



Consolidated financial statements

Millbrook Band Council

March 31, 2013

Contents

	Page
Management's responsibility for financial reporting	1
Independent auditor's report	2
Consolidated statement of operations	4
Consolidated statement of financial position	5
Consolidated statement of changes in net financial liabilities	7
Consolidated statement of changes in fund balances	8
Consolidated statement of cash flows	9
Notes to the consolidated financial statements	10
Schedule of trust fund operations	23
Schedule of consolidated revenues	24
Schedule of consolidated gross profit	25
Schedule to consolidated statement of operations	26
Schedule of salaries, honoraria, director fees and travel expenses Chief and Council	27
Schedule of 15 highest paid employees other than Chief and Council	28
Schedule of Federal government funding	29
Schedule of revenues and expenditures – AANDC contribution funding	30
Statement of operations – 3031611 Nova Scotia Limited	31
Statement of operations – 3050587 Nova Scotia Limited	32
Statement of operations – 3051802 Nova Scotia Limited	33
Statement of operations – 3051803 Nova Scotia Limited	34
Statement of operations – 3061881 Nova Scotia Limited	35
Statement of operations – 3151517 Nova Scotia Limited	36
Statement of operations – Millbrook Technologies Inc.	37
Statement of operations – Millbrook First Nation Economic Development Corporation Limited	38
Statement of operations – VON Dutch Marine Limited	39
Statement of earnings – Mill Mel Residential Developments Partnership	40

Management's responsibility for financial reporting

The accompanying consolidated financial statements and schedules of the Millbrook Band Council and all the information contained therein are the responsibility of management and have been approved by the Chief and Council.

The consolidated financial statements and schedules have been prepared by management in accordance with accounting standards as disclosed in Note 1 to the consolidated financial statements. Consolidated financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the consolidated financial statements are presented fairly, in all material respects.

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

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

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

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


Councillor


Councillor



Independent auditor's report

Grant Thornton LLP
Suite 400
35 Commercial Street
Truro, NS
B2N 3H9
T +1 902 893 1150
F +1 902 893 9757
www.GrantThornton.ca

To the Chief and Councillors of the Millbrook Band Council

We have audited the accompanying consolidated financial statements of the Millbrook Band Council, which comprise the consolidated statement of financial position as at March 31, 2013, and the consolidated statements of operations, changes in net financial liabilities, changes in fund balances, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Millbrook Band Council as at March 31, 2013, and the results of its consolidated operations, changes in net financial liabilities and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other matter

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The schedules included on Pages 27 to 30 are presented for purposes of additional information and are not a required part of the consolidated financial statements. Such supplementary information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion, in the audit of the consolidated financial statements taken as a whole.

Truro, Canada
July 30, 2013

Grant Thornton LLP

Chartered Accountants

Millbrook Band Council

Consolidated statement of operations

Year ended March 31

	2013 <u>Budget</u>	2013 <u>Actual</u>	Restated (Note 2) 2012 <u>Actual</u>
Revenues (Page 24)			
Business operations	\$ 17,090,654	\$ 16,045,241	\$ 17,853,960
Government	<u>9,176,833</u>	<u>10,428,393</u>	<u>9,500,047</u>
Total revenues	<u>26,267,487</u>	<u>26,473,634</u>	<u>27,354,007</u>
Expenditures			
Advertising	80,748	13,084	13,801
Bad debts	528,000	582,208	539,296
Community health	1,729,226	1,295,175	1,064,346
Contributions to band activities and members	3,407,921	3,479,352	3,995,501
Economic development	132,663	25,795	53,797
Education - other	2,255,698	1,639,348	1,639,807
Education - tuition agreement	1,793,000	1,538,279	1,613,037
Employment training	59,880	327,005	392,321
Honorariums	606,267	606,267	632,215
Insurance	75,845	88,987	89,580
Interest and bank charges	197,734	183,144	134,413
Interest on long term debt	200,213	152,220	197,673
Office and supplies	203,416	138,879	149,238
Professional fees	730,785	900,710	790,700
Repairs, maintenance and renovations	1,571,496	1,730,036	1,649,076
Salaries and benefits	5,389,201	6,983,950	6,582,334
Security	574,066	507,068	539,472
Social - basic and special needs	2,942,164	2,584,928	2,716,845
Sundry			
Administration	132,613	153,061	337,141
Travel	40,372	73,007	61,761
Utilities and telephone	<u>237,044</u>	<u>240,051</u>	<u>236,633</u>
Total expenditures	<u>22,888,352</u>	<u>23,242,554</u>	<u>23,428,987</u>
Net revenues before depreciation expense	3,379,135	3,231,080	3,925,020
Depreciation expense on business operations (Page 24)	1,113,216	2,376,019	3,039,025
Depreciation expense on divisions	<u>1,543,332</u>	<u>1,699,719</u>	<u>1,654,125</u>
	<u>2,656,548</u>	<u>4,075,738</u>	<u>4,693,150</u>
Net expenditures	\$ <u>722,587</u>	\$ <u>(844,658)</u>	\$ <u>(768,130)</u>

