

SIPEKNE'KATIK

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2018

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SIPEKNE'KATIK

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

MARCH 31, 2018

The accompanying consolidated financial statements of Sipekne'katik are the responsibility of Chief and Council. The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards and necessarily include estimates which are based on management's best judgments.

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 financial statements are presented fairly, in all material respects.

Management is also responsible for implementing and maintaining a system of internal controls designed to give reasonable assurance that transactions are appropriately authorized, assets are safeguarded from loss and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The consolidated financial statements have been reviewed and approved by Chief and Council.

Andrew D. Lenehan, CPA, CA, an independent firm of accountants, has been engaged to examine the consolidated financial statements in accordance with Canadian generally accepted auditing standards. Their report stating the scope of their examination and opinion on the consolidated financial statements, follows.



Chief

July 17/18
Date



Executive Financial Officer

July 17/18
Date

ANDREW D. LENEHAN, CPA, CA

389 Connell Street, Suite 200
Woodstock, New Brunswick
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Independent Auditor's Report

To the Chief, Council and Members of
Sipekne'katik

We have audited the accompanying consolidated financial statements of Sipekne'katik, which comprise the consolidated statement of financial position as at March 31, 2018, and the consolidated statements of operations, 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.

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 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 First Nation as at March 31, 2018 and the results of its operations, changes in net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



Andrew D. Lenehan
Chartered Professional Accountant

Woodstock, New Brunswick
July 17, 2018

SIPEKNE'KATIK


CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MARCH 31, 2018

	<u>2018</u>	<u>2017</u>
Financial Assets		
Cash (Note 9)	\$ 2,930,504	\$ 1,792,059
Accounts receivable (Note 7)	3,542,901	2,013,610
Funds on deposit with INAC (Note 6)	84,237	81,555
Funds held in trust (Note 10)	-	133,115
Debt reserve fund (Note 11)	102,885	-
Inventory (Note 4)	39,837	46,893
	<u>6,700,364</u>	<u>4,067,232</u>
Liabilities		
Accounts payable (Note 12)	5,012,209	4,611,722
Deferred revenue (Note 13)	1,822,515	825,243
Due to minor band members (Note 19)	651,758	705,758
Investments (Note 3)	7,882	31,410
Long-term debt (Note 14)	5,230,719	3,248,320
	<u>12,725,083</u>	<u>9,422,453</u>
Net debt	<u>(6,024,719)</u>	<u>(5,355,221)</u>
Non-financial Assets		
Tangible capital assets (Note 15)	22,321,513	19,583,149
Prepaid expenses (Note 5)	27,224	23,265
	<u>22,348,737</u>	<u>19,606,414</u>
Accumulated Surplus (Note 16)	<u>\$ 16,324,018</u>	<u>\$ 14,251,193</u>

Approved on behalf of Sipekne'katik

, Chief

, Executive Financial Officer

The accompanying notes are an integral part of the financial statements

SIPEKNE'KATIK

CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT

FOR THE YEAR ENDED MARCH 31, 2018

	2018 Budget	2018 Actual	2017 Actual
Surplus	640,603	2,072,825	2,516,438
Acquisition of tangible capital assets	-	(4,378,405)	(3,036,152)
Disposal of tangible capital assets	-	-	76,293
Amortization of tangible capital assets	1,300,000	1,640,043	1,422,262
	1,300,000	(2,738,362)	(1,537,597)
(Increase) decrease of prepaid expenses	-	(3,961)	436
(Decrease) increase in net financial assets	1,940,603	(669,498)	979,277
Net debt at beginning of year	(5,355,221)	(5,355,221)	(6,334,498)
Net debt at end of year	\$ (3,414,618)	\$ (6,024,719)	\$ (5,355,221)

The accompanying notes are an integral part of the financial statements

SIPEKNE'KATIK

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

FOR THE YEAR ENDED MARCH 31, 2018

	2018 Budget	2018 Actual	2017 Actual
Revenues			
Indigenous and Northern Affairs Canada	\$ 8,227,992	\$ 9,081,343	\$ 9,079,275
Tobacco store	8,030,000	8,849,990	8,268,974
Mi'kmaw Kina'matneway	6,935,852	7,119,568	6,850,941
Gaming	4,340,000	5,108,250	4,834,981
Fisheries	3,169,000	4,045,899	3,604,892
Other	2,007,923	2,342,678	1,851,071
Gas bar	1,530,000	2,255,868	1,501,022
Health Canada	1,430,558	1,654,411	1,445,823
METS	747,577	737,871	737,871
	36,418,902	41,195,878	38,174,850
Cost of goods sold	6,250,000	8,546,955	7,653,330
Gross profit	30,168,902	32,648,923	30,521,520
Expenditures			
Social Development	5,493,935	5,471,559	5,380,166
Band Administration	2,141,225	2,278,096	2,181,443
Education	7,019,911	7,742,886	6,872,283
Capital and Housing	904,000	1,200,510	1,110,499
Operating and Maintenance	2,146,050	2,235,977	2,753,647
Economic Development	755,171	472,266	241,173
Community Health	1,480,558	1,606,313	1,593,415
Employment Training	915,099	1,017,281	1,052,729
Gaming	1,767,100	1,786,285	1,724,532
Tobacco Store	790,800	885,024	662,844
Fisheries	2,092,500	2,470,385	1,918,279
Housing Projects	1,065,000	2,118,226	887,350
Gas Bar	211,950	185,840	198,203
	26,783,299	29,470,648	26,576,563
Surplus before other items	3,385,603	3,178,275	3,944,957
Other items			
Amortization	(1,300,000)	(1,640,043)	(1,422,262)
Insurance proceeds	-	562,821	-
Forensic audit	(20,000)	(28,228)	(6,256)
	(1,320,000)	(1,105,450)	(1,428,518)
Surplus	640,603	2,072,825	2,516,438
Accumulated surplus at beginning of year	14,251,193	14,251,193	11,734,755
Accumulated surplus at end of year	\$ 14,891,796	\$ 16,324,018	\$ 14,251,193

The accompanying notes are an integral part of the financial statements

SIPEKNE'KATIK

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2018

	2018	2017
Cash flows from		
Operating activities		
Surplus	\$ 2,072,825	\$ 2,516,438
Items not affecting cash		
Amortization expense	1,640,043	1,422,262
Investment in Wallace Hill	(23,528)	(8,948)
	3,689,340	3,929,752
Change in non-cash operating working capital		
Accounts receivable	(1,529,291)	(280,441)
Inventory	7,056	15,345
Prepaid expenses	(3,959)	434
Funds on deposit with INAC	(2,682)	(1,485)
Funds held in trust	133,115	(133,115)
Accounts payable	400,483	(98,093)
Deferred revenue	997,272	785,593
Due to minor band members	(54,000)	(81,000)
	3,637,334	4,136,990
Capital activities		
Acquisition of tangible capital assets	(4,378,406)	(3,036,152)
Disposal of tangible capital assets	-	76,293
	(4,378,406)	(2,959,859)
Financing activities		
Proceeds of long-term debt	2,336,253	480,400
Repayment of long-term debt	(353,851)	(529,131)
Debt reserve fund	(102,885)	-
	1,879,517	(48,731)
Increase in cash and cash equivalents	1,138,445	1,128,400
Cash, beginning of year	1,792,059	663,659
Cash, end of year	\$ 2,930,504	\$ 1,792,059

The accompanying notes are an integral part of the financial statements

SIPEKNE'KATIK

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2018

1. Reporting Entity

The consolidated financial statements of Sipekne'katik reflect the assets, liabilities, revenues, expenditures, changes in net debt and accumulated surplus of the reporting entity. The reporting entity is comprised of the organizations accountable for the administration of their affairs and resources to the Chief and Council or controlled by the First Nation. Inter-fund and inter-corporate balances and transactions have been eliminated.

Sipekne'katik provides services to its community members for various programs detailed in Schedules 1 to 13.

2. Basis of Presentation and Significant Accounting Policies

These financial statements are prepared in accordance with Canadian public sector accounting standards for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

(a) 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 one year or less at acquisition which are held for the purpose of meeting short-term cash commitments.

(b) Principles of Consolidation

The consolidated financial statements include the accounts of all funds and operations in which Sipekne'katik has a controlling interest. All interfund balances have been eliminated on consolidation but in order to present the results of operations for each specific fund, transactions between funds have not been eliminated on the individual schedules.

Under the modified equity method of accounting, only Sipekne'katik's investment in the government business enterprise and the enterprise's net income and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprise that are different from those of Sipekne'katik.

The organization accounted for on a modified equity basis is Wallace Hill Development Inc.

(c) Inventory

Inventory is valued at the lower of cost, determined on the first in first out basis, and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less any applicable variable selling costs.

SIPEKNE'KATIK

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2018

2. Basis of Presentation and Significant Accounting Policies (continued)

(d) Tangible Capital Assets

Tangible capital assets (TCAs) are items that can be physically touched, are used to provide First Nation services, are used for First Nation administration purposes or are used for the construction and/or maintenance of other TCAs owned by the First Nation, will be useful for a period greater than one year and will be used by the First Nation on a regular basis.

