

**SHUBENACADIE BAND FIRST NATION**

**CONSOLIDATED FINANCIAL STATEMENTS**

**MARCH 31, 2012**

SHUBENACADIE BAND FIRST NATION  
CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2012

Page

Management's Responsibility for Financial Reporting

Independent Auditor's Report

Financial Statements

Consolidated Statement of Financial Position	1
Consolidated Statement of Change in Net Debt	2
Consolidated Statement of Operations	3
Consolidated Statement of Cash Flows	4
Notes to Consolidated Financial Statements	5 - 19

Consolidated Schedules of Operations by Program

Consolidated Summary Schedule of Operations by Program	20
Social Development - Schedule #1	21
Band Administration - Schedule #2	22
Education - Schedule #3	23
Capital and Housing - Schedule #4	24
Operating and Maintenance - Schedule #5	25
Economic Development - Schedule #6	26
Community Health - Schedule #7	27
Employment Training - Schedule #8	28
Gaming - Schedule #9	29
Tobacco Store - Schedule #10	30
Fisheries - Schedule #11	31
Housing Projects - Schedule #12	32
Gas Bar - Schedule #13	33

---

SHUBENACADIE BAND FIRST NATION  
CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2012

Page

CONSOLIDATED Schedules of Operations by Program (continued)

Supplementary Schedules

Salaries, honoraria and travel paid to Chief and Council	34
Salaries and travel - Senior Management	35
AANDC Contribution Funding	36
Federal Government Funding	37
Excess of funding over expenditures and TCA purchases	38

---

SHUBENACADIE BAND FIRST NATION

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

MARCH 31, 2012

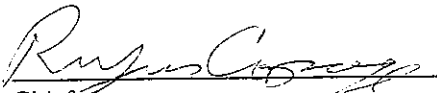
The accompanying consolidated financial statements of Shubenacadie Band First Nation are the responsibility of Chief and Council. The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards and necessarily include estimates which 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.

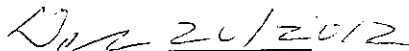
Management is also responsible for implementing and maintaining a system of internal controls designed to give reasonable assurance that transactions are appropriately authorized, assets are safeguarded from loss and financial records are properly maintained to provide reliable information for the preparation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

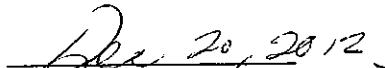
Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The consolidated financial statements have been reviewed and approved by Chief and Council.

Andrew D. Lenehan, C.A., 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

  
Director of Finance

  
Date

  
Date

## **ANDREW D. LENEHAN, C.A.**

389 Connell Street, Suite 200  
Woodstock, New Brunswick  
E7M 5G5

Telephone (506) 325-2101  
Fax (506) 325-9675

### **Independent Auditor's Report**

To the Chief, Council and Members of  
Shubenacadie Band First Nation

We have audited the accompanying consolidated financial statements of Shubenacadie Band First Nation, which comprise the consolidated statement of financial position as at March 31, 2012, 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 qualified audit opinion.

*Basis for Qualified Opinion*

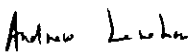
Our examination indicated deficiencies in internal control over the Shubenacadie Band Tobacco Store revenues and Shubenacadie Band Fisheries revenues and thus their completeness was not susceptible to satisfactory audit verification. As a consequence, we were unable to satisfy ourselves that all revenues have been recorded for Shubenacadie Band Tobacco Store and Shubenacadie Band Fisheries. We were not able to determine whether any adjustments might be necessary to revenues, excess (deficiency) of revenues over expenditures and surplus (deficit).

*Qualified Opinion*

In our opinion, except for the effects of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of revenues referred to in the preceding paragraph, these consolidated financial statements present fairly, in all material respects, the financial position of the First Nation as at March 31, 2012 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.

*Emphasis of Matter*

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.

  
**Andrew D. Lenehan**  
**Chartered Accountant**

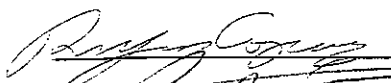
**Woodstock, New Brunswick**  
**December 13, 2012**

SHUBENACADIE BAND FIRST NATION  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MARCH 31, 2012

	2012	2011
	\$	\$
<b>Financial Assets</b>		
Cash	11,661	-
Accounts receivable (Note 3)	1,419,545	1,512,172
Funds on deposit with AANDC (Note 5)	72,582	70,158
Investments	74,218	74,218
Inventory (Note 4)	21,210	103,297
	<b>1,599,216</b>	<b>1,759,845</b>
<b>Liabilities</b>		
Cheques written in excess of deposits	-	660,250
Accounts payable (Note 7)	6,838,829	5,493,878
Deferred revenue (Note 8)	395,000	100,901
Due to minor band members (Note 9)	983,258	852,078
Long-term debt (Note 10)	3,947,204	3,839,822
	<b>12,164,291</b>	<b>10,946,929</b>
<b>Net debt</b>	<b>(10,565,075)</b>	<b>(9,187,084)</b>
<b>Non-financial Assets</b>		
Tangible capital assets (Note 11)	20,333,448	21,233,574
Prepaid expenses	56,094	102,219
	<b>20,389,542</b>	<b>21,335,793</b>
<b>Accumulated Surplus</b>	<b>9,824,467</b>	<b>12,148,709</b>

Approved on behalf of the Shubenacadie Band First Nation

 , Chief

 , Director of Finance

The accompanying notes are an integral part of the financial statements

SHUBENACADIE BAND FIRST NATION  
CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT  
FOR THE YEAR ENDED MARCH 31, 2012