See accompanying notes to the consolidated financial statements

Millbrook Band Council

Consolidated statement of financial position

Restated
(Note 2)
2012

March 31

2013

Financial assets

Cash and cash equivalents	\$ 7,729,974	\$ 8,129,919
Restricted cash and deposits		
Replacement reserve fund (Note 3)	268,551	501,019
Member allowances (Note 4)	9,347,591	9,532,078
Receivables (Note 5)	2,569,394	2,118,057
Trust Fund assets	121,699	139,796
Investments (Note 6)	953,615	1,224,846
	<u>20,990,824</u>	<u>21,645,715</u>

Liabilities

Bank indebtedness (Note 7)	2,415,000	2,890,000
Payables and accruals	2,649,095	2,926,108
Deferred revenue	521,257	454,225
Demand loans (Note 8)	1,475,764	1,944,056
Long term debt (Note 9)	18,603,672	19,355,979
Member allowances (Note 4)	9,347,591	9,532,078
	<u>35,012,379</u>	<u>37,102,446</u>

Net financial liabilities (Page 7)

(14,021,555) (15,456,731)

Non-financial assets

Tangible capital assets (Note 10)	54,973,695	56,813,319
Other assets	936,304	775,091
Deferred development costs (Note 11)	6,474,704	7,305,042
Inventories	231,663	212,408
Prepays	214,819	242,687
	<u>62,831,185</u>	<u>65,348,547</u>

Net assets/funds (Page 6)

\$ 48,809,630 \$ 49,891,816

See accompanying notes to the consolidated financial statements

Millbrook Band Council

Restated

Consolidated statement of financial position

(Note 2)

March 31

2013

2012

Fund balances (Page 8)

Operating Fund	\$ 12,855,437	\$ 13,072,155
Replacement Reserve Fund	14,594	154,778
Equity in Trust Fund	<u>117,967</u>	<u>134,510</u>
	<u>12,987,998</u>	<u>13,361,443</u>
Investment in tangible capital assets	<u>35,821,632</u>	<u>36,530,373</u>
	<u>\$ 48,809,630</u>	<u>\$ 49,891,816</u>

Contingencies and Commitment (Notes 13 and 17)

On Behalf of the Band


Councillor
Councillor

See accompanying notes to the consolidated financial statements

Millbrook Band Council
Consolidated statement of changes in
net financial liabilities

Restated
(Not 2)

