maturities of long term debt, assuming mortgages are renewed under the same terms and conditions currently in effect, for each of the next five years subsequent to March 31, 2017, are as follows

2018	\$ 151,494
2019	\$ 156,855
2020	\$ 159,044
2021	\$ 162,996
2022	\$ 163,055

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### 9. Operating reserve fund

After the payment of all costs and expenses, including the allocation to the Replacement Reserve, any surplus revenue will be retained by the First Nation within an Operating Reserve fund. Interest earnings must accrue to and be maintained in the Operating Reserve fund. The Project's Operating Reserve fund may only be used for the ongoing operating costs of the housing projects committed under the 1997 On-Reserve Program (19 042 894 series housing projects). Accordingly, future years' deficits may be recovered from the Operating Reserve fund. The First Nation agrees to maintain Operating Reserve funds in a separate bank account and/or invested only in accounts or instruments insured by the CDIC, or as may otherwise be mutually agreed to by the First Nation and CMHC.

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# Paqtnkek Mi'kmaw Nation

## Notes to the consolidated financial statements

March 31, 2017

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### 10. Subsidy surplus reserve fund

Under the terms of the agreement with the CMHC, excess Federal assistance payments received may be retained in a subsidy surplus reserve up to a maximum of \$500 per unit plus interest. The reserve is to be comprised of monies deposited in a separate bank account and/or invested only in accounts or instruments insured by the CMHC from time to time. The funds in the account may only be used to meet future subsidy requirements of income-tested occupants over and above the maximum Federal assistance. Withdrawals are credited to interest first and then principal. When the fund has attained the maximum \$500 per unit, 100% of the excess assistance during the year may be transferred to other projects owned by the borrower requiring additional assistance if they are within the same municipality or area and are assisted under the same program.

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### 11. Capital management

Paqtnkek Mi'kmaw Nation's objectives when managing capital are: i) ensure sufficient liquidity to support its financial obligations and execute its operating and strategic plans, ii) to minimize the cost of capital while taking into consideration current and future industry, market and economic risks and conditions and iii) to maintain an optimal capital structure that provides necessary financial flexibility and returns to the Paqtnkek Mi'kmaw Nation, while also ensuring compliance with any financial covenants.

Paqtnkek Mi'kmaw Nation monitors and makes adjustments to its capital structure when necessary, in light of changes to economic conditions, the objectives of the Paqtnkek Mi'kmaw Nation and the cash requirements of the entity.

Paqtnkek Mi'kmaw Nation considers its total capitalization to include all interest-bearing debt including long term debt and the current portion thereof, equity, net of cash. The calculation is set out in the following table:

	<u>2017</u>	<u>2016</u>
Long term debt	\$ 2,419,639	\$ 2,591,372
Add: bank indebtedness (cash)	<u>(1,630,175)</u>	<u>(978,099)</u>
Net funded debt	789,464	1,613,273
Equity	<u>7,368,501</u>	<u>6,864,166</u>
Capital under management	<u>\$ 8,157,965</u>	<u>\$ 8,477,439</u>

Although Paqtnkek Mi'kmaw Nation does not include operating leases in its definition of capital, the entity does give consideration to its obligations under operating leases when assessing its total capitalization.

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# Paqtnkek Mi'kmaw Nation

## Notes to the consolidated financial statements

March 31, 2017

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### 11. Capital management (continued)

The primary investments undertaken by Paqtnkek Mi'kmaw Nation include improvements and additions to housing properties, buildings, and infrastructure. The entity relies largely on its cash flow from operations to fund its capital investment program. The cash flow is supplemented, when necessary, through the borrowing of additional debt. No changes were made to these objectives in the current period.

For the year ended March 31, 2017, there were no externally imposed capital restrictions for the First Nation, and the Paqtnkek Mi'kmaw Nation is in compliance with the covenants relating to the revolving term credit facility.

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### 12. Financial instruments

#### Credit risk

Credit risk is the risk of an unexpected loss if a customer or counterparty to a financial instrument fails to meet its contractual obligation. The First Nation's financial instruments that are exposed to concentrations of credit risk are primarily accounts receivable in the amount of \$1,563,164 (2016 - \$934,573).