	2012	2011
	\$	\$
<b>Deficit</b>	<b>(2,324,242)</b>	<b>(1,168,855)</b>
Acquisition of tangible capital assets	(495,500)	(1,825,166)
Amortization of tangible capital assets	1,395,626	1,405,824
	<b>900,126</b>	<b>(419,342)</b>
Decrease in prepaid asset balance	46,125	90,578
Decrease in net financial assets	(1,377,991)	(1,497,619)
Net debt at beginning of year	(9,187,084)	(7,689,465)
<b>Net debt at end of year</b>	<b>(10,565,075)</b>	<b>(9,187,084)</b>

The accompanying notes are an integral part of the financial statements



SHUBENACADIE BAND FIRST NATION  
CONSOLIDATED STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED MARCH 31, 2012

	2012	2011
	\$	\$
<b>Revenue</b>		
Aboriginal Affairs and Northern Development Canada	7,848,200	7,612,105
Mi'kmaw Kina'matneway	7,204,192	7,072,470
Tobacco store	5,617,508	5,223,276
Gaming	2,609,911	2,633,801
Gas bar	1,022,601	1,475,995
Health Canada	1,021,875	979,112
METS	799,780	861,243
Other	263,386	1,273,675
	<b>26,387,453</b>	<b>27,131,677</b>
<b>Expenditures</b>		
Social Development	5,723,630	5,207,456
Band Administration	3,034,045	2,408,372
Education	4,630,305	4,661,331
Capital and Housing	1,311,192	1,491,697
Operating and Maintenance	1,834,138	1,692,942
Economic Development	806,899	173,167
Community Health	1,777,918	1,671,854
Employment Training	943,214	1,091,803
Gaming	733,638	556,821
Tobacco Store	4,950,393	4,597,400
Fisheries	1,292,451	1,400,261
Housing Projects	292,646	284,303
Gas Bar	1,185,600	1,657,300
	<b>28,516,069</b>	<b>26,894,707</b>
<b>Surplus (deficit) before other items</b>	<b>(2,128,616)</b>	<b>236,970</b>
<b>Other items</b>		
Amortization	(1,395,626)	(1,405,824)
Community gaming transition agreement	1,200,000	-
	<b>(195,626)</b>	<b>(1,405,824)</b>
<b>Deficit</b>	<b>(2,324,242)</b>	<b>(1,168,855)</b>
<b>Accumulated surplus at beginning of year</b>	<b>12,148,709</b>	<b>13,317,564</b>
<b>Accumulated surplus at end of year</b>	<b>9,824,467</b>	<b>12,148,709</b>

The accompanying notes are an integral part of the financial statements

SHUBENACADIE BAND FIRST NATION  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED MARCH 31, 2012

	2012	2011
	\$	\$
<b>Cash flows from</b>		
<b>Operating activities</b>		
Deficit	(2,324,242)	(1,168,855)
Items not affecting cash		
Amortization expense	1,395,626	1,405,824
	(928,616)	236,969
Change in non-cash operating working capital		
Accounts receivable	92,627	332,262
Inventory	82,087	(77,365)
Prepaid expenses	46,125	90,578
Funds on deposit with AANDC	(2,424)	(2,609)
Accounts payable	1,344,950	807,551
Deferred revenue	294,099	90,901
Due to minor band members	131,180	189,750
	1,060,028	1,668,037
<b>Capital activities</b>		
Acquisition of tangible capital assets	(495,500)	(1,825,165)
<b>Financing activities</b>		
Proceeds of long-term debt	427,452	765,024
Repayment of long-term debt	(320,069)	(481,472)
	107,383	283,552
<b>Investing activities</b>		
(Increase) decrease in investments	-	(25,578)
<b>Increase in cash and cash equivalents</b>	671,911	100,846
<b>Cash, beginning of year</b>	(660,250)	(761,096)
<b>Cash, end of year</b>	11,661	(660,250)

The accompanying notes are an integral part of the financial statements

SHUBENACADIE BAND FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2012

**1. Reporting Entity**

The consolidated financial statements of Shubenacadie Band First Nation 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.

Shubenacadie Band First Nation 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 Canadian Institute of Chartered Accountants.

**(a) Principles of Consolidation**

The consolidated financial statements include the accounts of all funds and operations in which the Shubenacadie Band First Nation 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.

**(b) 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.

---

**SHUBENACADIE BAND FIRST NATION**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**MARCH 31, 2012**

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

**(c) 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
Rink	10 % Declining balance

**(d) 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.

**(e) Deferred Revenue**

Government funding 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.

---

**SHUBENACADIE BAND FIRST NATION**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**MARCH 31, 2012**

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

**(f) Revenue Recognition**

Revenue is recorded on the accrual basis whereby amounts received or recorded as receivable but not earned by the end of the fiscal year are recorded as deferred revenue.

Funding received under the terms of contribution agreements with funding sources are recognized as revenue once eligibility criteria have been met. Funding is recorded as deferred revenue if it has been restricted by the funding partner for a stated purpose, such as a specific program or the purchase of tangible capital assets. Deferred revenue is recognized in revenue over time as the recognition criteria are met.

**(g) 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.

**(h) 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. The effect of changes in such estimates on the financial statements in future periods could be significant.

**(i) Asset Classification**

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale. Non-financial assets include tangible capital assets and prepaid expenses.

**(j) Segment Disclosure**

The financial statements of Shubenacadie Band First Nation 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.

**SHUBENACADIE BAND FIRST NATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**MARCH 31, 2012**

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

**(k) Financial Instruments**

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. The First Nation has exposure to interest rate risk as a result of certain CMHC Section 95 housing project mortgages subject to variable interest rates. The exposure is limited due to the volume of debt subject to fluctuations in the bank's prime lending rate.