Year ended March 31	2013	2012
Net revenues	\$ (844,658)	\$ (768,130)
Acquisition of tangible capital assets, net of transfers	(2,236,114)	(1,987,043)
Depreciation of tangible capital assets	4,075,738	3,967,261
Acquisition of deferred development costs, net of transfers	(126,305)	1,311,206
Amortization of deferred development costs	<u>956,643</u>	<u>715,374</u>
	<u>1,825,304</u>	<u>3,238,668</u>
Withdrawals from Replacement Reserve Fund	(237,528)	(320,720)
Acquisition of prepaid expenses, net of usage	27,868	(61,457)
Usage (purchase) of inventories	(19,255)	(8,965)
Change in other assets, net	<u>(161,213)</u>	<u>(285,820)</u>
	<u>(390,128)</u>	<u>(676,962)</u>
Change in net financial liabilities	1,435,176	2,561,706
Net financial liabilities, beginning of year	<u>(15,456,731)</u>	<u>(18,018,437)</u>
Net financial liabilities, end of year	\$ <u>(14,021,555)</u>	\$ <u>(15,456,731)</u>

See accompanying notes to the consolidated financial statements

Millbrook Band Council

Consolidated statement of changes in fund balances

Year ended March 31, 2013

	Unrestricted	(Page 23) Net Trust Assets	Investment in Tangible Capital Assets	Replacement Reserve Fund	Total 2013	Restated (Note 2) 2012
Fund balance, beginning of year	\$ 10,992,155	\$ 134,510	\$ 26,859,040	\$ 154,778	\$ 38,140,483	\$ 38,159,743
As previously reported						
Accounting standard change (Note 2)	2,080,000	-	9,671,333	-	11,751,333	12,820,923
As restated	13,072,155	134,510	36,530,373	154,778	49,891,816	50,980,666
Net revenues (expenses)	3,097,623	133,457	(4,075,738)	-	(844,658)	(768,130)
Tangible capital assets						
Additions	(2,236,114)	-	2,236,114	-	-	-
Issuance of capital debt	526,459	-	(526,459)	-	-	-
Repayment of capital debt	(1,657,342)	-	1,657,342	-	-	-
Withdrawals from Replacement Reserve, net	-	-	-	(237,528)	(237,528)	(320,720)
Transfers, net	52,656	(150,000)	-	97,344	-	-
Fund balance, end of year	\$ 12,855,437	\$ 117,967	\$ 35,821,632	\$ 14,594	\$ 48,809,630	\$ 49,891,816

See accompanying notes to the consolidated financial statements

Millbrook Band Council

Consolidated statement of cash flows

Restated

(Note 2)

Year ended March 31

2013

2012

Operating activities

Net expenditures	\$	(844,658)	\$	(768,130)
Amortization and depreciation, net		5,032,381		4,682,635
Payments from Replacement Reserve Fund		<u>(237,528)</u>		<u>(320,720)</u>
		3,950,195		3,593,785

Change in non-cash working capital

Receivables	(451,337)	2,269,664
Inventories	(19,255)	(8,965)
Prepays	27,868	(61,457)
Payables and accruals	(277,013)	(1,201)
Deferred revenue	<u>67,032</u>	<u>(31,884)</u>
	3,297,490	5,759,942

Financing transactions

Proceeds from:		
Demand debt	(475,000)	1,860,000
Long term debt	600,991	573,166
Repayment of:		
Demand debt	(468,292)	(622,454)
Long term debt	<u>(1,353,298)</u>	<u>(1,361,587)</u>
	(1,695,599)	449,125

Investing transactions

Replacement Reserve Fund	232,468	(1,159)
Trust Fund assets	18,097	(64,005)
Purchase of investments, net	271,231	87,767
Capital assets acquired	(2,236,114)	(1,987,042)
Purchase of deferred development costs, net	(126,305)	1,311,206
Other assets	<u>(161,213)</u>	<u>(285,820)</u>
	(2,001,836)	(939,053)

Change in net cash and cash equivalents	(399,945)	5,270,014
Opening, net cash and cash equivalents	8,129,919	2,859,905
Closing, net cash and cash equivalents	\$ 7,729,974	\$ 8,129,919

See accompanying notes to the consolidated financial statements

Millbrook Band Council

Notes to the consolidated financial statements

March 31, 2013

1. Summary of significant accounting policies

Basis of presentation and consolidation

The consolidated financial statements of Millbrook Band Council are the representations of management prepared in accordance with accounting standards for governments as established by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants.