Certain tangible capital assets, including but not limited to roads and infrastructure, have been recorded at a nominal amount of \$1 as specific historical data was not available. Whereas all such assets are amortized over a period not longer than twenty five years, it is management's opinion that all assets acquired prior to 1987 would now be fully amortized.

Tangible capital assets are recorded at cost, which includes all amounts directly attributable to acquisition, construction, development or betterment of the asset, and are amortized on the declining balance method over their estimated useful lives. Amortization begins in the year acquired. Current descriptions and useful lives are as follows

Buildings	5 % Declining balance
Vehicles	30 % Declining balance
Furniture and fixtures	20 % Declining balance
Equipment	20 % Declining balance
Paving	5 % Declining balance
Recreational facilities	10 % Declining balance
Pump/gaming renovations	20 % Declining balance

(e) Net Debt

The First Nation's financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt of the First Nation is determined by its liabilities less its financial assets. Net debt is comprised of two components, non-financial assets, and accumulated surplus.

(f) Deferred Revenue

Government funding and other revenue not fully expended at year end has been treated as deferred revenue by the First Nation and will be recorded in revenue in the fiscal year when the related expenditures are incurred.

SIPEKNE'KATIK

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2018

2. Basis of Presentation and Significant Accounting Policies (continued)

(g) 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 a 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.

Tobacco store and gas bar revenues are recorded at the point of sale.

(h) Expense Recognition

Expenses are recorded on the accrual basis as they are incurred and measurable based on receipt of goods or services and obligation to pay.

(i) Use of Estimates

The preparation of financial statements in conformity with Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty. Specifically, estimates are required relating to the provision for doubtful accounts and the useful lives of tangible capital assets. The effect of changes in such estimates on the financial statements in future periods could be significant.

(j) 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 re-sale. Non-financial assets include tangible capital assets and prepaid expenses.

SIPEKNE'KATIK

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2018

2. Basis of Presentation and Significant Accounting Policies (continued)

(k) Segment Disclosure

The financial statements of Sipekne'katik provide supporting schedules which are established by program based on government funding provided. The various programs have been amalgamated for the purpose of presentation in the consolidated financial statements. Details of the operations of each program are set out in the supplementary schedules for management information purposes.

(l) Financial Instruments

Financial instruments are financial assets or liabilities of the First Nation where the First Nation has the right to receive cash or another financial asset from another party or has the obligation to pay cash or other financial assets to another party or equity instruments of another entity.

All significant financial assets, financial liabilities and equity instruments of the First Nation are either recognized or disclosed in the financial statements together with other information relevant for making a reasonable assessment of future cash flows, interest rate risk and credit risk.

3. Investments

	2018	2017
Investment in Wallace Hill Development Inc.	\$ 1	\$ 1
Investment in Beaubassin Mi'kmaq Wind Mgmt Ltd.	1	1
Investment in 3270886 Nova Scotia Limited	1	1
Equity (deficit) in Wallace Hill Development Inc.	(7,885)	(31,413)
	<u>\$ (7,882)</u>	<u>\$ (31,410)</u>

4. Inventory

	2018	2017
Fuel for resale	\$ 12,852	\$ 16,704
Tobacco for resale	26,985	30,189
	<u>\$ 39,837</u>	<u>\$ 46,893</u>

SIPEKNE'KATIK

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2018

5. Prepaid expenses

	2018	2017
Fuel and propane	\$ 27,224	\$ 23,265

6. Funds on deposit with INAC

	March 31, 2017	Additions (interest)	Withdrawals	March 31, 2018
Revenue	\$ 41,216	\$ 2,682	\$ -	\$ 43,898
Capital	40,339	-	-	40,339
	\$ 81,555	\$ 2,682	\$ -	\$ 84,237

7. Accounts Receivable

	2018	2017
Indigenous and Northern Affairs Canada	\$ 697,167	\$ 275,263
Mi'kmaw Kina'matnewey	265,418	280,601
METS programs	196,913	306,997
Other government departments	411,761	378,994
Employees and other band members	116,436	123,484
Department of Fisheries and Oceans	583,391	175,569
Canada Mortgage and Housing Corporation	348,246	69,450
Gaming program	172,287	172,287
MRJJ Management Inc.	59,200	59,200
Amcrest Management Inc.	172,200	172,200
Unapproved transfers	307,000	307,000
Insurance proceeds	562,821	-
Health Canada	-	60,000
Leased licences - fisheries	50,748	40,000
Other	18,127	134,382
Wallace Hill Development Incorporated	535,336	416,586
	4,497,051	2,972,013
Allowance for doubtful accounts	(954,150)	(958,403)
	\$ 3,542,901	\$ 2,013,610

SIPEKNE'KATIK

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2018

8. Due from related parties

The First Nation advanced funds to related parties during the 2010-2011 year with the following amounts outstanding at March 31, 2018:

MRJJ Management Inc. - \$59,200
Amcrest Management Inc. - \$172,200
Wallace Hill Development Inc. - \$535,336
Total due from related parties - \$766,736

1. MRJJ Management Inc.

During July, 2009, certain members of Sipekne'katik Council formed a committee mandated to initiate and manage commercial development at Wallace Hill, HRM, which was to be added to the Sipekne'katik Reserve land. Following subsequent discussions with legal counsel, it was agreed that utilization of a company as a vehicle for leasing Reserve lands to private commercial interests was advisable.

As a result, MRJJ Management Inc. (MRJJ) was formed in January, 2010 by the committee. MRJJ is owned by the committee members; Michael P. Sack, Ronnie Augustine, Jerry F. Sack, and Jeff Hayes. Prior to being used as a development vehicle for the First Nation, the MRJJ shareholders were to execute fiduciary agreements where under they would hold their shares in trust for the First Nation members.

The primary purpose of MRJJ was, subject to other documents being finalized that would make it a fully Band controlled business, to be the designee of Wallace Hill Reserve lands for commercial development purposes. It was also intended, in the initial stages, to be the Band's proxy in negotiating commercial development opportunities and other aspects of development at Wallace Hill. Subsequently, Council decided not to utilize MRJJ for its original purpose.

The balances due from MRJJ are unsecured, non-interest bearing with no specific terms of repayment.

2. Amcrest Management Inc.

Amcrest Management Inc. is a company solely owned by the former Director of Finance. During the 2010-2011 year, funds were advanced to Amcrest from the MRJJ account as well as from various Band bank accounts. Total advances to Amcrest Management Inc. during that year totalled \$172,200.

The balances due from Amcrest Management Inc. are unsecured, non-interest bearing with no specific terms of repayment.

3. Wallace Hill Development Inc.

The balances due from Wallace Hill Development Inc. are unsecured, non-interest bearing with no specific terms of repayment.

SIPEKNE'KATIK

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2018

9. Cash / cheques written in excess of deposits

Under the terms of agreement with Canada Mortgage and Housing Corporation, Sipekne'katik must set aside funds annually for the anticipated repair, maintenance and replacement of assets under the Section 95 program. These funds are to be held in a separate bank account and invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as otherwise approved by the Canada Mortgage and Housing Corporation. Cash and cash equivalents are comprised of the following:

	2018	2017
Cash on hand	\$ 122,712	\$ 82,899
Cheques written in excess of deposits	(330,823)	(289,671)
Guaranteed Investment Certificates (GIC's)	2,521,209	1,481,425
Externally restricted CMHC reserve GIC	617,406	517,406
	<u>\$ 2,930,504</u>	<u>\$ 1,792,059</u>

10. Funds held in trust

Funds held in trust consist of forfeiture funds receivable through the Adult Diversion Program.

11. Debt reserve fund

As part of the loan agreement with First Nations Finance Authority, 5% of the loan balance is held on deposit in the Debt Reserve Fund.

12. Accounts payable

	2018	2017
Current		
Trade	\$ 1,683,430	\$ 1,237,173
Receiver General	8,271	46,849
Pension plan remittance	-	13,566
Worker's compensation	37,927	31,553
	<u>1,729,628</u>	<u>1,329,141</u>
Long term		
Trade accrued liabilities	3,282,581	3,282,581
	<u>\$ 5,012,209</u>	<u>\$ 4,611,722</u>

SIPEKNE'KATIK

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2018

13. Deferred revenue

	2018	2017
INAC - Water Tower Repairs	\$ 500,000	\$ -
INAC - Water Infrastructure - New Ross	43,400	-
INAC - Well Fencing	100,000	-
INAC - Diversion Centre	94,600	-
INAC - Economic Development Corporation - CEO	-	20,766
INAC - Immediate Needs - Renovations	167,000	150,000
INAC - Innovation - Housing Authority Feasibility	-	80,000
INAC - Cap Dev - Needs Assessment and Training	-	75,000
INAC - Capacity Development - Subdivision	-	45,283
INAC - Cap Dev - Mould, Pesticide and Pest Training	-	30,000
INAC - Capacity Development - Subdivision	50,000	-
INAC - Cultural Funding - Arbour	-	297,500
Health Canada - Aboriginal Head Start Building	749,010	100,000
Health Canada - Capital - Health Centre	-	10,000
Health Canada - Youth Solvent Abuse	83,479	-
Health Canada - Jordan's Principle	29,238	-
Province of NS - Strategic Opportunities	-	5,000
Wagmatcook Band Council - Give us Wings	-	7,000
Confederacy of Mainland Mi'kmaq	3,744	-
NS Health Authority - Food Bank Funding	-	2,650
NS Health Authority - All About Me	2,044	2,044
	\$ 1,822,515	\$ 825,243