**3. Accounts Receivable**

	2012	2011
	\$	\$
Aboriginal Affairs and Northern Development Canada	34,376	47,063
Mi'Kmaq Kina'matnewey	203,980	132,209
METS programs	62,242	212,810
Other government departments	536,148	526,240
Employees and other band members	151,144	84,305
Health Canada	-	20,378
Canada Mortgage and Housing Corporation	32,168	-
Gaming program	217,262	66,949
MRJJ Management Inc. (Note 6)	59,200	128,371
Amcrest Management Inc. (Note 6)	172,200	172,200
Unapproved transfers	316,000	-
Other	-	153,928
Leased licences	240,000	-
	2,024,720	1,544,453
Allowance for doubtful accounts	(605,175)	(32,281)
	1,419,545	1,512,172

**4. Inventory**

	2012	2011
	\$	\$
Fuel for resale	12,328	4,670
Tobacco for resale	8,882	98,627
	21,210	103,297

---

**SHUBENACADIE BAND FIRST NATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**MARCH 31, 2012**

**5. Funds on deposit with Aboriginal Affairs and Northern Development Canada**

The cash held in trust is with Aboriginal Affairs and Northern Development Canada and arose 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 Auditor General of Canada. The management of these funds is primarily governed by Section 62 to 69 of the Indian Act. The funds accumulate interest on an annual basis, which is recorded as revenue in the band administration schedule. During the year, the First Nation earned interest of \$2,425.00.

---

SHUBENACADIE BAND FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2012

**6. 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, 2012:

MRJJ Management Inc. - \$59,200  
Amcrest Management Inc. - \$172,200  
Total due from related parties - \$231,400

**1. MRJJ Management Inc.**

During July, 2009, certain members of Shubenacadie Band First Nation Council formed a committee mandated to initiate and manage commercial development at Wallace Hill, HRM, which was to be added to the Shubenacadie 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; Mike Sack, Ronnie Augustine, Jerry 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 due to the fact that the majority of Council were unable to obtain required information related to the company, therefore, no further transactions are expected to occur within this corporation.

**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 \$172,200.00, none of which had been repaid at March 31, 2012.

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



SHUBENACADIE BAND FIRST NATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2012

**7. Accounts Payable**

	2012	2011
	\$	\$
Trade	5,905,792	5,167,369
Due to Canada Revenue Agency - payroll deductions	605,168	85,108
Pension plan remittance	4,984	4,369
Funding repayable to Health Canada	157,471	237,032
Funding repayable to Aboriginal Affairs	165,411	-
	6,838,826	5,493,876

**8. Deferred revenue**

	2012	2011
	\$	\$
2012-2013 snowcrab advance	200,000	-
Lift station upgrades	195,000	-
Emergency Management Assistance Preparedness	-	15,000
IT - Governance Capacity Development	-	85,901
	395,000	100,901

**9. Due to minor band members**

Annually since 2006, Council has 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. Funds have not been set aside for future payment of this obligation.

	2012	2011
	\$	\$
Balance, beginning of year	852,078	662,328
Add: current year bonus amounts payable	167,750	205,750
Deduct: payments related to previous years	(36,570)	(16,000)
	983,258	852,078

---

SHUBENACADIE BAND FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2012

**10. Long-term debt**

	2012	2011
	\$	\$
Royal Bank of Canada Housing project mortgages due September 2014 to November 2015, bearing interest at 3.03% to 3.83%, payable in equal monthly amounts of principal and interest totaling \$3,307. Mortgages are guaranteed by the Minister of Aboriginal Affairs and Northern Development Canada.	402,854	428,038
CIBC Housing project mortgages due June 2012 to October 2016, bearing interest at 2.75% to 6.70%, payable in equal monthly amounts of principal and interest totaling \$34,826. Mortgages are guaranteed by the Minister of Aboriginal Affairs and Northern Development Canada.	503,769	657,852
Canada Mortgage and Housing Corporation Housing project mortgages due April 2014 to April 2017, bearing interest at 1.67% to 2.86%, payable in equal monthly amounts of principal and interest totaling \$15,543. Mortgages are guaranteed by the Minister of Aboriginal Affairs and Northern Development Canada.	3,016,134	2,675,056
Ulnooweg Development Corporation 12.75% loan, payable \$5,114 monthly including interest, due August 2012, secured by a promissory note, a Band Council Resolution, a general security agreement over all assets and a conditional sale contract on financed assets	24,447	78,876
	<u>3,947,204</u>	<u>3,839,822</u>
Current portion	<u>279,326</u>	<u>320,070</u>
	<u>3,667,878</u>	<u>3,519,752</u>

---

---

**SHUBENACADIE BAND FIRST NATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**MARCH 31, 2012**

**10. 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:

2013	<b>279,326</b>
2014	<b>225,419</b>
2015	<b>233,276</b>
2016	<b>241,469</b>
2017 and thereafter	<b>2,967,714</b>
	<hr/>
	<b>3,947,204</b>
	<hr/>