#### Liquidity risk

Liquidity risk is the risk that the First Nation may not have cash available to satisfy its liabilities as they come due. The First Nation actively maintains a committed credit facility to ensure that it has sufficient available funds to meet current and foreseeable future financial requirements at a reasonable cost.

The First Nation monitors capital markets and the related conditions. Market conditions allowing, the First Nation will access debt capital markets for various long-term debt maturities and as other liabilities come due or as assessed to be appropriate in order to minimize risk and optimize pricing.

The contractual maturities of the principal portion of significant financial liabilities as at March 31, 2017, is outlined in Note 8.

#### Fair value of financial statements

The fair value of a financial instrument is the estimated amount that the First Nation would receive or pay to settle the financial assets and financial liabilities at the reporting date.

The book value of cash and cash equivalents, receivables, and payables and accruals approximate fair values at the balance sheet date due to their short term to maturity. The fair value of the variable rate long term debt is assumed to approximate its carrying amount.

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# **Paqtnkek Mi'kmaw Nation**

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

March 31, 2017

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### **13. Contingencies**

- a) The Band has entered into a one year alternative funding arrangement with the Indigenous and Northern Affairs Canada, effective April 1, 2016. These funds may be repayable if any of the following conditions are not met:
- 1) minimum program requirements are not met;
  - 2) capital funds are not expended for capital purposes; and
  - 3) any mandatory capital projects are not completed.
- b) The Band has entered into contribution agreements with various government departments. Funding received under these contribution agreements is subject to repayment if the Band fails to comply with the terms and conditions of the agreements.
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### **14. Line of credit**

The First Nation has a \$50,000 operating line of credit with Bank of Nova Scotia at a rate of prime plus 2%. The balance of the line of credit as at March 31, 2017, was nil (2016 – nil).

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### **15. Pension costs and obligations**

The First Nation is required to match contributions to a group registered retirement savings plan for certain full time employees. Total contributions during the year amounted to \$36,639 (2016 - \$29,743).

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# Paqtnkek Mi'kmaw Nation

## Notes to the consolidated financial statements

March 31, 2017

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<b>16. Expenditures by object</b>	<u>2017</u>	<u>2016</u>
Bad debt (recoverable) provision	\$ 64,385	\$ (3,737)
Business development and promotion	165,098	127,683
Cash shortages (overage)	(1,361)	320
Community support	600,734	483,440
Contracted services	149,943	155,052
Cost of goods sold	2,310,432	2,256,773
Depreciation	565,534	590,136
Due and fees	164,113	167,506
Education and training	1,187,052	741,713
Fuel, bait, and boat maintenance	305,833	301,348
Health programs	362,514	277,835
Infrastructure	1,006,817	374,822
Insurance	119,426	118,767
Interest	124,139	111,010
Repairs and maintenance	270,834	287,291
Salaries, wages, and benefits	2,499,419	2,094,098
Social	1,933,679	1,984,639
Supplies	222,159	98,451
Travel	<u>310,644</u>	<u>308,293</u>
	<u>\$ 12,361,394</u>	<u>\$ 10,475,440</u>

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# Paqtnkek Mi'kmaw Nation

## Notes to the consolidated financial statements

March 31, 2017

### 17. Segment disclosure

Paqtnkek Mi'kmaw Nation provides a wide range of services to its members, including training, education, social, health care and housing. For management reporting purposes Paqtnkek Mi'kmaw Nation's operations and activities are organized and reported by Divisions. The Divisions were created for the purpose of recording activities to comply with specific regulations and requirements.

Divisions that have been separately disclosed in the consolidated schedules of revenues and expenditures on the following pages are:

- Social services – social assistance provided to qualifying members.
- Financial management- all associated with the administration of the Band operations.
- Capital Projects – provides capital construction projects for the community.
- Operations and Maintenance – repairs and maintenance carried out during the year to the community buildings.
- Economic Development – specified development projects undertaken by the Band.
- Education – providing elementary, secondary and post-secondary tuition for qualifying members along with related programs and support.
- Health Canada – activity of the Health Centre which provides a variety of health care programs and support.
- Housing Fund – Section 95 and non-subsidized housing operations.
- Tobacco Fund – the Band's tobacco sales operation.
- Commercial Fishing – encompasses the fisheries activities of the Band.
- Gaming Commission – represents the Band's share of Casino Nova Scotia revenues.
- Gas bar – the gas bar operations of the band.
- VLT – the VLT operations of the Band.