The consolidated statement of financial position includes all of the assets and liabilities of the Band.

The consolidated financial statements include the accounts of Millbrook Band Council and its principal operating entities which are both incorporated and unincorporated. The unincorporated entities are as follows:

- Millbrook Administration which reports the general activities of the First Nation Administration including Social Services, band support, education, operations capital, operating and maintenance, economic development, community health and welfare, employment training, and miscellaneous.
- The Millbrook Band Housing Projects which reports the social housing assets of the First Nation, together with related activities.
- The Trust Fund which reports on trust funds owned by the First Nation and held by third parties.
- The Tobacco Store which reports the First Nation's retail tobacco store entity.
- The Millbrook Rental Authority which provides rental operations.
- The Millbrook Gaming Commission which reports the First Nation's gaming activities.
- The Millbrook Treaty Gas operation which reports the First Nation's commercial operations.
- The Millbrook Fisheries which reports the First Nation's commercial fishing operation.

Incorporated and unincorporated business entities, which are owned and controlled by Millbrook Band Council are included in the consolidated financial statements. These are:

- | | |
|-------------------------------|---|
| - 3031611 Nova Scotia Limited | - Mill Mel Residential Developments Partnership |
| - 3050587 Nova Scotia Limited | - Millbrook First Nation Economic Development Corporation Limited |
| - 3051802 Nova Scotia Limited | - Millbrook Technologies Inc. |
| - 3051803 Nova Scotia Limited | - Von Dutch Marine Limited |
| - 3061881 Nova Scotia Limited | |
| - 3151517 Nova Scotia Limited | |

Millbrook Band Council

Notes to the consolidated financial statements

March 31, 2013

1. Summary of significant accounting policies (continued)

Investments

Investments in common shares of business enterprises in which the Band Council holds less than 20% interest are recorded at cost, less any distribution from the business enterprises for return of capital.

Investments in business partnerships and joint ventures are accounted for by the modified equity method and applied using the Band Council's share of the business partnership and the joint venture.

All investments are reviewed by management for impairment and if a decline in the value is considered other than temporary, the investment is written down to reflect the impairment with a charge to income.

Use of estimates

The preparation of the consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the amounts of assets and liabilities, and disclosure of contingent liabilities at the date of the consolidated financial statements and reported amounts of revenue and expenses during the year. Actual results could differ from these estimates. Estimates include depreciation and amortization of tangible capital assets and deferred development costs, allowances on receivables, and valuation allowances on long-term investments.

Revenue recognition

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

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

Rental revenue is recognized in the period it is earned as agreed to by the rental entities and their tenants.

Revenues from business operations are recorded as revenue when earned at the point of sale.

Interest and other revenues are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Inventories

Inventories are valued at the lower of cost and net realizable value.

Millbrook Band Council

Notes to the consolidated financial statements

March 31, 2013

Deferred development costs

Costs related to specific projects under construction and development have been deferred until the projects are completed (See Note 11). Once completed, the costs are transferred to capital assets and depreciated in accordance with accounting policies of the applicable entity.

Costs related to infrastructure development and business start ups have been deferred and are being amortized in accordance with the accounting policies of the applicable entity.

Tangible capital assets and depreciation

Tangible capital asset expenditures are capitalized at cost. The investment in tangible capital assets represents the equity in tangible capital assets of the consolidated group.

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

Buildings	2.5%, 4% and 5%, straight line
Paving and roads	4% - 10%, straight line
Equipment and school buses	30%, straight line
Trailers	20%, declining balance
Water tower	4%, straight line
Wharfs	5%, straight line
Land improvements	6.67%, straight line
Paving	10%, straight line
Equipment	20%, declining balance
	20% and 10%-20%, straight line
Mobile Homes	10%, declining balance
Motor vessels	10%, straight line
Automotive equipment	30%, declining balance
Signs	20%, straight line
Software development	20%, straight line

Other assets

Costs incurred related to the 1919 Halifax County Land Claim have been deferred and will be recognized at the time of settlement of the claim which is estimated to be no later than March 31, 2014.