**SHUBENACADIE BAND FIRST NATION**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**MARCH 31, 2012**

**11. Tangible Capital Assets**

	Balance, beginning of year \$	Additions \$	Balance, end of year \$	Cost Balance, end of year \$	Balance, beginning of year \$	Amortization of year \$	Balance, end of year \$	2012 net book value \$
Land	115,054	-	115,054	-	-	-	-	115,054
Buildings	1,842,647	-	1,842,647	707,995	56,732	764,727	1,077,920	1,077,920
Vehicles	458,971	39,740	498,711	367,041	33,540	400,581	98,130	98,130
Band housing projects	13,991,909	319,377	14,311,286	5,975,861	408,787	6,384,648	7,926,638	7,926,638
Furniture and equipment	679,877	22,418	702,295	371,483	63,920	435,403	266,892	266,892
Rink	80,000	-	80,000	50,840	2,916	53,756	26,244	26,244
Community centre	2,550,980	-	2,550,980	2,298,697	50,457	2,349,154	201,826	201,826
Pump/gaming renovations	30,896	-	30,896	12,951	3,589	16,540	14,356	14,356
Community housing	2,361,070	-	2,361,070	641,618	171,945	813,563	1,547,507	1,547,507
Administration building	917,433	-	917,433	616,177	30,126	646,303	271,130	271,130
Health centre	873,671	-	873,671	449,045	42,462	491,507	382,164	382,164
P-12 school	7,137,737	-	7,137,737	1,017,429	306,015	1,323,444	5,814,293	5,814,293
Recreational facilities	246,593	-	246,593	27,585	21,900	49,485	197,108	197,108
Infrastructure	4,018,489	-	4,018,489	2,079,239	155,140	2,234,379	1,784,110	1,784,110
Water system	251,478	-	251,478	251,478	-	251,478	-	-
Roads	1,176,201	113,964	1,290,165	631,996	48,095	680,091	610,074	610,074
	36,733,006	495,499	37,228,505	15,499,435	1,395,624	16,895,059	20,333,446	20,333,446

SHUBENACADIE BAND FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2012

	Cost			Accumulated amortization		2011 Net book value \$
	Balance, beginning of year \$	Balance, end of year \$	Additions \$	Balance, beginning of year \$	Balance, end of year \$	
Land	115,054	115,054	-	-	-	115,054
Buildings	1,478,147	1,842,647	364,500	657,868	50,127	1,134,652
Vehicles	458,971	458,971	-	327,642	39,399	91,930
Band housing projects	13,991,909	13,991,909	-	5,553,964	421,897	8,016,048
Furniture and equipment	622,341	679,877	57,536	301,576	69,907	308,394
Rink	80,000	80,000	-	47,600	3,240	29,160
Community centre	2,515,980	2,550,980	35,000	2,240,002	58,695	252,283
Pump/gaming renovations	30,437	30,896	459	8,522	4,429	17,945
Community housing	1,079,460	2,361,070	1,281,610	521,768	119,850	1,719,452
Administration building	917,433	917,433	-	582,704	33,473	301,256
Health centre	873,626	873,671	45	401,866	47,179	424,626
P-12 school	7,137,737	7,137,737	-	695,307	322,122	6,120,308
Recreational facilities	160,578	246,593	86,015	8,029	19,556	219,008
Infrastructure	4,018,489	4,018,489	-	1,910,608	168,631	1,939,250
Water system	251,478	251,478	-	251,478	-	-
Roads	1,176,201	1,176,201	-	584,674	47,322	544,205
	34,907,841	36,733,006	1,825,165	14,093,608	1,405,827	21,233,571

---

SHUBENACADIE BAND FIRST NATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2012

**12. Economic Dependence**

Shubenacadie Band First Nation receives a significant portion of its revenue pursuant to a funding agreement with Aboriginal Affairs and Northern Development Canada and other federal government agencies.

**13. 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 \$1,419,545 (2011 - \$1,512,172). 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 \$6,838,829 (2011 - \$5,493,878). 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.

Interest rate risk

The First Nation is 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.

---

SHUBENACADIE BAND FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2012

**14. Contingent Liabilities**

The First Nation has been named as a defendant in three claims for wrongful dismissal by former employees. Two of the three claims take the form of actions commenced in the Nova Scotia Supreme Court. These two claims total approximately \$200,000. The third employment-related claim takes the form of a complaint under the Canada Labour Code. The Band's exposure under this claim is approximately \$100,000. No provision has been made in the consolidated financial statements for these claims, as it is management's position that the First Nation will not have to pay any cash settlement.

Shubenacadie Band First Nation has entered into contribution agreements with various federal government departments. 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 Shubenacadie Band Housing Projects fail to comply with the terms and conditions of the agreement. As at March 31, 2012, the Shubenacadie Band Housing Projects have not complied with all the terms and conditions including its failure to calculate rent-to-income in accordance with sub-paragraph 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 repayment.

On August 25, 2005, a wholly owned subsidiary of the Band was incorporated as Indian Brook Fisheries Limited. This company has never been included in the consolidated financial statements of Shubenacadie Band First Nation. A contribution agreement was signed with the Department of Fisheries and Oceans (DFO) to fund the purchase of assets to provide training and start-up capital for the fishery in the amount of \$5,000,000. During 2007, the operation of the fishery ceased and the company became dormant. In affidavits provided to the court, unpaid creditors were identified in the amount of \$1,254,400. Several of the creditors named the Band as a defendant in their legal actions. Legal counsel of the Band believes that the Band will not be found responsible for any liabilities relating to the operation of the fisheries. Any settlement will be reflected as a charge to income in the year incurred.

The Federal Department of Fisheries and Oceans has asserted a claim against the First Nation for approximately \$65,000 in the form of a claimed overpayment under a fisheries infrastructure contribution agreement dating back to 2005-2006. There has been no legal action commenced since this claim was made in correspondence in or about 2007. The First Nation has replied to DFO noting that it owes nothing and DFO's claim is invalid. First Nation legal counsel believes that it is unlikely that DFO will pursue this matter in the circumstances.

---

**SHUBENACADIE BAND FIRST NATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**MARCH 31, 2012**

**14. Contingent Liabilities, continued**

A contractor commenced an action in the Supreme Court of Nova Scotia claiming \$120,000 against the First Nation for unpaid contracting services pursuant to a residential housing project that took place between 2008 and 2010. The First Nation has filed a Defense, the merits of which focus on the fact that the contract price has been fully paid and that the contractor left many deficiencies which largely offset the claim. Also, the First Nation is aware of subcontractors' claims against the contractor that are in total in excess of the contractor's claim against the First Nation; meaning that the contractor would not net any return on this litigation, and will not likely be pursuing it any further in management's opinion.