See financial data on Pages 40 – 42.

### 18. Government transfers

	2017			2016		
	Operating	Capital	Total	Operating	Capital	Total
Indigenous and Northern Affairs Canada	\$ 3,660,524	\$ 854,800	\$ 4,515,324	\$ 2,906,462	\$ -	\$ 2,906,462
Health Canada	761,020	-	761,020	827,941	34,106	862,047
Canada Mortgage and Housing Corporation	123,768	-	123,768	118,588	-	118,588
Mi'kmaw Kina'matnewey	1,073,346	-	1,073,346	1,201,373	-	1,201,373
Other	316,260	-	316,260	234,437	-	234,437
Total	5,934,918	854,800	6,789,718	5,288,801	34,106	5,322,907
Province of Nova Scotia	637,568	-	637,568	480,997	243,717	724,714
	<u>\$ 6,572,486</u>	<u>\$ 854,800</u>	<u>\$ 7,427,286</u>	<u>\$ 5,769,798</u>	<u>\$ 277,823</u>	<u>\$ 6,047,621</u>

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# **Paqtnkek Mi'kmaw Nation**

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

March 31, 2017

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### **19. Comparative figures**

Certain comparative figures have been reclassified to conform with changes in the current year presentation.

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### **20. Subsequent Events**

Subsequent to year-end, Paqtnkek Mi'kmaw Nation entered into an agreement to borrow \$1,500,000 from the First Nations Finance Authority.

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# Paqtnkek Mi'kmaw Nation

## Schedule A – Indigenous and Northern Affairs Canada

Year ended March 31	Schedule	Budget	2017	2016
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Indigenous and Northern Affairs Canada:

Social services	C	\$ 2,130,599	\$ 2,150,559	\$ 2,130,559
Capital	D	1,637,570	1,182,770	136,470
Operations and maintenance	E	212,561	254,321	210,760
Economic development	F	603,722	610,870	138,976
First Nation financial management	G	<u>316,804</u>	<u>316,804</u>	<u>289,697</u>
		<u>\$ 4,901,256</u>	<u>\$ 4,515,324</u>	<u>\$ 2,906,462</u>

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See accompanying notes to the consolidated financial statements.

# Paqtnkek Mi'kmaw Nation

## Schedule B – Education

### Statement of revenue and expenditure

Year ended March 31	Budget	2017	2016
<b>Revenue</b>			
Mi'kmaw Kina'matnewey	\$ 1,045,840	<b>\$ 1,073,346</b>	\$ 1,201,373
Other	-	-	12,489
Provincial School Board	<u>52,100</u>	<u><b>48,511</b></u>	<u>45,675</u>
	<u>\$ 1,097,940</u>	<u><b>1,121,857</b></u>	<u>\$ 1,259,537</u>
<b>Expenditures</b>			
Administrative fee	\$ 87,876	<b>116,878</b>	\$ 118,301
Ancillary services	130,474	<b>95,228</b>	89,672
Band operated school	85,973	<b>75,319</b>	70,314
Daily transportation	123,500	<b>121,124</b>	99,861
Feasibility Study	30,000	<b>23,425</b>	-
Special education program	68,086	<b>117,427</b>	62,286
New paths/Education reform	24,389	<b>22,549</b>	25,609
Guidance officer	46,000	<b>54,846</b>	49,250
Post secondary	222,881	<b>287,337</b>	300,061
ISSP	7,375	<b>7,313</b>	6,143
Student assistance	4,600	<b>5,020</b>	4,655
Enhanced teachers salaries	1,900	<b>50,981</b>	41,962
Advice and assistance	722	<b>22,652</b>	6,818
Governance	23,537	<b>34,165</b>	22,178
EPP	-	-	183,167
MK holistic	<u>98,269</u>	<u><b>98,269</b></u>	<u>51,265</u>
	<u>\$ 955,582</u>	<u><b>1,132,533</b></u>	<u>\$ 1,131,542</u>
	<u>\$ 142,358</u>	<u><b>\$ (10,676)</b></u>	<u>\$ 127,995</u>

See accompanying notes to the consolidated financial statements.