Impairment of long-lived assets

Long-lived assets such as development costs are tested for impairment when there are indicators of impairment. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in net income.

Millbrook Band Council

Notes to the consolidated financial statements

March 31, 2013

1. Summary of significant accounting policies (continued)

Cash and cash equivalents

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

The cash balance includes \$20,874 restricted for pension contributions on behalf of employees of the Band.

Demand loans

Loans repayable on a demand basis, in accordance with the contractual terms of the loan agreement are classified as current liabilities.

Financial instruments

The Millbrook Band Council's financial instruments include cash and cash equivalents, receivables, investments, payables and accruals, demand debt and long term debt. The fair market value of these financial instruments are at least equal to their carrying values.

Credit risk

The Millbrook Band Council is exposed to credit risk through their receivables. However, this credit risk is minimal as receivables are mainly from various governmental entities. Management closely evaluates the collectibility of the Band's receivables and when necessary, maintains provisions for potential credit losses which are assessed on a regular basis.

Millbrook Band Council

Notes to the consolidated financial statements

March 31, 2013

2. Accounting standard change

Effective April 1, 2011 the Band Council adopted the new handbook section PS 3410 – Government Transfers under Public Sector Accounting Standards, resulting in a change in accounting policy for capital transfers, where capital transfers are recognized in revenue when the eligibility criteria and stipulations have been met with the funding agreements. Previously, government transfers relating to the acquisition of capital assets was deferred and amortized over the asset's useful life on the same basis as the asset was depreciated.

The new accounting policy has been applied retrospectively, which required restatement of comparative balances as summarized below:

	Previously reported <u>balance</u>	<u>Adjustment</u>	Restated <u>balance</u>
March 31, 2012 year end			
<i>Statement of financial position</i>			
Deferred revenue	\$ 12,205,558	\$ (11,751,333)	\$ 454,225
Unrestricted surplus	10,992,155	2,080,000	13,072,155
Investment in tangible capital assets	26,859,040	9,671,333	36,530,373
<i>Statement of operations</i>			
Depreciation expense	\$ 3,623,560	\$ 1,069,590	\$ 4,693,150
Excess of revenues over expenses	301,460	(1,069,590)	(768,130)
April 1, 2011			
<i>Statement of financial position</i>			
Deferred revenue	\$ 13,307,033	\$ (12,820,923)	\$ 486,110
Investment in tangible capital assets	38,159,743	12,820,923	50,980,666

3. Replacement reserve fund

2013

2012

Under the terms of the agreement with the C.M.H.C., the replacement reserve account is to be credited in the amount of \$97,344 annually. These funds along with accumulated interest must be held in a separate interest bearing bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by the C.M.H.C. from time to time. No interest was earned on the reserve balance during the year. The funds in the account may only be used as approved by the C.M.H.C. At year end, the funds in reserve consisted of the following:

Cash	\$ <u>268,551</u>	\$ <u>501,019</u>
------	-------------------	-------------------

Millbrook Band Council

Notes to the consolidated financial statements

March 31, 2013

4. Member allowances

The Band Council established trust accounts to control member allowances for children under the age of nineteen. The principal and interest are held in trust by an independent financial institution. Upon turning nineteen years of age, the principal and accumulated interest are paid to the individual Band member.

The balance of the investment portfolio at cost is \$9,347,591 at March 31, 2013 (market value is \$10,423,163).