An individual has commenced a claim against the First Nation advancing a complex cause of action arising out of their conviction for illegal tobacco sales at their retail store, the First Nation's imminent annexation of Wallace Hill in Hammond Plains as part of the First Nation's Reserve, and their claims for compensation/benefits they claim are due to them because they reside at Wallace Hill. The First Nation is defending this claim which, is presently dormant and the First Nation exposure, if any, is indeterminable at this point.

**15. 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 \$24,506 (2011 - \$31,376) during the year.

**16. Comparative Amounts**

Certain of the comparative amounts have been reclassified to conform with the presentation adopted in the current period.



---

SHUBENACADIE BAND FIRST NATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2012

**17. Subsequent Event**

As a result of financial concerns and irregularities, Chief and Council of Shubenacadie Band First Nation engaged a firm to carry out a forensic audit, which commenced May, 2012.

In part, the firm is to review certain financial transactions in particular any that were not properly authorized, including but not limited to the following amounts included in Note 3:

Due from MRJJ Management Inc.	\$ 59,200
Due from Amcrest Management Inc.	172,200
Unapproved transfers	306,000

These amounts have all been included in schedule 2 expenses in the provision for unapproved/unknown transfers and bad debts expense lines.

As at the auditor's report date, the forensic audit report was not completed. However, once completed and reviewed by Council, it is expected that the First Nation will make a claim to its' insurer for a potential recovery. The likelihood and amount of recovery are both unknown at this time.

SHUBENACADIE BAND FIRST NATION

CONSOLIDATED SUMMARY SCHEDULE OF OPERATIONS BY PROGRAM

FOR THE YEAR ENDED MARCH 31, 2012

	Page	AANDC Funds	Other Revenue	Total Revenue	Total Expenditures	Other items	Surplus (Deficit)
		\$	\$	\$	\$	\$	\$
Social Development	21	5,457,941	-	5,457,941	5,723,630	-	(265,689)
Band Administration	22	718,896	304,016	1,022,912	3,034,045	-	(2,011,133)
Education	23	59,500	6,205,208	6,264,708	4,630,305	-	1,634,403
Capital and Housing	24	640,429	62,500	702,929	1,311,192	-	(608,263)
Operating and Maintenance	25	777,690	(195,000)	582,690	1,834,138	-	(1,251,448)
Economic Development	26	193,744	-	193,744	806,899	-	(613,155)
Community Health	27	-	1,021,875	1,021,875	1,777,918	-	(756,043)
Employment Training	28	-	808,490	808,490	943,214	-	(134,724)
Gaming	29	-	2,609,911	2,609,911	733,638	-	1,876,273
Tobacco Store	30	-	5,617,508	5,617,508	4,950,393	-	667,115
Fisheries	31	-	903,001	903,001	1,292,451	-	(389,450)
Housing Projects	32	-	179,143	179,143	292,646	-	(113,503)
Gas Bar	33	-	1,022,601	1,022,601	1,185,600	-	(162,999)
<b>Totals</b>		<b>7,848,200</b>	<b>18,539,253</b>	<b>26,387,453</b>	<b>28,516,069</b>	<b>(195,626)</b>	<b>(2,324,242)</b>

The accompanying notes are an integral part of the financial statements

SHUBENACADIE BAND FIRST NATION  
SOCIAL DEVELOPMENT  
CONSOLIDATED SCHEDULE OF OPERATIONS  
FOR THE YEAR ENDED MARCH 31, 2012

	2012	2011
	\$	\$
<b>Revenue</b>		
Aboriginal Affairs and Northern Development Canada	5,457,941	5,367,444
<b>Expenditures</b>		
Basic needs	5,125,279	4,492,394
Adult care	323,823	318,311
Wages and benefits	144,149	152,222
Special needs	102,899	236,576
Interest and bank charges	20,944	-
Travel and administration	6,536	7,953
	5,723,630	5,207,456
<b>Surplus (deficit)</b>	(265,689)	159,988

The accompanying notes are an integral part of the financial statements

**SHUBENACADIE BAND FIRST NATION**  
**BAND ADMINISTRATION**  
**CONSOLIDATED SCHEDULE OF OPERATIONS**  
**FOR THE YEAR ENDED MARCH 31, 2012**

	2012	2011
	\$	\$
<b>Revenue</b>		
Aboriginal Affairs and Northern Development Canada	718,896	749,856
Miscellaneous	126,543	58,318
1919 Land claim funding	90,496	358,070
Rental income	84,552	52,660
Interest income	2,425	2,609
Deferred revenue, closing	-	(100,901)
	<b>1,022,912</b>	<b>1,120,612</b>
<b>Expenditures</b>		
Wages and benefits	1,063,954	952,045
1919 land claim expenses	392,756	614,719
Provision for unapproved/unknown transfers	316,000	-
Bad debts	256,894	15,169
Loan fees	212,500	-
Legal fees	178,475	136,078
Office	113,010	169,967
External accounting	109,846	94,885
Funding repayable to AANDC	85,510	-
Audit fees	72,750	55,000
Co-management and third party management fees	60,000	31,442
Interest and bank charges	47,856	126,914
Utilities	44,913	28,816
Band membership	33,681	58,934
Travel	32,141	25,724
Other Council expenses	11,578	10,179
Wrongful dismissal settlement	2,181	88,500
	<b>3,034,045</b>	<b>2,408,372</b>
<b>Deficit</b>	<b>(2,011,133)</b>	<b>(1,287,760)</b>