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# Paqtnkek Mi'kmaw Nation

## Schedule C – Social services

### Statement of revenue and expenditure

Year ended March 31	Budget	2017	2016
<b>Revenue</b>			
Indigenous and Northern Affairs Canada			
Set contribution funding			
Income assistance	\$ 1,900,000	\$ 1,900,000	\$ 1,900,000
Social support services	230,599	202,938	182,938
Block contribution funding			
Service delivery	47,621	47,621	47,621
	2,178,220	2,150,559	2,130,559
Other	-	-	4,067
	<u>\$ 2,178,220</u>	<u>\$ 2,150,559</u>	<u>\$ 2,134,626</u>
<b>Expenditures</b>			
Basic needs	\$ 1,900,000	\$ 1,865,576	\$ 1,932,784
Special needs	92,938	92,813	88,875
Adult care	90,000	89,799	92,787
Salaries and benefits	43,057	45,245	43,819
Travel and training	5,000	3,698	4,647
Office and administration	2,500	7,303	6,786
	<u>\$ 2,133,495</u>	<u>\$ 2,104,434</u>	<u>\$ 2,169,698</u>
	<u>\$ 44,725</u>	<u>\$ 46,125</u>	<u>\$ (35,072)</u>

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See accompanying notes to the consolidated financial statements.

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# Paqtnkek Mi'kmaw Nation

## Schedule D – Capital

### Statement of revenue and expenditure

Year ended March 31	Budget	2017	2016
<b>Revenue</b>			
Indigenous and Northern Affairs Canada			
Block contribution funding	\$ 1,637,570	\$ 1,182,770	\$ 136,470
Canada Housing and Mortgage Corporation			
RRAP	34,000	<b>34,000</b>	32,000
Other	<u>50,019</u>	<u><b>63,216</b></u>	<u>34,207</u>
	<u>\$ 1,721,589</u>	<u><b>1,279,986</b></u>	<u>\$ 202,677</u>
<b>Expenditures</b>			
Administration and overhead	\$ 30,000	\$ 72,676	\$ 50,500
Community centre and other projects	505,000	<b>409,105</b>	46,851
New units			
Lot development	75,000	<b>33,337</b>	1,101
CMHC housing	10,019	<b>11,735</b>	4,489
Renovations and repairs			
Housing maintenance	366,000	<b>304,277</b>	109,240
Major renovations – other projects	-	-	-
Water and sewer	55,000	<b>67,092</b>	53,636
Miscellaneous	3,000	<b>25,421</b>	21,967
Workers' compensation	<u>5,000</u>	<u><b>2,575</b></u>	<u>2,450</u>
	<u>\$ 1,049,019</u>	<u><b>\$ 926,218</b></u>	<u>\$ 290,234</u>
	<u>\$ 672,570</u>	<u><b>\$ 353,768</b></u>	<u>\$ 87,577</u>

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See accompanying notes to the consolidated financial statements.

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**Paqtnkek Mi'kmaw Nation**  
**Schedule E – Operations and maintenance**  
**Statement of revenue and expenditure**

Year ended March 31	Budget	2017	2016
<b>Revenue</b>			
Indigenous and Northern Affairs Canada			
Block contribution funding	\$ 212,561	\$ <b>254,321</b>	\$ 210,760
<b>Expenditures</b>			
Road maintenance	\$ 30,334	\$ <b>47,818</b>	\$ 41,820
Water systems	44,493	<b>17,300</b>	17,476
Sanitation systems	84,281	<b>37,361</b>	29,323
Fire protection	16,820	<b>14,669</b>	123
Community buildings	20,762	<b>26,125</b>	17,548
School	-	<b>7,629</b>	22,617
	<u>\$ 196,690</u>	<u>\$ <b>150,902</b></u>	<u>\$ 128,907</u>
	<u>\$ 15,871</u>	<u>\$ <b>103,419</b></u>	<u>\$ 81,853</u>

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See accompanying notes to the consolidated financial statements.