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2018

14. Long-term debt

	2018	2017
Royal Bank of Canada Housing project mortgages due September 2019 to November 2020, bearing interest at 2.15% to 2.78%, payable in equal monthly amounts of principal and interest totaling \$3,157. Mortgages are guaranteed by the Minister of Indigenous and Northern Affairs Canada.	\$ 228,946	\$ 260,683
Canada Mortgage and Housing Corporation Housing project mortgages due September 2018 to May 2022, bearing interest at 0.90% to 2.04%, payable in equal monthly amounts of principal and interest totaling \$20,025. Mortgages are guaranteed by the Minister of Indigenous and Northern Affairs Canada.	2,708,778	2,623,233
GE Canada 6.75% loan, payable \$4,646 monthly including interest, due November 2018, secured by 2016 International truck and 2015 snow plow attachment	31,343	83,084
Caterpillar Financial Services Ltd. 5.55% loan, payable \$3,212 monthly including interest, due January 2018, secured by 2016 Caterpillar 420 Backhoe Loader	-	31,320
Royal Bank of Canada 4.20% loan, payable \$4,627 monthly including interest, due March 2022, secured by fisheries building	204,110	250,000
First Nations Finance Authority 3.35% loan, payable \$37,917 monthly including interest, due November 2022, secured by land and building	2,057,542	-
	5,230,719	3,248,320
Current portion	684,172	356,536
	\$ 4,546,547	\$ 2,891,784

SIPEKNE'KATIK

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2018

14. Long-term debt, continued

Approximate principal portion of long-term debt due within each of the next five years, assuming re-financing of the mortgages under similar terms, is as follows:

2018-19	\$ 684,172
2019-20	651,048
2020-21	670,369
2021-22	690,306
2022-23	591,551
2023 and thereafter	1,943,273
	<hr/>
	\$ 5,230,719

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2018

15. Tangible Capital Assets

	Balance, beginning of year	Additions	Balance, end of year	Cost of year	Balance, beginning of year	Amortization of year	Balance, end of year	2018 net book value
Land	\$ 252,956	\$ 1,027,686	\$ 1,280,642	\$ -	\$ -	\$ -	\$ -	\$ 1,280,642
Buildings	2,948,022	1,452,458	4,400,480	1,050,811	131,172	1,181,983	3,218,497	3,218,497
Vehicles	1,176,495	441,877	1,618,372	619,377	233,417	852,794	765,578	765,578
Band housing projects	15,495,943	893,116	16,389,059	8,186,825	387,783	8,574,608	7,814,451	7,814,451
Furniture and equipment	702,295	77,263	779,558	614,840	25,217	640,057	139,501	139,501
Community centre	2,958,266	-	2,958,266	2,718,042	48,045	2,766,087	192,179	192,179
Pump/gaming renovations	30,896	-	30,896	26,192	941	27,133	3,763	3,763
Community housing	2,371,070	-	2,371,070	1,450,721	92,035	1,542,756	828,314	828,314
Administration building	917,433	-	917,433	757,333	16,010	773,343	144,090	144,090
Health centre	873,671	-	873,671	648,007	22,566	670,573	203,098	203,098
P-12 school	7,137,737	-	7,137,737	2,638,748	224,949	2,863,697	4,274,040	4,274,040
Recreational facilities	246,593	-	246,593	130,203	11,639	141,842	104,751	104,751
Infrastructure	4,243,489	3,000	4,246,489	2,912,874	106,569	3,019,443	1,227,046	1,227,046
Public works dept	1,513,270	-	1,513,270	827,653	137,124	964,777	548,493	548,493
Roads	1,290,165	-	1,290,165	888,077	32,167	920,244	369,921	369,921
Fishing vessel	1,130,330	483,006	1,613,336	235,779	170,408	406,187	1,207,149	1,207,149
	\$ 43,288,631	\$ 4,378,406	\$ 47,667,037	\$ 23,705,482	\$ 1,640,042	\$ 25,345,524	\$ 22,321,513	\$ 22,321,513

SIPEKNE'KATIK

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2018

	Balance, beginning of year	Additions	Balance, end of year	Cost	Balance, beginning of year	Amortization of year	Balance, end of year	2017 Net book value
Land	\$ 189,275	\$ -	\$ 252,956	\$ -	\$ -	\$ -	\$ -	\$ 252,956
Buildings	2,002,610	-	2,948,022	982,806	68,005	1,050,811	1,897,211	1,897,211
Vehicles	654,042	522,453	1,176,495	519,085	100,292	619,377	557,118	557,118
Band housing projects	14,517,940	978,003	15,495,943	7,859,536	327,289	8,186,825	7,309,118	7,309,118
Furniture and equipment	702,295	-	702,295	592,976	21,864	614,840	87,455	87,455
Community centres	2,905,269	52,997	2,958,266	2,664,610	53,432	2,718,042	240,224	240,224
Pump/gaming renovations	30,896	-	30,896	25,016	1,176	26,192	4,704	4,704
Community housing	2,371,070	-	2,371,070	1,348,460	102,261	1,450,721	920,349	920,349
Administration building	917,433	-	917,433	739,544	17,789	757,333	160,100	160,100
Health centre	873,671	-	873,671	622,933	25,074	648,007	225,664	225,664
P-12 school	7,137,737	-	7,137,737	2,401,959	236,789	2,638,748	4,498,989	4,498,989
Recreational facilities	246,593	-	246,593	117,271	12,932	130,203	116,390	116,390
Infrastructure	4,243,489	-	4,243,489	2,797,168	115,706	2,912,874	1,330,615	1,330,615
Water system	1,513,270	-	1,513,270	656,249	171,404	827,653	685,617	685,617
Roads	1,290,165	-	1,290,165	853,113	34,964	888,077	402,088	402,088
Fishing vessel	771,725	358,605	1,130,330	141,200	94,579	235,779	894,551	894,551
	\$ 40,367,480	\$ 2,921,151	\$ 43,288,631	\$ 22,321,926	\$ 1,383,556	\$ 23,705,482	\$ 19,583,149	\$ 19,583,149

SIPEKNE'KATIK

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2018

16. Accumulated surplus

Effective March 31, 2014 any surpluses from the Education program greater than 1% of the education budget or \$50,000 are required to be externally restricted as agreed upon with Mi'kmaw Kina'matenewey. A formal plan detailing how these funds will be used must be submitted and approved by Mi'kmaw Kina'matnewey by August 31st of each year.

	2018	2017
Externally restricted - education (pg. 41)	\$ (358,341)	\$ (297,329)
Unrestricted	(408,435)	(1,786,307)
Investment in capital assets	17,090,794	16,334,829
	<u>\$ 16,324,018</u>	<u>\$ 14,251,193</u>

17. Annual Surplus Net of Capital Related Revenues and Amortization

	2018	2017
Annual surplus	\$ 2,072,825	\$ 2,516,438
Less capital related revenues included in annual surplus:		
Deduct: Federal government transfers for capital	(1,067,085)	(355,000)
Add: Amortization expense included in annual surplus	1,640,043	1,422,262
	<u>572,958</u>	<u>1,067,262</u>
Annual surplus net of capital related revenues and amortization	<u>\$ 2,645,783</u>	<u>\$ 3,583,700</u>

18. Comparative Amounts

Certain comparative amounts have been reclassified to conform with the presentation adopted in the current period. There have been no changes to the accumulated surplus balance due to these reclassifications.

SIPEKNE'KATIK

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2018

19. Due to minor band members

Annually from 2006 to 2011, Council approved Christmas bonuses of \$250 to be paid to each Band member. Band members are not entitled to receive their bonus until they attain the age of 18.

	2018	2017
Balance, beginning of year	\$ 705,758	\$ 786,758
Deduct: payments related to previous years	(54,000)	(81,000)
Balance, end of year	<u>\$ 651,758</u>	<u>\$ 705,758</u>

20. Economic Dependence

Sipekne'katik receives a significant portion of its revenue pursuant to a funding agreement with Indigenous and Northern Affairs Canada and other federal government agencies.

21. Contingent Liabilities

Sipekne'katik has entered into contribution agreements with various federal and provincial government partners. Funding received under these contribution agreements is subject to repayment if the First Nation fails to comply with the terms and conditions of the agreements. The likelihood of compliance reviews and any potential findings are not determinable as at the date on the auditor's report.

Subsidy assistance payments received through Canada Mortgage and Housing Corporation pursuant to Section 56.1 of the National Housing Act are subject to repayment if the First Nation fails to comply with the terms and conditions of the agreement. As at March 31, 2018, the First Nation has not fully complied with all the terms and conditions including its failure to calculate rent-to-income in accordance with subparagraph 2(5) of the Operating Agreement and its failure to maintain the required replacement reserve. To the best of management's knowledge, the entity will not have to repay any of the subsidy assistance payments received and thus, no amount has been recorded to reflect this potential liability.