The accompanying notes are an integral part of the financial statements

SHUBENACADIE BAND FIRST NATION  
EDUCATION  
CONSOLIDATED SCHEDULE OF OPERATIONS  
FOR THE YEAR ENDED MARCH 31, 2012

	2012	2011
	\$	\$
<b>Revenue</b>		
Aboriginal Affairs and Northern Development Canada	59,500	306,442
Mi'kmaw Kina'matneway	6,181,590	5,596,475
Other funding	23,618	5,800
	<b>6,264,708</b>	<b>5,908,717</b>
<b>Expenditures</b>		
Band school operations	2,901,560	2,836,671
Post secondary allowances and books	500,342	662,697
Post secondary tuition	455,379	432,309
Daily transportation	382,704	382,202
New paths	140,370	125,643
Guidance and counselling	134,495	143,318
School supplies	50,664	40,835
Wages, benefits and travel	31,353	14,180
Aboriginal language program	24,217	17,868
Post secondary travel	9,221	5,608
	<b>4,630,305</b>	<b>4,661,331</b>
<b>Surplus</b>	<b>1,634,403</b>	<b>1,247,386</b>

The accompanying notes are an integral part of the financial statements

SHUBENACADIE BAND FIRST NATION  
CAPITAL AND HOUSING  
CONSOLIDATED SCHEDULE OF OPERATIONS  
FOR THE YEAR ENDED MARCH 31, 2012

	2012	2011
	\$	\$
<b>Revenue</b>		
Aboriginal Affairs and Northern Development Canada	640,429	757,603
Administration income CMHC projects	42,000	42,000
Canada Mortgage and Housing Corporation RRAP	20,500	44,518
Canada Mortgage and Housing Corporation CEAP	-	314,700
Insurance proceeds	-	106,561
	<b>702,929</b>	1,265,382
<b>Expenditures</b>		
Housing repairs and renovations	771,571	878,085
Wages and benefits	539,621	613,612
	<b>1,311,192</b>	1,491,697
<b>Deficit</b>	<b>(608,263)</b>	<b>(226,315)</b>

The accompanying notes are an integral part of the financial statements

SHUBENACADIE BAND FIRST NATION  
OPERATING AND MAINTENANCE  
CONSOLIDATED SCHEDULE OF OPERATIONS  
FOR THE YEAR ENDED MARCH 31, 2012

	2012	2011
	\$	\$
<b>Revenue</b>		
Aboriginal Affairs and Northern Development Canada	777,690	289,399
Deferred revenue, closing	(195,000)	-
	<b>582,690</b>	<b>289,399</b>
<b>Expenditures</b>		
Water and sanitation	405,167	539,823
Garbage collection and recycling program	311,749	310,040
Oil spill clean-up	288,794	-
Community buildings	273,360	262,130
Insurance	166,332	197,403
Snowplowing	158,000	158,000
Wages and benefits	118,818	144,085
Road maintenance	75,160	42,834
Fire protection	20,660	22,907
Street lighting	16,098	15,720
	<b>1,834,138</b>	<b>1,692,942</b>
<b>Deficit</b>	<b>(1,251,448)</b>	<b>(1,403,543)</b>

The accompanying notes are an integral part of the financial statements

SHUBENACADIE BAND FIRST NATION  
ECONOMIC DEVELOPMENT  
CONSOLIDATED SCHEDULE OF OPERATIONS  
FOR THE YEAR ENDED MARCH 31, 2012

	2012	2011
	\$	\$
<b>Revenue</b>		
Aboriginal Affairs and Northern Development Canada	193,744	141,361
RCMP building renovation funding	-	218,272
	<b>193,744</b>	<b>359,633</b>
<b>Expenditures</b>		
Cranberry project	564,782	47,405
Wages and benefits	121,486	27,699
Business development	118,563	71,077
Economic development grants	1,500	26,078
Telephone	568	908
	<b>806,899</b>	<b>173,167</b>
<b>Surplus (deficit)</b>	<b>(613,155)</b>	<b>186,466</b>

The accompanying notes are an integral part of the financial statements



**SHUBENACADIE BAND FIRST NATION**  
**COMMUNITY HEALTH**  
**CONSOLIDATED SCHEDULE OF OPERATIONS**  
**FOR THE YEAR ENDED MARCH 31, 2012**

	2012	2011
	\$	\$
<b>Revenue</b>		
Health Canada	1,021,875	979,112
Deferred revenue - opening	-	10,000
Other revenue	-	7,000
	<b>1,021,875</b>	<b>996,112</b>
<b>Expenditures</b>		
Nursing in-home care	518,305	310,333
Home and community care	492,685	230,243
Community health promotion	181,049	172,701
Building healthy communities - mental health	119,002	146,630
Community health representative	95,233	95,873
Brighter futures	78,359	131,235
Capital facilities operations and maintenance	74,478	87,023
Aboriginal head start	67,497	63,542
Funding repayable to Health Canada	67,480	237,032
Prenatal nutrition	24,635	25,363
Aboriginal diabetes initiative	21,091	-
Indian residential schools - mental health	19,070	-
Building healthy communities - solvent abuse	11,858	-
Contracted home care	2,887	170,904
Maternal child health	1,716	-
Oral health	1,442	570
Environmental health	881	405
Tobacco strategy	250	-
	<b>1,777,918</b>	<b>1,671,854</b>
<b>Deficit</b>	<b>(756,043)</b>	<b>(675,742)</b>

The accompanying notes are an integral part of the financial statements

SHUBENACADIE BAND FIRST NATION  
EMPLOYMENT TRAINING  
CONSOLIDATED SCHEDULE OF OPERATIONS  
FOR THE YEAR ENDED MARCH 31, 2012

	2012	2011
	\$	\$
<b>Revenue</b>		
Mi'kmaq Employment/Training Secretariat	799,780	861,243
Daycare - other funding	8,710	-
	<b>808,490</b>	<b>861,243</b>
<b>Expenditures</b>		
Mi'kmaq Employment/Training Secretariat programs	465,115	712,698
Wages and benefits	192,754	91,034
Child care initiative	148,894	166,211
Native employment	136,451	121,860
	<b>943,214</b>	<b>1,091,803</b>
<b>Deficit</b>	<b>(134,724)</b>	<b>(230,560)</b>