# Paqtnkek Mi'kmaw Nation

## Schedule F – Economic development and native employment

### Statement of revenue and expenditure

Year ended March 31	Budget	2017	2016
<b>Revenue</b>			
Indigenous and Northern Affairs Canada			
Block contribution funding	\$ 92,940	\$ 72,940	\$ 112,976
Set contribution funding	<u>510,782</u>	<u>537,930</u>	<u>26,000</u>
	603,722	610,870	138,976
Confederacy of Mainland Mi'Kmaq	67,331	67,331	65,370
Service Canada	83,757	83,757	102,304
Mi'Kmaq Employment Training Secretariat	482,811	469,218	160,960
Other	2,514	8,684	24,309
Provincial and other governmental grants	<u>27,745</u>	<u>39,527</u>	<u>49,912</u>
	<u>\$ 1,267,880</u>	<u>\$1,279,387</u>	<u>\$ 541,831</u>
<b>Expenditures</b>			
Economic development administration	\$ 132,166	\$ 118,036	\$ 63,300
Special projects			
Highway development plan	5,000	6,194	83,101
Research and advocacy	3,000	3,201	-
Land and resources development	5,588	10,193	19,447
Miscellaneous	-	53,306	3,000
Branding and signage project	-	1,316	7,561
Planning and risk management	11,925	14,485	42,429
Cultural activities	14,000	15,624	14,064
Skills and partnership program	484,782	397,339	4,815
Other projects	72,600	71,402	40,641
Summer student program	115,877	113,115	37,891
Training programs	319,084	344,885	96,737
Adult learning program	-	137	(137)
Native employment officer	28,000	26,877	16,008
Child care	50,810	48,747	55,890
Service Canada	83,757	79,649	65,269
MPAL	<u>45,000</u>	<u>33,389</u>	<u>38,444</u>
	<u>\$ 1,371,589</u>	<u>\$1,337,895</u>	<u>\$ 588,460</u>
	<u>\$ (103,709)</u>	<u>\$ (58,508)</u>	<u>\$ (46,629)</u>

See accompanying notes to the consolidated financial statements



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# Paqtnkek Mi'kmaw Nation

## Schedule G – First Nation financial management

### Statement of revenue and expenditure

Year ended March 31	Budget	2017	2016
<b>Revenue</b>			
Indigenous and Northern Affairs Canada			
Block contribution funding	\$ 4,210	\$ 4,210	\$ 69,455
Grant funding	221,454	221,454	220,242
Set contribution funding	<u>91,140</u>	<u>91,140</u>	<u>-</u>
	316,804	316,804	289,697
Administrative recoveries	-	208,188	186,621
Interest	1,000	2,023	16,328
Other	<u>25,000</u>	<u>48,037</u>	<u>41,805</u>
	<u>\$ 342,804</u>	<u>\$ 575,052</u>	<u>\$ 534,451</u>
<b>Expenditures</b>			
Bank charges	\$ 20,000	35,065	\$ 30,574
Core salaries	250,000	250,000	231,333
Accounting and advisory services	40,000	44,685	84,363
Employee benefits	55,000	40,261	21,562
Insurance	25,000	16,008	15,259
Maintenance and supplies	7,565	3,451	190
Office expense	73,000	69,759	105,857
Professional fees	65,000	94,004	77,692
Salaries	186,700	245,999	180,652
Miscellaneous	30,000	44,339	37,297
Telephone	10,000	6,660	6,000
Training	7,000	5,569	3,500
Travel	25,000	17,341	11,299
Utilities	10,000	3,049	4,050
Workers' compensation	25,000	23,553	19,071
Expense recoveries	<u>-</u>	<u>53,890</u>	<u>-</u>
	<u>\$ 829,265</u>	<u>\$ 953,633</u>	<u>\$ 828,699</u>
	<u>\$ (486,461)</u>	<u>\$ (378,581)</u>	<u>\$ (294,248)</u>

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See accompanying notes to the consolidated financial statements.