In the normal course of its operations, the First Nation becomes involved in legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occurs or fail to occur. To the extent that the future event is likely to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded on the First Nation's financial statements. When the future event and/or ability to estimate involves more uncertainty, the action or claim is considered a contingent liability.

SIPEKNE'KATIK

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2018

22. Other Matters

As a result of financial concerns and irregularities, Chief and Council of Sipekne'katik engaged a firm to carry out a forensic audit, which commenced May, 2012.

In part, the firm reviewed certain financial transactions and in particular any that were not properly authorized, including but not limited to the following amounts included in Note 8:

Due from MRJJ Management Inc.	\$ 59,200
Due from Amcrest Management Inc.	172,200
Unapproved transfers	307,000

A settlement was reached with the First Nation's insurer in the amount of \$562,821 during May 2018 and has been recorded as a receivable as at March 31, 2018.

During the year, forfeiture funds totalling \$3,999 were received from the sale of two vehicles.

23. Expenses by object

	2018	2017
Wages and benefits	\$ 9,973,521	\$ 9,118,802
Tobacco shop	783,653	567,957
Fuel and tobacco purchases	8,546,955	7,653,330
Social program expenses	5,172,505	5,129,926
Health program expenses	649,826	672,142
Travel	143,159	118,981
Tuition	1,545,739	1,375,545
Supplies and services	2,551,012	2,688,694
Interest and bank charges	162,744	126,262
Professional services	1,256,695	687,177
Repairs	2,381,651	1,798,108
Other	4,287,320	4,292,970
Amortization	1,640,043	1,422,262
Forensic audit	28,228	6,256
Total	\$ 39,123,051	\$ 35,658,412

SIPEKNE'KATIK

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2018

24. Pension plan

The First Nation participates in an individual defined contribution pension plan for its employees. The plan is not mandatory and there is no required waiting period for permanent employees to enroll in the plan. The First Nation contributes amounts equal to the employee's contribution up to a maximum of 5.5% of the employee's gross earnings. Employer contributions, which are expensed in the period incurred, totalled \$111,219 (2017 - \$95,624) during the year.

25. Financial Instruments Risks and Uncertainties

The First Nation is exposed to the following risks in respect of certain of the financial instruments held:

Credit risk

The financial instruments that potentially subject the First Nation to a significant concentration of credit risk consist primarily of cash and accounts receivable.

The First Nation maintains cash balances with Canadian chartered banks which is insured by the Canada Deposit Insurance Corporation up to CDN \$100,000. From time to time, these balances exceed the federally insured limits and expose the First Nation to credit risk from concentration of cash. The First Nation limits this risk by transacting with reputable financial institutions.

The First Nation does have credit risk in accounts receivable \$3,542,901 (2017 - \$2,013,610). Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The First Nation reduces its exposure to credit risk by performing valuations on a regular basis and creating an allowance for bad debts when applicable. The First Nation derives substantially all of its revenues and therefore, accounts receivable, from government sources. In the opinion of management, the credit risk exposure to the First Nation is low and is not material.

Liquidity risk

The First Nation does have a liquidity risk in the accounts payable and accrued liabilities of \$5,012,209 (2017 - \$4,611,722). Liquidity risk is the risk that the First Nation cannot repay its obligations when they become due to its creditors. The First Nation reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due and maintains a responsible cash position.

Interest rate risk

At times, the First Nation may be exposed to interest rate risk. This risk exists due to interest rate exposure on certain term loans, which are variable based on the bank's prime rates. This exposure may have an effect on its interest expenses in future periods. The First Nation reduces its exposure to interest rate risk by regularly monitoring published bank prime interest rates which have been relatively stable over the period presented. There are some loans payable that are at fixed term rates and therefore, do not affect interest rate risk. The First Nation does not use derivative instruments to reduce its exposure to interest rate risk. In the opinion of management the interest rate risk exposure to the First Nation is low and is not material.

SIPEKNE'KATIK

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2018

26. Budgeted figures

Unaudited budgeted figures have been provided for comparison purposes and have been derived from the estimates approved by the Chief and Council.

SIPEKNE/KATIK

CONSOLIDATED SUMMARY SCHEDULE OF OPERATIONS BY PROGRAM

FOR THE YEAR ENDED MARCH 31, 2018

Page	INAC Funds	Other Revenue	Total Revenue	Cost of Goods		Total Expenditures	Other items	Surplus (Deficit)
				Sold				
23	\$ 5,804,879	\$ (333,320)	\$ 5,471,559	\$ -	\$ -	\$ 5,471,559	\$ -	\$ -
24	849,014	1,203,559	2,052,573	-	-	2,278,096	-	(225,523)
25	-	7,676,785	7,676,785	-	-	7,742,886	-	(66,101)
26	347,989	55,526	403,515	-	-	1,200,510	-	(796,995)
27	1,527,156	159,301	1,686,457	-	-	2,235,977	-	(549,520)
28	302,365	5,283	307,648	-	-	472,266	-	(164,618)
29	-	1,690,235	1,690,235	-	-	1,606,313	-	83,922
30	82,940	824,181	907,121	-	-	1,017,281	-	(110,160)
31	-	5,072,947	5,072,947	-	-	1,786,285	-	3,286,662
32	-	8,698,694	8,698,694	6,719,824	-	885,024	-	1,093,846
33	-	4,045,899	4,045,899	-	-	2,470,385	-	1,575,514
34	167,000	958,171	1,125,171	-	-	2,118,226	-	(993,055)
35	-	2,057,274	2,057,274	1,827,131	-	185,840	-	44,303
Totals	\$ 9,081,343	\$ 32,114,535	\$ 41,195,878	\$ 8,546,955	\$ -	\$ 29,470,648	\$ (1,105,450)	\$ 2,072,825

The accompanying notes are an integral part of the financial statements

SIPEKNE'KATIK
SOCIAL DEVELOPMENT
CONSOLIDATED SCHEDULE OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2018

	2018 Budget	2018 Actual	2017 Actual
Revenue			
INAC Income assistance	\$ 5,470,181	\$ 5,525,353	\$ 5,470,181
INAC Assisted living	276,735	279,526	276,735
Transfer to band administration	-	(333,320)	(366,750)
	5,746,916	5,471,559	5,380,166
Expenditures			
Basic needs	4,635,000	4,909,884	4,878,627
Wages and benefits	186,100	180,699	180,009
Special needs	170,000	154,621	160,661
Rent transferred to housing projects, Sch. 12	200,000	108,000	90,638
Assisted living	276,735	87,522	46,847
Interest and bank charges	15,000	21,549	18,654
Travel	2,600	6,464	2,512
Office and administration	8,500	2,820	2,218
	5,493,935	5,471,559	5,380,166
Surplus	\$ 252,981	\$ -	\$ -

The accompanying notes are an integral part of the financial statements

SIPEKNE'KATIKBAND ADMINISTRATION
CONSOLIDATED SCHEDULE OF OPERATIONSFOR THE YEAR ENDED MARCH 31, 2018

	2018 Budget	2018 Actual	2017 Actual
Revenue			
INAC Band support	\$ 642,610	\$ 747,474	\$ 642,610
Transfer from Social Development	-	333,320	366,750
INAC - 1919 Land Claim	-	258,816	-
Health Administration Fees	143,056	166,191	144,583
Governance recovery from LSK	151,132	151,042	149,371
Band support recovery from LSK	89,458	89,458	81,500
Settlement Funds	-	75,000	-
INAC Registration and membership	67,361	68,040	67,361
Province of NS - Consultation	-	60,000	90,000
Miscellaneous	4,000	44,430	32,776
INAC P&ID	-	31,250	79,625
Canadian Environmental Assessment Agency	-	21,303	30,625
Forfeiture Funds	-	3,999	-
INAC - (Natural Resources Canada)	-	2,250	6,750
Adult diversion proceeds	-	-	133,115
FNFMB	-	-	7,500
INAC - (Transport Canada)	-	-	6,000
INAC - (Department of Fisheries and Oceans)	-	-	6,000
	1,097,617	2,052,573	1,844,566
Expenditures			
Wages and benefits	1,156,500	1,113,071	1,077,347
1919 land claim expenses	75,000	258,816	57,336
Legal costs	225,000	240,111	198,429
Consultation	244,500	213,433	291,912
Office and administration	119,000	109,908	156,794
Other Council expenses	93,000	106,828	114,153
Interest and bank charges	28,000	56,794	30,212
Audit fees	50,000	45,000	30,000
Band membership	43,225	41,299	29,536
External accounting	18,000	19,250	18,000
Travel	12,000	18,172	10,649
HST recovery commission	-	17,078	12,090
Telecommunications	19,000	14,536	17,597
Insurance	11,000	10,882	11,091
Consulting	-	8,069	1,500
Annual general assembly	10,000	4,602	6,170
Professional development	12,000	4,499	5,043
Consulting - P&ID	-	-	85,000
Election	-	-	28,584
Security alarm	25,000	-	-
Bad debt recovery	-	(4,252)	-
	2,141,225	2,278,096	2,181,443
Deficit	\$ (1,043,608)	\$ (225,523)	\$ (336,877)