The accompanying notes are an integral part of the financial statements

SHUBENACADIE BAND FIRST NATION  
GAMING  
CONSOLIDATED SCHEDULE OF OPERATIONS  
FOR THE YEAR ENDED MARCH 31, 2012

	2012	2011
	\$	\$
<b>Revenue</b>		
Gaming commissions - band operated VLTs	1,166,954	1,081,535
Gaming commissions - store operated VLTs	1,067,137	1,147,242
Province of Nova Scotia gaming agreement	375,820	405,024
	<b>2,609,911</b>	<b>2,633,801</b>
<b>Expenditures</b>		
Atlantic Lottery Corp. commissions	383,468	198,470
Wages and benefits	322,107	322,139
Interest and bank charges	7,601	1,173
Telephone	7,014	8,433
Rent and office	5,881	7,920
Miscellaneous	4,710	1,631
Travel	2,857	3,837
Heat and lights	-	7,843
Donations	-	2,575
Professional fees	-	1,807
Maintenance and insurance	-	993
	<b>733,638</b>	<b>556,821</b>
<b>Surplus</b>	<b>1,876,273</b>	<b>2,076,980</b>

The accompanying notes are an integral part of the financial statements

SHUBENACADIE BAND FIRST NATION  
TOBACCO STORE  
CONSOLIDATED SCHEDULE OF OPERATIONS  
FOR THE YEAR ENDED MARCH 31, 2012

	2012	2011
	\$	\$
<b>Revenue</b>		
Tobacco sales	5,617,508	5,223,276
<b>Expenditures</b>		
Cost of goods sold	4,989,312	4,992,335
Donations to senior assistance	513,272	323,623
Donations to community members	212,763	154,070
Wages and benefits	139,164	132,084
Donations, sports fees and crafts program	72,629	70,518
Office	29,222	9,079
Bank charges	7,287	29,321
Tobacco purchase rebates	(1,013,256)	(1,113,630)
	<b>4,950,393</b>	<b>4,597,400</b>
<b>Surplus</b>	<b>667,115</b>	<b>625,876</b>

The accompanying notes are an integral part of the financial statements

SHUBENACADIE BAND FIRST NATIONFISHERIESCONSOLIDATED SCHEDULE OF OPERATIONSFOR THE YEAR ENDED MARCH 31, 2012

	<u>2012</u>	<u>2011</u>
	\$	\$
<b>Revenue</b>		
Lobster sales	347,105	343,841
Lobster licenses lease revenue	480,000	284,000
Swordfish	52,329	36,070
Scallops	23,567	16,243
Crab licenses lease revenue	-	371,000
Crab sales	-	276,469
Sale of fishing vessel	-	55,966
	<u>903,001</u>	<u>1,383,589</u>
<b>Expenditures</b>		
Wages and benefits	672,382	656,376
Bonuses to community members	567,000	659,157
Miscellaneous	23,223	62,941
Office	21,373	3,153
Travel	5,016	16,263
Professional fees	2,402	1,503
Boat rentals	1,055	868
	<u>1,292,451</u>	<u>1,400,261</u>
<b>Deficit</b>	<u>(389,450)</u>	<u>(16,672)</u>

The accompanying notes are an integral part of the financial statements

SHUBENACADIE BAND FIRST NATION  
HOUSING PROJECTS  
CONSOLIDATED SCHEDULE OF OPERATIONS  
FOR THE YEAR ENDED MARCH 31, 2012

	2012	2011
	\$	\$
<b>Revenue</b>		
Canada Mortgage and Housing Corporation subsidies	179,143	246,474
<b>Expenditures</b>		
Interest on long-term debt	124,181	105,895
Insurance	119,715	129,208
Utilities and administration	42,000	42,000
Professional fees	6,750	7,200
	<b>292,646</b>	<b>284,303</b>
<b>Deficit</b>	<b>(113,503)</b>	<b>(37,829)</b>

The accompanying notes are an integral part of the financial statements

SHUBENACADIE BAND FIRST NATION  
GAS BAR  
CONSOLIDATED SCHEDULE OF OPERATIONS  
FOR THE YEAR ENDED MARCH 31, 2012

	2012	2011
	\$	\$
<b>Revenue</b>		
Fuel sales	1,022,601	1,475,995
<b>Expenditures</b>		
Cost of goods sold	979,619	1,439,464
Wages and benefits	170,878	173,286
Interest and bank charges	13,470	20,489
Repairs, maintenance and computer support	11,369	14,347
Utilities and telephone	10,264	9,714
	<b>1,185,600</b>	<b>1,657,300</b>
<b>Deficit</b>	<b>(162,999)</b>	<b>(181,305)</b>

The accompanying notes are an integral part of the financial statements

SHUBENACADIE BAND FIRST NATION  
SCHEDULES TO FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2012

Schedule of salaries, honoraria and travel expenses paid to chief and council

	Salary and honoraria	Travel and other payments
Chief Jerry Francis Sack	\$ 61,793	\$ 10,645
Councillor Ronnie William Joseph Augustine	38,520	2,536
Councillor Thomas Jefferson Howe	38,520	4,647
Councillor Ryan Julian	38,520	2,030
Councillor Colleen Mary Rebecca Jane Knockwood	38,520	-
Councillor Ian Joseph Knockwood	38,520	13,590
Councillor Reginald Maloney	38,520	4,411
Councillor Alexander McDonald	38,520	8,450
Councillor Jim Nevin	38,520	1,130
Councillor Deborah Ann Thieboux	38,520	-
Councillor Ronald Knockwood	38,520	2,980
Councillor Keith J Julian	38,520	2,360
Councillor Doreen Knockwood	38,520	13,250
	<b>\$ 524,033</b>	<b>\$ 66,029</b>