# Paqtnkek Mi'kmaw Nation

## Schedule I – Subsidized housing projects

### Statement of revenue and expenditure

Year ended March 31	Budget	2017	2016
<b>CMHC – 13 537 394</b>			
<b>Revenue</b>			
Housing charges	\$ 11,000	\$ 10,870	\$ 67,575
Canada Mortgage and Housing Corporation – subsidy (Note 10)	<u>5,000</u>	<u>4,541</u>	<u>11,978</u>
	<u>\$ 16,000</u>	<u>15,411</u>	<u>\$ 79,553</u>
<b>Expenditures</b>			
Administration	\$ 5,000		\$ -
Insurance	10,000	7,799	7,224
Interest on long term debt	25,000	3,206	1,701
Maintenance			
Regular	20,000	19,214	31,311
Professional fees	<u>4,000</u>	<u>3,000</u>	<u>2,000</u>
	<u>\$ 64,000</u>	<u>\$ 33,219</u>	<u>\$ 42,236</u>
	<u>\$ (48,000)</u>	<u>\$ (17,808)</u>	<u>\$ 37,317</u>
<b>CMHC – 19 042 894</b>			
<b>Revenue</b>			
Housing charges	\$ 150,000	\$ 131,113	\$ 142,650
Canada Mortgage and Housing Corporation - subsidy (Note 10)	<u>75,000</u>	<u>75,208</u>	<u>74,610</u>
	<u>\$ 225,000</u>	<u>206,321</u>	<u>\$ 217,260</u>
<b>Expenditures</b>			
Administration	\$ 51,000	12,639	\$ 11,343
Insurance	40,000	39,078	36,854
Interest on long term debt	40,000	27,955	36,623
Maintenance			
Regular	100,000	25,149	20,384
Professional fees	<u>6,500</u>	<u>18,317</u>	<u>8,700</u>
	<u>\$ 237,500</u>	<u>\$ 123,138</u>	<u>\$ 113,904</u>
	<u>\$ (12,500)</u>	<u>\$ 83,183</u>	<u>\$ 103,356</u>

See accompanying notes to the consolidated financial statements.







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**Paqtnkek Mi'kmaw Nation**  
**Schedule M – Paqtnkek Fisheries**  
**Statement of revenue and expenditure**

Year ended March 31	Budget	2017	2016
<b>Revenue</b>			
Fishing	\$ 614,000	\$ 786,224	\$ 639,259
Government assistance	-	-	393,552
Other	<u>-</u>	<u>30,302</u>	<u>13,549</u>
	\$ 614,000	\$ 816,526	\$ 1,046,360
<b>Expenditures</b>			
Bad debts (recovered)	\$ -	\$ 11,955	\$ -
Bait	43,500	46,608	33,607
Community contributions	-	-	764
Fuel	25,000	22,714	20,768
Habitat restoration program	8,000	47	437
Interest and bank charges	1,200	985	1,119
Interest on long term debt	1,000	306	3,409
Insurance	12,500	12,265	9,970
Licenses and dues	15,000	9,476	9,515
Office and miscellaneous	5,000	8,992	11,699
Professional fees	18,000	5,135	15,265
Oyster project expense	90,000	90,442	97,338
Repairs and maintenance	69,300	128,725	126,930
Telephone	1,080	1,440	1,080
Training	5,000	13,070	4,250
Travel	6,000	22,838	18,768
Vehicle expenses	7,500	7,019	4,828
Wages and benefits	<u>344,200</u>	<u>359,460</u>	<u>331,260</u>
	\$ 652,280	\$ 741,477	\$ 691,007
Excess of revenue over expenditures	\$ <u>(38,280)</u>	\$ <u>75,049</u>	\$ <u>355,353</u>

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See accompanying notes to the consolidated financial statements.





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**Paqtnkek Mi'kmaw Nation**  
**Schedule O – Paqtnkek VLT**  
**Statement of revenue and expenditure**