The accompanying notes are an integral part of the financial statements

SIPEKNE'KATIKEDUCATION
CONSOLIDATED SCHEDULE OF OPERATIONSFOR THE YEAR ENDED MARCH 31, 2018

	2018	2018	2017
	Budget	Actual	Actual
Revenue			
Mi'kmaw Kina'matneway	\$ 6,935,852	\$ 7,119,567	\$ 6,817,643
MK - Special Needs Proposal	-	245,015	217,853
MK - Cultural	-	213,488	224,217
MK - Math Enhancement	-	45,000	42,000
Cultural Education Centres Program	-	15,700	15,700
Other revenue	12,000	14,710	53,976
MK - Substitute reimbursements, Treaty Day and Other	-	12,466	13,107
MK - Red Road	-	10,839	10,855
INAC - Cultural and Pow Wow Arbour	-	-	297,500
MK - L'nutaqn / Stories of Our Past	-	-	20,000
MK - Finding Your Inspiration	-	-	2,500
MK - Cooling System	486,000	-	-
Deferred revenue - prior year	295,000	-	-
Deferred revenue - current year	-	-	(297,500)
	7,728,852	7,676,785	7,417,851
Expenditures			
Wages and benefits	2,829,000	2,178,962	2,009,186
Post secondary tuition	621,069	799,880	682,821
Special education	360,300	762,042	893,373
Post secondary allowances and books	621,070	745,859	692,724
Sports and recreation	466,400	536,989	409,249
Operations and maintenance	407,440	385,144	369,266
Daily transportation	355,532	376,060	332,059
Cafeteria, breakfast and lunch programs	263,100	331,098	257,322
Band school operations	290,078	280,558	253,030
Special needs proposal	-	245,015	140,076
Cultural	-	220,497	-
New paths	121,802	170,973	145,358
Governance	151,132	151,042	149,371
Information technology	118,450	113,588	13,414
Academic incentives	99,000	109,565	94,424
Education band support	89,458	89,458	81,500
Guidance and counselling	91,230	84,673	79,772
Student supplies	78,000	77,476	78,050
Math tutor	47,850	46,873	47,593
Cultural Education Centre Program expenses	-	15,700	15,700
Red Road project	-	10,947	12,016
Post secondary travel	9,000	8,487	8,852
Treaty Day	-	2,000	2,400
Wages and benefits - enhanced teacher salary	-	-	81,277
L'nutaqn / Stories of Our Past	-	-	20,000
Finding Your Inspiration	-	-	3,450
	7,019,911	7,742,886	6,872,283
Surplus (deficit)	\$ 708,941	\$ (66,101)	\$ 545,568

The accompanying notes are an integral part of the financial statements

SIPEKNE'KATIKCAPITAL AND HOUSING
CONSOLIDATED SCHEDULE OF OPERATIONSFOR THE YEAR ENDED MARCH 31, 2018

	2018 Budget	2018 Actual	2017 Actual
Revenue			
INAC Other Capital	\$ 344,513	\$ 347,989	\$ 344,513
Administration income CMHC housing projects	-	42,000	42,000
Other Revenue	-	11,026	-
Confederacy of Mainland Mi'kmaq	-	2,500	-
Canada Mortgage and Housing Corporation	-	-	300
	344,513	403,515	386,813
Expenditures			
Housing repairs and renovations	355,600	599,144	502,735
Wages and benefits	351,100	363,785	373,868
Insurance	125,000	169,285	159,359
Utilities and fuel	38,900	20,186	25,638
Office expenses	11,800	19,536	10,253
Travel	6,000	14,124	13,604
Equipment purchase / lease	6,000	10,182	13,622
Telecommunications and security	9,600	4,268	11,420
	904,000	1,200,510	1,110,499
Deficit	\$ (559,487)	\$ (796,995)	\$ (723,686)

The accompanying notes are an integral part of the financial statements

SIPEKNE'KATIKOPERATING AND MAINTENANCE
CONSOLIDATED SCHEDULE OF OPERATIONSFOR THE YEAR ENDED MARCH 31, 2018

	2018 Budget	2018 Actual	2017 Actual
Revenue			
INAC Emergency drinking water	\$ -	\$ 643,400	\$ -
INAC Other Capital	344,514	347,988	344,514
O&M Recovery from LSK	407,440	305,580	402,836
INAC Facilities O&M	291,775	294,718	291,775
Atlantic Canada Opportunities Agency	-	194,595	-
INAC Water systems	25,200	100,067	25,200
INAC Community Diversion Centre	-	94,600	-
Rental income	49,337	36,476	34,337
Insurance proceeds	-	35,150	-
INAC Fire protection	-	28,832	-
Other revenue	-	28,000	6,000
INAC Water tower assessment	-	17,551	-
INAC Emergency response	-	-	590,712
Province of Nova Scotia	-	-	9,658
Deferred revenue - prior year	-	297,500	-
Deferred revenue - current year	-	(738,000)	-
	1,118,266	1,686,457	1,705,032
Expenditures			
Wages and benefits	513,300	509,924	490,754
Road maintenance and snow plowing	313,000	196,496	77,885
Garbage collection and recycling program	271,600	266,650	243,278
Water and sanitation	160,800	226,020	187,028
Repairs and maintenance	173,000	186,028	246,059
Security wages and benefits	170,000	172,699	204,187
Heavy equipment	147,950	234,501	176,350
Fire protection	100,000	132,387	111,870
Heat and power	165,000	128,273	171,103
Insurance	80,000	101,823	96,606
Consulting	-	20,337	11,622
Water tower assessment	-	17,551	-
Travel	24,400	16,919	11,051
Street lighting	23,000	15,886	19,306
Training	4,000	7,993	3,442
Oil spill clean-up	-	2,490	693,455
Salt shed construction	-	-	9,651
	2,146,050	2,235,977	2,753,647
Deficit	\$ (1,027,784)	\$ (549,520)	\$ (1,048,615)

The accompanying notes are an integral part of the financial statements

SIPEKNE'KATIKECONOMIC DEVELOPMENT
CONSOLIDATED SCHEDULE OF OPERATIONSFOR THE YEAR ENDED MARCH 31, 2018

	2018	2018	2017
	Budget	Actual	Actual
Revenue			
Indigenous and Northern Affairs Canada	\$ 154,851	\$ 156,211	\$ 154,651
INAC - Wallace Hill Feasibility Study	44,986	69,784	-
INAC - Land feasibility study and environmental assessment	45,283	50,000	45,283
INAC - Land management allocation	-	14,470	14,470
INAC - Branding	8,500	11,900	-
INAC - Economic Development Corporation	83,066	-	20,766
INAC - Infrastructure Assessment - Hammonds Plains	-	-	11,200
Province of NS - Strategic Opportunities	-	-	5,000
INAC - 5 Year Strategy	44,988	-	-
Deferred revenue - prior year	-	55,283	-
Deferred revenue - current year	-	(50,000)	(71,049)
	381,674	307,648	180,321
Expenditures			
Capacity Development - subdivision and flood mitigation planning	173,489	118,349	-
Wallace Hill feasibility study	89,973	99,692	-
Animal control	63,750	63,750	67,000
Land use	60,151	56,465	52,974
Wages and benefits	190,025	50,340	78,511
Consulting	89,975	37,814	14,000
Ec Dev Corp branding	17,000	17,000	-
Craft contributions	15,000	16,806	15,367
Business development	15,000	14,622	11,455
Ec Dev Corp board member recruitment	-	9,999	-
Small ventures	5,000	7,042	4,750
Office expenses	22,108	2,627	866
Travel	10,700	978	4,006
Professional development	3,000	310	1,192
Wallace Hill (income)/loss	-	(23,528)	(8,948)
	755,171	472,266	241,173
Deficit	\$ (373,497)	\$ (164,618)	\$ (60,852)

The accompanying notes are an integral part of the financial statements

SIPEKNE'KATIKCOMMUNITY HEALTH
CONSOLIDATED SCHEDULE OF OPERATIONSFOR THE YEAR ENDED MARCH 31, 2018

	2018	2018	2017
	Budget	Actual	Actual
Revenue			
Health Canada	\$ 1,430,558	\$ 1,654,411	\$ 1,445,823
Health Canada - Aboriginal Head Start Building	50,000	750,000	100,000
Health Canada - Capital	-	20,200	10,000
Other	-	17,351	30,804
Deferred revenue - prior year	-	110,000	-
Deferred revenue - current year	-	(861,727)	(110,000)
	1,480,558	1,690,235	1,476,627
Expenditures			
Home and community care	315,774	355,368	400,474
Community health promotion	233,824	240,839	233,824
National native alcohol and drug abuse program	196,397	210,289	197,897
Building healthy communities - mental health	117,812	121,625	117,812
Brighter futures	117,381	120,902	117,381
Planning/quality management	112,979	116,368	113,022
Aboriginal head start	71,649	71,649	71,649
Operations and maintenance	54,670	71,459	82,976
Maternal child health	49,954	49,954	49,954
Aboriginal diabetes initiative	42,313	47,313	49,779
Prenatal nutrition	36,932	38,040	36,932
Building healthy communities - solvent abuse	24,375	31,627	24,375
Jordan's Principle	-	24,211	-
National aboriginal youth suicide prevention strategy	23,871	23,871	23,871
Health centre drainage	-	20,200	-
Drinking water safety	15,501	15,501	14,266
Oral health	14,526	14,526	14,526
Health centre renovations	-	10,000	-
Primary Health Care Program	-	7,701	30,804
Give Us Wings	-	7,000	-
Insurance	2,600	2,720	2,773
Food bank	-	2,650	-
HIV/AIDS program	-	1,000	1,000
Targeted immunization strategy	-	1,000	-
Communicable disease control	-	500	2,100
National anti-drug strategy	-	-	8,000
Headstart Feasibility	50,000	-	-
	1,480,558	1,606,313	1,593,415
Surplus (deficit)	\$ -	\$ 83,922	\$ (116,788)