SHUBENACADIE BAND FIRST NATION  
SCHEDULES TO FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2012

Schedule of salaries and travel expenses paid to senior management staff

	Salary range	Travel Expenses
Director of Operations (position vacant)	\$ -	\$ -
Director of Finance	60,000 - 65,000	3,603
Manager of Education	32,500 - 37,500	9,256
Manager of Housing	35,000 - 40,000	5,181
Manager of Capital/O&M	32,500 - 37,500	6,798
Manager of Band School	10,000 - 15,000	-
Manager of Day Care	25,000 - 30,000	-
Manager of METS	42,000 - 47,000	7,554
Manager of Tobacco	30,000 - 35,000	-
Manager of Nursing	70,000 - 75,000	4,200
Manager of Membership	32,000 - 37,000	1,983
Manager of Human Resources	28,000 - 33,000	3,953
Manager of Gaming	35,000 - 40,000	2,817
Manager of Social Development	47,000 - 52,000	4,200
Manager of Fishing	44,000 - 49,000	3,082
		<b>\$ 52,627</b>

SHUBENACADIE BAND FIRST NATION  
AANDC CONTRIBUTION FUNDING  
YEAR ENDED MARCH 31, 2012

**Revenues**

Planning and risk management/governance capacity development	\$ 59,000
Summer work experience program	40,000
Skills link program	12,000
Business development	50,000
Response - oil spill cleanup	288,794
Wastewater - lift station upgrade	195,000
Water - O&M	22,700

Total revenues	<u>667,494</u>
----------------	----------------

**Expenditures**

Planning and risk management/governance capacity development	\$ 59,000
Summer work experience program	40,000
Skills link program	12,000
Business development	50,000
Response - oil spill cleanup	288,794
Wastewater - lift station upgrade	-
Water - O&M	22,700

Total expenditures	<u>472,494</u>
--------------------	----------------

<b>Surplus (deficit)</b>	<b><u>\$ 195,000</u></b>
--------------------------	--------------------------

Note: The amounts listed above represent all contribution type funding received from Aboriginal Affairs and Northern Development Canada during the fiscal period April 1, 2011 through March 31, 2012. The amounts are included throughout schedules 1 - 13 and are presented on this page for information purposes only for Aboriginal Affairs and Northern Development Canada as per their year end requirements.

**SHUBENACADIE BAND FIRST NATION**  
**SCHEDULE OF FEDERAL GOVERNMENT FUNDING**  
**YEAR ENDED MARCH 31, 2012**

Federally Funded Programs and Services Directly Funded by the Government of Canada	Federal Funding Received	Unexpended Federal Funding Beginning of Year	Adjustments or transfers	Total Federal Funding Available	Total Expenditures from all Sources (option 2)	N/A (Option 2)
<b>Aboriginal Affairs and Northern Development</b>						
Operating and maintenance	\$ 777,690	\$ -	\$ -	\$ 777,690	\$ 1,834,138	N/A
Economic development	193,744	-	-	193,744	806,899	N/A
Education	59,500	-	-	59,500	59,500	N/A
Indian government support	656,286	-	-	656,286	3,000,364	N/A
Social development	5,200,725	1,302,196	-	6,502,921	5,399,807	N/A
Social support services - assisted living	257,216	-	-	257,216	323,823	N/A
Membership	62,610	14,343	-	76,953	33,681	N/A
Capital and housing	640,429	-	-	640,429	1,222,958	N/A
	7,848,200	1,316,539	-	9,164,739	12,681,170	
<b>Health Canada</b>						
Children and youth	113,743	-	-	113,743	117,132	N/A
Mental health and addictions	226,101	-	-	226,101	228,289	N/A
Chronic disease and injury prevention	248,090	-	-	248,090	297,623	N/A
Communicable disease control	35,500	-	-	35,500	35,500	N/A
Environmental health and research	9,900	-	-	9,900	9,881	N/A
Primary care	291,851	-	-	291,851	900,819	N/A
Health governance and infrastructure support	54,670	-	-	54,670	74,478	N/A
Maternal child health	42,020	-	-	42,020	46,716	N/A
	1,021,875	-	-	1,021,875	1,710,438	
<b>Canada Mortgage and Housing Corp.</b>						
Housing subsidies	179,143	-	-	179,143	292,646	N/A
RRAP forgivable loans	20,500	-	-	20,500	88,234	N/A
	199,643	-	-	199,643	380,880	
<b>Aboriginal Affairs - Ottawa</b>						
1919 Halifax Claim	160,328	-	-	160,328	392,756	N/A
	160,328	-	-	160,328	392,756	
<b>Education flowthrough</b>						
Mikmaq Kinamatneway	6,181,590	-	-	6,181,590	4,570,805	N/A
<b>TOTAL</b>	<b>15,411,636</b>	<b>1,316,539</b>	<b>-</b>	<b>16,728,175</b>	<b>19,736,049</b>	

SHUBENACADIE BAND FIRST NATION  
SCHEDULE OF EXCESS OF FUNDING OVER EXPENSES AND TCA PURCHASES  
YEAR ENDED MARCH 31, 2012

Description	Surplus (deficit)	Amortization of tangible capital assets	Purchases of tangible capital assets	Capital funding included in revenues	Loan proceeds	Excess of funding after purchases of tangible capital assets
Consolidated surplus (deficit)	(2,324,242)	-	-	-	-	-
Composition of new TCA's:						
Vehicle			39,740	-	-	-
Band housing			319,377	-	427,452	-
Equipment			22,418	-	-	-
Road development			113,964	113,964	-	-
<b>TOTAL</b>	<b>(2,324,242)</b>	<b>1,395,626</b>	<b>495,499</b>	<b>113,964</b>	<b>427,452</b>	<b>-</b>