Year ended March 31	Budget	2017	2016
Gross Wagers	\$ 5,520,500	<b>\$ 5,573,476</b>	\$ 5,670,632
Payouts	<u>4,510,000</u>	<u><b>4,400,461</b></u>	<u>4,573,183</u>
<b>Revenue</b>	<b><u>\$ 1,010,500</u></b>	<b><u>\$ 1,173,015</u></b>	<b><u>\$ 1,097,449</u></b>
<b>Expenditures</b>			
Canteen	\$ 7,900	<b>\$ 3,933</b>	\$ 8,219
Cash shortages	-	<b>410</b>	154
Community support	25,000	<b>59,197</b>	14,946
Insurance	2,500	<b>2,598</b>	2,388
Interest and bank charges	2,400	<b>3,475</b>	2,423
Office and miscellaneous	15,500	<b>24,268</b>	14,518
Professional fees	12,000	<b>17,522</b>	40,849
Rental charges	165,000	<b>162,500</b>	166,355
Repairs and maintenance	10,000	<b>915</b>	18,094
Security	45,000	<b>4,395</b>	869
Telephone	5,000	<b>5,747</b>	5,344
Travel	1,500	<b>864</b>	1,094
Utilities	7,500	<b>11,658</b>	5,625
Wages and benefits	<u>290,000</u>	<u><b>304,705</b></u>	<u>292,471</u>
	<b><u>\$ 589,300</u></b>	<b><u>\$ 602,187</u></b>	<b><u>\$ 573,349</u></b>
Excess of revenue over expenditures	<b><u>\$ 421,200</u></b>	<b><u>\$ 570,828</u></b>	<b><u>\$ 524,100</u></b>

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See accompanying notes to the consolidated financial statements.

# Paqtnkek Mi'kmaw Nation

Schedule of Segment Disclosure

Year ended March 31, 2017

	Social		First Nation Financial Management		Capital		Operations and Maintenance		Economic Development and Native Employment	
	Actual 2017	Actual 2016	Actual 2017	Actual 2016	Actual 2017	Actual 2016	Actual 2017	Actual 2016	Actual 2017	Actual 2016
<b>Revenues</b>										
Federal government operating transfers	\$ 2,150,559	\$ 2,130,559	\$ 316,052	\$ 289,697	\$ 389,597	\$ 136,470	\$ 254,321	\$ 210,760	\$ 703,311	\$ 402,240
Federal government capital transfers	-	-	-	-	888,800	-	-	-	-	-
Provincial government operating transfers	-	-	-	-	-	-	-	-	508,745	49,912
Provincial government capital transfers	-	-	-	-	-	32,000	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-	-
Economic activities	-	-	-	-	-	-	-	-	-	-
Other	-	4,067	259,000	244,754	1,588	34,207	-	-	67,331	89,679
	<b>\$ 2,150,559</b>	<b>\$ 2,134,626</b>	<b>\$ 575,052</b>	<b>\$ 534,451</b>	<b>\$ 1,279,985</b>	<b>\$ 202,677</b>	<b>\$ 254,321</b>	<b>\$ 210,760</b>	<b>\$ 1,279,387</b>	<b>\$ 541,831</b>
<b>Expenses</b>										
Salaries and benefits	\$ 135,043	\$ 136,606	\$ 559,813	\$ 452,618	\$ 37,741	\$ 110,686	\$ -	\$ -	\$ 272,592	\$ 239,537
Amortization	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	15,173	1,716	-	-	-	-
Other	1,969,391	2,033,092	393,820	376,081	873,304	177,832	150,902	128,907	1,065,303	348,923
	<b>\$ 2,104,434</b>	<b>\$ 2,169,698</b>	<b>\$ 953,633</b>	<b>\$ 828,699</b>	<b>\$ 926,218</b>	<b>\$ 290,234</b>	<b>\$ 150,902</b>	<b>\$ 128,907</b>	<b>\$ 1,337,895</b>	<b>\$ 588,460</b>
<b>Surplus (deficit) for the year</b>	<b>\$ 46,125</b>	<b>\$ (35,072)</b>	<b>\$ (378,581)</b>	<b>\$ (294,248)</b>	<b>\$ 353,767</b>	<b>\$ (87,557)</b>	<b>\$ 103,419</b>	<b>\$ 81,853</b>	<b>\$ (58,508)</b>	<b>\$ (46,629)</b>