The accompanying notes are an integral part of the financial statements

SIPEKNE'KATIKEMPLOYMENT TRAINING
CONSOLIDATED SCHEDULE OF OPERATIONSFOR THE YEAR ENDED MARCH 31, 2018

	2018		2018		2017
	Budget		Actual		Actual
Revenue					
INAC Summer work experience	\$ 48,429	\$	82,940	\$	48,429
Mi'kmaq Employment Training Secretariat	747,577		737,872		714,419
Daycare service	35,000		40,217		34,690
METS - Other	-		36,420		-
Other	-		9,672		6,989
METS - New Wings	-		-		122,947
METS - Asbestos and Capital	-		-		122,505
	831,006		907,121		1,049,979
Expenditures					
Mi'kmaq Employment Training Secretariat programs	557,610		605,535		484,021
Child care initiative	247,100		244,987		233,616
Summer student wages and benefits	48,429		84,554		48,429
Native employment	61,960		79,206		78,710
Adult learning program	-		1,623		6,078
Summer camp and lawn maintenance	-		1,376		1,521
Asbestos and capital projects	-		-		124,213
New wings project	-		-		76,141
	915,099		1,017,281		1,052,729
Deficit	\$ (84,093)	\$	(110,160)	\$	(2,750)

The accompanying notes are an integral part of the financial statements

SIPEKNE'KATIKGAMING
CONSOLIDATED SCHEDULE OF OPERATIONSFOR THE YEAR ENDED MARCH 31, 2018

	2018	2018	2017
	Budget	Actual	Actual
Revenue			
Gaming commissions - Hammonds Plains VLTs	\$ 2,100,000	\$ 2,635,672	\$ 2,316,126
Gaming commissions - Gas Bar #2	1,200,000	1,367,736	1,249,111
Gaming commissions - Water Gate	520,000	511,574	546,593
Gaming commissions - Gas Bar #1	280,000	214,404	285,616
Province of Nova Scotia gaming agreement	240,000	306,864	269,620
Other revenue	33,500	36,697	34,537
	4,373,500	5,072,947	4,701,603
Expenditures			
Wages and benefits	685,500	639,169	661,675
Atlantic Lottery Corporation commissions	623,500	619,790	619,789
Security wages	183,300	247,544	185,094
Rent	120,000	120,000	120,000
Materials, maintenance and supplies	81,700	79,937	70,404
Heat and lights	27,300	31,286	33,790
Cash short	-	13,486	4,339
Interest and bank charges	10,100	11,848	10,344
Advertising	18,400	10,574	8,930
Telephone and internet	13,200	9,162	7,973
Travel	4,100	3,489	2,194
	1,767,100	1,786,285	1,724,532
Surplus	\$ 2,606,400	\$ 3,286,662	\$ 2,977,071

The accompanying notes are an integral part of the financial statements

SIPEKNE'KATIK
TOBACCO STORE
CONSOLIDATED SCHEDULE OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2018

	2018	2018	2017
	Budget	Actual	Actual
Revenue			
Tobacco sales	\$ 7,900,000	\$ 8,698,694	\$ 8,108,413
Cost of goods sold	6,300,000	6,719,824	6,332,250
Gross profit	1,600,000	1,978,870	1,776,163
Expenditures			
Donations to senior assistance	360,000	362,793	310,169
Donations to band members	203,900	276,164	221,970
Ball field	25,000	85,184	-
Wages and benefits	89,100	82,763	83,325
Bass derby/Pow Wow/Cultural	82,500	36,262	35,818
Security alarms	-	23,250	-
Bank charges	7,500	7,731	6,252
Office	22,800	5,718	5,310
Consulting	-	5,159	-
	790,800	885,024	662,844
Surplus	\$ 809,200	\$ 1,093,846	\$ 1,113,319

The accompanying notes are an integral part of the financial statements

SIPEKNE'KATIKFISHERIESCONSOLIDATED SCHEDULE OF OPERATIONSFOR THE YEAR ENDED MARCH 31, 2018

	2018 Budget	2018 Actual	2017 Actual
Revenue			
Lobster	\$ 1,904,000	\$ 2,109,859	\$ 1,809,587
Snow crab	825,000	881,795	881,981
Department of Fisheries and Oceans (AICFI)	-	583,391	342,009
Lobster - leases	260,000	347,000	321,500
Scallops	135,000	117,020	197,400
Swordfish	35,000	5,856	33,845
Other	10,000	978	18,570
	3,169,000	4,045,899	3,604,892
Expenditures			
Band owned boats - Lobster	887,700	1,256,033	947,551
Band owned boat - Snow Crab	230,600	202,091	195,248
Community member disbursements	310,000	431,204	314,550
Wages and benefits - Lobster	258,000	150,120	195,377
AICFI wages	141,300	134,144	101,977
Fisheries building	24,100	90,995	26,977
Traps, buoys, ropes	-	64,724	13,279
Travel	15,000	51,427	32,294
Office and supplies	11,800	29,541	14,004
Professional development	4,000	24,475	33,813
Food Fisheries	-	13,642	14,264
Bank charges and interest on long term debt	500	9,944	1,393
Swordfish expenses	7,500	8,161	22,350
Employee testing	2,000	1,713	2,077
Weir	200,000	1,623	-
Vehicle rental	-	548	3,125
	2,092,500	2,470,385	1,918,279
Surplus	\$ 1,076,500	\$ 1,575,514	\$ 1,686,613

The accompanying notes are an integral part of the financial statements

SIPEKNE'KATIK
HOUSING PROJECTS
CONSOLIDATED SCHEDULE OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2018

	2018	2018	2017
	Budget	Actual	Actual
Revenue			
CMHC - RRAP revenue	\$ -	\$ 348,487	\$ 268,300
INAC - Immediate Needs - Renovations	150,000	167,000	150,000
Canada Mortgage and Housing Corporation subsidies	167,000	159,691	167,773
CMHC - Enhanced Assistance	130,000	129,993	129,936
Rental Income	85,000	108,000	90,639
CMHC - HIIFNIY	-	44,000	28,800
Insurance proceeds	-	-	139,617
INAC - Innovation - Housing Authority Feasibility	80,000	-	80,000
INAC - Cap Dev - Training and Needs Assessment	75,000	-	75,000
INAC - Cap Dev - Mould, Pesticide and Pest Training	30,000	-	30,000
Deferred revenue - prior year	-	335,000	-
Deferred revenue - current year	-	(167,000)	(335,000)
	717,000	1,125,171	825,065
Expenditures			
RRAP renovations	-	726,309	268,300
Enhanced Assistance	250,000	390,061	278,341
Immediate needs - renovations	250,000	340,419	-
Capacity Development - training & needs assessment	257,000	199,740	-
Repairs and maintenance	95,000	176,480	83,813
Innovation - housing authority feasibility	80,000	80,000	-
CMHC - HIIFNIY	-	59,344	33,688
Insurance	45,000	55,417	50,678
Interest on long-term debt	88,000	43,456	49,237
Utilities and administration	-	42,000	42,000
Professional fees	-	5,000	5,000
Loss due to fire	-	-	76,293
	1,065,000	2,118,226	887,350
Deficit	\$ (348,000)	\$ (993,055)	\$ (62,285)

The accompanying notes are an integral part of the financial statements

SIPEKNE'KATIKGAS BARCONSOLIDATED SCHEDULE OF OPERATIONSFOR THE YEAR ENDED MARCH 31, 2018

	2018 Budget	2018 Actual	2017 Actual
Revenue			
Fuel sales	\$ 1,100,000	\$ 1,538,500	\$ 1,038,336
Tobacco sales	370,000	458,774	395,186
Rent charged to Gaming	60,000	60,000	60,000
	1,530,000	2,057,274	1,493,522
Cost of goods sold - fuel	1,075,000	1,439,222	990,193
Cost of goods sold - tobacco	300,000	387,909	330,887
	1,375,000	1,827,131	1,321,080
Gross profit	155,000	230,143	172,442
Expenditures			
Wages and benefits	174,350	151,886	164,558
Utilities and telephone	10,450	10,310	11,648
Interest and bank charges	7,750	10,043	9,009
Travel	3,300	4,544	3,592
Computer software and office	5,900	3,935	3,693
Garbage and waste removal	3,000	3,178	2,734
Repairs and maintenance	7,200	1,944	2,862
Cash short	-	-	107
	211,950	185,840	198,203
Surplus (deficit)	\$ (56,950)	\$ 44,303	\$ (25,761)