# Paqtnkek Mi'kmaw Nation

Schedule of Segment Disclosure

Year ended March 31, 2017

	Education		Gaming		Health Canada Programs		Tobacco Fund		Gas Bar	
	Actual 2017	Actual 2016	Actual 2017	Actual 2016	Actual 2017	Actual 2016	Actual 2017	Actual 2016	Actual 2017	Actual 2016
<b>Revenues</b>										
Federal government operating transfers	\$ 1,073,346	\$ 1,201,373	\$ -	\$ -	\$ 761,020	\$ 827,941	\$ -	\$ -	\$ -	\$ -
Federal government capital transfers	-	-	-	-	-	34,106	-	-	-	-
Provincial government operating transfers	48,511	45,675	\$ 80,312	\$ 74,616	-	-	-	-	-	-
Provincial government capital transfers	-	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-	-
Economic activities	-	-	-	-	-	-	-	-	-	-
Income from investment in GBE's	-	-	-	-	-	-	-	-	-	-
Other	-	12,489	-	-	112,564	16,000	1,967,250	1,839,060	861,724	727,072
	1,121,857	1,259,537	80,312	74,616	873,584	878,047	1,967,250	1,839,060	861,724	727,072
<b>Expenses</b>										
Salaries and benefits	\$ 244,991	\$ 314,914	\$ -	\$ -	\$ 208,339	\$ 263,422	\$ 109,546	\$ 106,219	\$ 104,113	\$ 100,812
Amortization	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	9,925	3,217	7,125	5,694
Other	887,542	816,628	-	-	582,424	453,891	1,672,203	1,569,272	818,129	733,743
	\$ 1,132,533	\$ 1,131,542	\$ -	\$ -	\$ 790,763	\$ 717,313	\$ 1,791,674	\$ 1,678,708	\$ 929,367	\$ 840,249
<b>Surplus (deficit) for the year</b>	\$ (10,676)	\$ 127,995	\$ 80,312	\$ 74,616	\$ 82,821	\$ 160,734	\$ 175,576	\$ 160,352	\$ (67,643)	\$ (113,177)

# Paqtnekek Mi'kmaw Nation

Schedule of Segment Disclosure  
Year ended March 31, 2017

	Non-Subsidized Housing		Fisheries		VLT		Subsidized Housing		Other		Total	
	Actual 2017	Actual 2016	Actual 2017	Actual 2016	Actual 2017	Actual 2016	Actual 2017	Actual 2016	Actual 2017	Actual 2016	Actual 2017	Actual 2016
<b>Revenues</b>												
Federal government operating transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 79,749	\$ 86,588	\$ -	\$ -	\$ 5,727,955	\$ 5,285,628
Federal government capital transfers	-	-	-	-	-	-	-	-	-	-	888,800	34,106
Provincial government operating transfers	-	-	-	-	-	-	-	-	-	-	637,568	170,203
Provincial government capital transfers	-	-	-	-	-	-	-	-	-	-	-	32,000
Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-
Economic activities	-	-	-	-	-	-	-	-	-	-	-	-
Other	210,021	139,394	816,526	1,046,360	1,173,015	1,097,449	141,983	210,225	-	-	5,611,002	5,460,756
	\$ 210,021	\$ 139,394	\$ 816,526	\$ 1,046,360	\$ 1,173,015	\$ 1,097,449	\$ 221,732	\$ 296,813	\$ -	\$ -	\$ 12,865,325	\$ 10,982,693
<b>Expenses</b>												
Salaries and benefits	\$ -	\$ -	\$ 359,460	\$ 331,260	\$ 304,705	\$ 292,471	\$ -	\$ -	\$ -	\$ -	\$ 2,336,343	\$ 2,348,545
Amortization	-	-	-	-	-	-	-	-	565,534	590,136	565,534	590,136
Interest	18,544	21,225	1,291	1,119	3,475	2,423	31,161	38,324	-	-	86,694	73,717
Other	159,875	69,773	380,726	358,628	294,007	278,455	125,196	117,816	-	-	9,372,822	7,463,042
	\$ 178,419	\$ 90,998	\$ 741,477	\$ 691,007	\$ 602,187	\$ 573,349	\$ 156,357	\$ 156,140	\$ 565,534	\$ 590,136	\$ 12,361,393	\$ 10,475,440
<b>Surplus (deficit) for the year</b>	\$ 31,602	\$ 48,396	\$ 75,049	\$ 355,353	\$ 570,828	\$ 524,100	\$ 65,375	\$ 140,673	\$ (565,534)	\$ (590,136)	\$ 503,932	\$ 507,253