The accompanying notes are an integral part of the financial statements

SPEKNEKATIK

SCHEDULES TO CONSOLIDATED FINANCIAL STATEMENTS

INAC BLOCK FIXED AND SET FUNDING AND EXPENDITURES

YEAR ENDED MARCH 31, 2018

Expense type	Funding amount	Deferred rev. opening	Deferred rev. closing	Net funding amount	Basic Needs	Wages and benefits	Legal and Consulting	Office and Admin	Prof. fees	Travel and training	Repairs and Maint.	Materials, Equipment	Insurance	Interest and Charges	Telephone and Internet	Utilities	Garbage Collection	Heavy Equipment	Fire Protection	Other	Total expenses	Capital Addition	Surplus (deficit)	
Income assistance (block), sch.1	5,525,353	-	-	5,525,353	5,172,505	180,699	-	2,820	-	6,464	-	-	-	21,549	-	-	-	-	-	333,320	5,717,287	-	(192,004)	
Assisted living (block), sch.1	279,526	-	-	279,526	87,522	-	-	-	-	22,671	-	-	-	56,794	14,536	-	-	-	-	(333,320)	87,522	-	192,004	
Indian government support (block), sch.2	649,091	-	-	649,091	1,014,688	40,392	248,180	217,086	81,328	4,380	-	-	10,882	-	-	-	-	-	-	-	1,332,845	-	(683,754)	
Membership (block), sch.2	68,040	-	-	68,040	-	-	-	907	-	-	-	-	-	-	-	-	-	-	-	-	41,299	-	26,741	
Capital (block), sch.4 & 5	695,977	-	-	695,977	873,217	73,124	30,337	19,536	-	28,649	1,015,276	10,182	239,990	-	4,268	164,345	266,650	234,501	-	-	2,856,614	-	(2,160,637)	
Facilities O&M (block), sch.5	294,718	-	-	294,718	73,124	-	10,387	10,047	-	10,387	165,599	17,915	31,118	313	3,028	-	-	-	-	-	329,848	-	(35,150)	
Economic development (block), sch.6	156,211	-	-	156,211	50,340	-	2,627	-	-	1,288	-	-	-	-	-	-	-	-	-	78,692	170,761	-	(14,550)	
Block Subtotal	7,668,916	-	-	7,668,916	5,260,027	2,232,460	306,331	253,023	81,328	69,459	1,178,875	28,097	281,990	78,656	21,832	164,345	266,650	234,501	-	78,692	10,536,266	-	(2,867,350)	
Summer work experience (fixed)	82,940	-	-	82,940	-	84,554	-	-	-	4,380	-	-	-	-	17	-	-	-	-	1,340	84,554	-	(1,614)	
Land mgmt capacity (fixed), sch.6	14,470	-	-	14,470	-	46,222	-	4,506	-	-	-	-	-	-	-	-	-	-	-	-	56,465	-	(41,995)	
Ex dev opport (fixed)	69,784	-	-	69,784	-	99,692	17,000	-	-	-	-	-	-	-	-	-	-	-	-	-	99,692	-	(29,908)	
Ex dev opport (fixed)	11,900	-	-	11,900	-	100,067	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100,067	-	(5,100)	
Water O&M (fixed), sch.5	100,067	-	-	100,067	-	100,067	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100,067	-	-	
Fire protection (fixed)	28,832	-	-	28,832	-	-	-	-	-	-	-	-	-	-	-	-	-	-	132,387	-	132,387	-	(103,555)	
Immediate Needs - Renovations	150,000	-	-	150,000	-	-	-	-	-	-	340,419	-	-	-	-	-	-	-	-	-	340,419	-	(190,419)	
Innovation - Housing Authority Feasibility	80,000	-	-	80,000	-	-	80,000	-	-	-	-	-	-	-	-	-	-	-	-	-	80,000	-	-	
Capacity - Needs Assessment and Training	105,000	-	-	105,000	-	-	190,241	-	-	9,500	-	-	-	-	-	-	-	-	-	-	199,741	-	(94,741)	
A&C water (fixed)	21,000	-	(21,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
FNWWAP water (fixed)	22,400	-	(22,400)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
FNWWAP water (fixed)	100,000	-	(100,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Division centre	94,600	-	(94,600)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Final Subtotal	545,993	335,000	(238,000)	642,993	-	239,843	386,933	4,506	-	13,880	340,419	-	-	-	17	-	-	-	132,387	1,340	1,110,325	-	(467,332)	
Cultural - Artour	-	297,500	-	297,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(530,059)	-	(232,559)
Capacity Development - Subdivision	-	45,283	-	45,283	-	-	118,249	-	-	-	-	-	-	-	-	-	-	-	-	-	118,249	-	(73,066)	
Ex dev opport	-	5,000	-	5,000	-	-	17,551	-	-	-	-	-	-	-	-	-	-	-	-	-	9,999	-	(4,999)	
A&C water (flexible)	17,551	-	-	17,551	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17,551	-	-	
FNWWAP water (flexible)	500,000	-	(500,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Land feasibility and environmental assessment	50,000	-	(50,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Major renos, extensions & repair (flexible)	67,000	-	(67,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Renovations and additions (flexible)	100,000	-	(100,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Flexible subtotal	734,551	347,783	(717,000)	365,334	-	-	145,899	-	-	-	-	-	-	-	-	-	-	-	-	-	145,899	(530,059)	(310,624)	
Band support funding (grant)	98,383	-	-	98,383	-	98,383	-	-	-	-	-	-	-	-	-	-	-	-	-	-	98,383	-	-	
Grant subtotal	98,383	-	-	98,383	-	98,383	145,899	-	-	-	-	-	-	-	-	-	-	-	-	-	244,282	-	-	
Gov corp dev (set), sch.2	31,250	-	-	31,250	-	54,923	149,543	273	-	6,444	-	-	-	-	-	-	-	-	-	-	211,883	-	(179,933)	
Set Subtotal	31,250	-	-	31,250	-	54,923	149,543	273	-	6,444	-	-	-	-	-	-	-	-	-	-	211,883	-	(179,933)	
Nat. Res Canada (set), sch.2	2,250	-	-	2,250	-	2,250	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,250	-	-	
Set Subtotal	2,250	-	-	2,250	-	2,250	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,250	-	-	
Totals	9,081,343	682,783	(955,000)	8,809,126	5,260,027	2,518,226	990,956	257,802	81,328	89,783	1,519,294	28,097	281,990	78,656	21,849	164,345	266,650	234,501	132,387	80,032	12,250,205	(530,059)	(3,825,239)	

SIPEKNEKATIK

SCHEDULES TO CONSOLIDATED FINANCIAL STATEMENTS

HEALTH CANADA FLEXIBLE AND SET FUNDING AND EXPENDITURES

YEAR ENDED MARCH 31, 2018

Expense type	Funding amount	Deferred rev. opening	Deferred rev. closing	Net funding amount	Wages and benefits	Insurance	Travel	Training & prof dev	Repairs & maint.	Telephone & utilities	Office and supplies	Program Supplies	Admin fees	Misc & other	Total expenses	Surplus (deficit)
Funding description																
Can Pren'l NutrProg (flex), sch.7	38,040	-	-	38,040	-	-	1,771	-	-	-	751	31,714	3,804	-	38,040	-
Mat Child Health (flex), sch.7	49,954	-	-	49,954	43,728	-	520	525	-	-	-	186	4,995	-	49,954	-
Child Oral Health Init (flex), sch.7	14,526	-	-	14,526	-	-	-	-	-	-	-	13,073	1,453	-	14,526	-
Abor HeadStart Res. (flex), sch.7	71,649	-	-	71,649	43,604	-	2,093	-	-	2,858	1,061	7,583	7,165	7,285	71,649	-
Bldg Hlthy Comm (flex), sch.7	121,346	-	-	121,346	3,671	-	2,827	-	-	-	186	102,807	12,135	-	121,625	(279)
Brighter Futures (flex), sch.7	120,902	-	-	120,902	52,062	-	2,779	-	-	-	-	53,971	12,090	-	120,902	-
Suicide Prevention (flex), sch.7	23,871	-	(83,479)	23,871	-	-	3,681	-	-	-	-	17,803	2,387	-	23,871	-
Youth Slvnt Abuse Prog (flex), sch.7	115,106	-	-	115,106	-	-	-	-	-	-	-	20,116	11,511	-	31,627	-
Abor Diabetes Init Amend. 0005 (flex), sch.7	42,813	-	-	42,813	28,915	-	975	-	-	-	-	8,192	4,731	-	42,813	-
Abor Diabetes Init Amend. 0010 (flex), sch.7	4,500	-	-	4,500	-	-	-	-	-	-	-	4,500	-	-	4,500	-
Pub Health NS & CHR's (flex), sch.7	240,839	-	-	240,839	190,334	-	3,419	1,418	-	2,232	8,005	11,347	24,084	-	240,839	-
Imm. Prev Prom & Edu (flex), sch.7	1,000	-	-	1,000	-	-	-	-	-	-	-	1,000	-	-	1,000	-
CD Infection Prev&Control (flex), sch.7	500	-	-	500	-	-	-	-	-	-	-	500	-	-	500	-
HIV/AIDS Prev Prom & Edu (flex), sch.7	1,000	-	-	1,000	-	-	-	-	-	-	-	1,000	-	-	1,000	-
Health Plan Mgmt (flex), sch.7	116,368	-	-	116,368	89,266	-	-	-	-	12,774	2,692	-	11,637	-	116,368	-
JP AHSOR Amend. 0012 (flex), sch.7	37,969	-	(29,238)	8,731	3,387	-	-	-	-	-	-	-	5,344	-	8,731	-
JP AHSOR Amend. 0000 (flex), sch.7	15,480	-	-	15,480	13,722	-	-	-	-	-	-	1,758	-	-	15,480	-
Capital Investments Amend. 0010 (flex), sch.7	750,000	100,000	(749,010)	100,990	-	-	-	-	-	-	-	-	-	-	-	100,990
Capital Investments Amend. 0000 (flex), sch.7	20,200	10,000	-	30,200	-	-	-	-	29,200	-	-	-	1,000	-	30,200	-
Comm Facilities O&M (flex), sch.7	54,670	-	-	54,670	33,818	-	-	-	11,598	16,532	1,198	2,846	5,467	-	71,459	(16,789)
Flexible Subtotal	1,840,733	110,000	(861,727)	1,089,006	502,507	-	18,065	1,943	40,798	34,396	13,893	278,396	107,803	7,285	1,005,084	83,922
NNADAP (set), sch.7	202,289	-	-	202,289	76,432	-	2,493	-	-	2,666	-	99,669	21,029	-	202,289	-
CDSS Amend. 0010 (set), sch.7	4,000	-	-	4,000	4,000	-	-	-	-	-	-	-	-	-	4,000	-
CDSS Amend. 0012 (set), sch.7	4,000	-	-	4,000	4,000	-	-	-	-	-	-	-	-	-	4,000	-
Drink Water & Wastewater (set), sch.7	15,501	-	-	15,501	-	-	6,211	-	-	-	-	7,740	1,550	-	15,501	-
HCC Service Del (set), sch.7	358,088	-	-	358,088	298,389	2,720	1,918	650	-	-	-	18,602	35,809	-	358,088	-
Set Subtotal	583,878	-	-	583,878	382,821	2,720	10,622	650	-	2,666	-	126,011	58,388	-	583,878	-
Totals	2,424,611	110,000	(861,727)	1,672,884	885,328	2,720	28,687	2,593	40,798	37,062	13,893	404,407	166,191	7,285	1,588,962	83,922

SIPEKNE'KATIK

SCHEDULES TO CONSOLIDATED FINANCIAL STATEMENTS

GOVERNMENT TRANSFERS

YEAR ENDED MARCH 31, 2018

	2018	2018	2018
	Operating	Capital	Total
Direct Federal government transfers:			
Indigenous and Northern Affairs Canada	8,783,843	297,500	9,081,343
INAC - other	258,816	-	258,816
Health Canada	1,553,421	100,990	1,654,411
Department of Fisheries and Oceans	109,391	474,000	583,391
Mi'kmaw Kina'matneway	7,119,568	-	7,119,568
METS	737,871	-	737,871
Atlantic Canada Opportunities Agency	-	194,595	194,595
Canada Mortgage and Housing Corporation	677,295	-	677,295
	<hr/>	<hr/>	<hr/>
Federal government transfer total	\$ 19,240,205	\$ 1,067,085	\$ 20,307,290
	<hr/>	<hr/>	<hr/>
Direct Provincial government transfers:	\$ 371,864	\$ -	\$ 371,864
	<hr/>	<hr/>	<hr/>

SIPEKNE'KATIK

SCHEDULES TO CONSOLIDATED FINANCIAL STATEMENTS

EXTERNALLY RESTRICTED SURPLUS - EDUCATION CONTINUITY

YEAR ENDED MARCH 31, 2018

Externally restricted - Education surplus continuity schedule

Opening balance, March 31, 2017	\$ (297,329)
Add/deduct:	
Surplus (deficit) from Education (Schedule #3)	\$ (66,101)
Less: Amounts capitalized as tangible capital assets	
School bus purchase adjustment	\$ 5,089
Closing balance, March 31, 2018	\$ (358,341)

INDEPENDENT PRACTICIONER'S REVIEW ENGAGEMENT REPORT

To the Chief, Council and Members of Sipekne'katik

We have reviewed the schedules of salaries, honoraria and travel paid to Chief and Council, and salaries and travel paid to senior management of Sipekne'katik for the year ended March 31, 2018.

Management's Responsibility for the Financial Statement Schedules

Management is responsible for the preparation and fair presentation of these schedules 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statement schedules based on our review. We conducted our review in accordance with the instructions in the Indigenous and Northern Affairs Canada Year End Financial Reporting Handbook, 2017-2018. Our review was made in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statement schedules in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statement schedules.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these schedules have not been prepared, in all material respects, in accordance with the instructions in the handbook described above.

These schedules, which have not been, and were not intended to be, prepared in accordance with Canadian generally accepted accounting principles, are solely for the information and use of the members of Sipekne'katik and Indigenous and Northern Affairs Canada for the purpose of complying with the Indigenous and Northern Affairs Canada Year End Financial Reporting Handbook, 2017-2018. These schedules were not intended to be and should not be used by anyone other than the specified users or for any other purpose.

July 17, 2018
Woodstock, NB



Andrew D. Lenehan, CPA, CA

SIPEKNE'KATIK

SCHEDULES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2018

(unaudited)

Salaries, honoraria and travel expenses paid to Chief and Council

	<u>Position</u>	<u># of months</u>	<u>Salary</u>	<u>Honoraria</u>	<u>Other</u>	<u>Total</u>	<u>Travel Expenses</u>
Michael P. Sack	Chief	12	\$ 61,793	\$ -	1,502	63,295	13,338
Mary Ellen Syliboy	Councillor	12	43,789	-	-	43,789	2,939
Thomas Jefferson Howe	Councillor	12	43,789	-	926	44,715	14,928
Colleen Mary Rebecca Jane Knockwood	Councillor	12	43,789	-	-	43,789	-
Alexander McDonald	Councillor	12	43,789	-	-	43,789	3,034
Timothy Nevin	Councillor	12	43,789	-	926	44,715	3,116
Keith J. Julian	Councillor	12	43,789	-	1,626	45,415	7,878
Doreen Knockwood	Councillor	12	43,789	-	-	43,789	-
Glen P. Knockwood	Councillor	12	43,789	-	-	43,789	-
Earl Sack	Councillor	12	43,789	-	-	43,789	1,234
Gerry Augustine	Councillor	12	43,789	-	1,626	45,415	8,633
Virginia Peter-Paul	Councillor	12	43,789	-	1,276	45,065	6,032
Derrick Nevin	Councillor	12	43,789	-	1,626	45,415	12,707
			<u>\$ 587,264</u>	<u>\$ -</u>	<u>\$ 9,508</u>	<u>\$ 596,772</u>	<u>\$ 73,839</u>

SIPEKNE'KATIK

SCHEDULES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2018

(unaudited)

Salaries, honoraria and travel expenses paid to management staff

	Position	# of months	Salary	Honoraria	Other	Total	Travel Expenses
Operations	Director	10	\$ 53,750	\$ -	\$ 2,520	\$ 56,270	\$ 5,915
Operations	Director	2	9,135	-	-	9,135	2,222
Financial Officer	Executive	12	104,338	-	4,352	108,690	8,666
Education	Director	12	61,107	-	-	61,107	10,427
Housing	Manager	10	40,798	-	172	40,970	1,210
O&M	Manager	11	46,830	-	224	47,054	8,271
Band School	Manager	12	88,424	-	-	88,424	4,343
Pre-school	Manager	12	74,201	-	-	74,201	-
Day Care	Manager	12	39,720	-	-	39,720	-
Economic Development	Manager	12	46,350	-	310	46,660	58
Tobacco	Manager	12	41,200	-	-	41,200	-
Health	Manager	12	55,139	-	200	55,339	6,661
Sports and Recreation	Manager	2	6,378	-	-	6,378	-
Sports and Recreation	Manager	10	34,605	-	-	34,605	7,064
Human Resources	Manager	12	48,002	-	-	48,002	276
Gaming - on reserve	Manager	12	42,156	-	-	42,156	786
Gaming - off reserve (Hammonds Plains)	Manager	12	39,655	-	-	39,655	1,486
Social Development	Manager	12	59,685	-	-	59,685	2,995
Fisheries	Manager	12	57,680	-	-	57,680	19,584
Gas Bar	Manager	12	38,941	-	-	38,941	4,856
Membership	Manager	12	35,526	-	-	35,526	551
METS	Manager	12	41,119	-	-	41,119	1,235
Security	Manager	11	45,011	-	-	45,011	3,103
			\$ 1,109,749	\$ -	\$ 7,779	\$ 1,117,528	\$ 89,709