5. Receivables	2013	2012
Aboriginal Affairs and Northern Development Canada	\$ 275,080	\$ 306,991
Glooscap Heritage Society	16,173	16,173
Harmonized Sales Tax	137,318	53,337
Health Canada	9,695	33,482
Indian Brook First Nation	245,608	245,608
Loans receivable	50,957	50,098
Mikmaq Employment/Training Secretariat	41,510	33,244
Payroll and honorarium advances	479,128	248,164
Trade and sundry	1,313,925	1,130,960
	<u>\$ 2,569,394</u>	<u>\$ 2,118,057</u>

6. Long term investments	2013	2012
Equity basis accounting		
Amherst 8 Motel Partnership 13.58% interest	\$ 154,829	\$ 163,929
Caraquet Super 8 Motel Joint Venture 19.85% interest	187,629	167,638
PacMill Restaurant Limited Partnership 49.95% interest	-	327,922
	<u>342,458</u>	<u>659,489</u>
Other		
Holloway Lodging Real Estate Investment Trust, 5,750 units, at cost less unit distributions to date of \$288,650 and estimated impairment provisions	15,007	15,582
Melford International Terminal Incorporated, 250,000 common shares issued at cost of \$1 US per share	246,150	249,775
Deer Lake Express Hotel Limited, 300,000 common shares at \$1 per share, at cost and a \$50,000 promissory note, bearing interest at 5%	350,000	300,000
	<u>\$ 953,615</u>	<u>\$ 1,224,846</u>

Millbrook Band Council

Notes to the consolidated financial statements

March 31, 2013

7. Bank indebtedness

The Band Council has a consolidated banking arrangement with RBC which provides an operating line of credit of \$3,000,000, at RBC prime, \$2,415,000 of which is used at March 31, 2013.

As security, the Band Council has provided a general security agreement with a first ranking security interest in all property of the Band. Band Council resolutions have been provided to authorize specific borrowing.

8. Demand loans	<u>2013</u>	<u>2012</u>
RBC loan at prime plus 0.55%, principal payments of \$11,670 monthly.	\$ 244,670	\$ 384,710
CIBC loan at prime, principal payments of \$3,250 monthly.	61,750	100,750
RBC loans at USD prime, no set terms of repayment.	169,352	333,600
RBC loans at prime plus 1.1%, principal payments of \$10,417.	<u>999,992</u>	<u>1,124,996</u>
	<u>\$ 1,475,764</u>	<u>\$ 1,944,056</u>

All demand loans are secured by a guarantee of the Millbrook Band Council.

Expected principal repayments based upon scheduled payments in each of the next five years are as follows:

2014	\$ 304,044
2015	\$ 252,384
2016	\$ 125,004
2017	\$ 125,004
2018	\$ 125,004

Millbrook Band Council

Notes to the consolidated financial statements

March 31, 2013

9. Long term debt	<u>2013</u>	<u>2012</u>
GMAC loan, non-interest bearing, maturing in 2013, payable in monthly instalments of \$857.	\$ 1,714	\$ 11,993
6.70% interest bearing GMAC loan, maturing in 2013, payable in monthly instalments of principal and interest of \$555.	1,101	7,457
Term loan, bearing interest at bank prime less 0.25%, payable in monthly payments of \$17,500 principal and interest.	73,133	278,070
Non-interest bearing promissory note, payable on the earlier of March 31, 2017 or the settlement of 1919 land claims.	758,022	683,489
Housing project mortgages maturing in 2014 to 2018, bearing interest at 1.53% to 4.97%, payable in equal monthly amounts of principal and interest totalling \$45,295. As security for the mortgages, the Minister of Indian and Northern Affairs has provided a guarantee.	5,557,196	5,431,604
3.70% mortgage maturing in 2017, amortized to December 2033, payable in equal monthly instalments of principal and interest of \$16,628. As security, Mill Mel Residential Developments Partnership has provided a building having a net book value of \$4,695,075.	2,902,512	2,993,654
4.56% RBC loan, principal and interest payable at \$53,721 monthly, secured by a guarantee of Millbrook Band Council.	5,460,467	5,848,916
RBC loan at prime plus 0.55%, principal payable at \$11,111 monthly, secured by a guarantee of Millbrook Band Council.	1,477,777	1,611,111
4.76% mortgage maturing April 2014, amortized to 2026, payable in equal monthly instalments of principal and interest of \$19,387. As security, the Band has provided a mortgage on the building, a general assignment of rents and leases, and a general security agreement over all assets of the Band.	2,371,750	2,489,685
	<u>\$ 18,603,672</u>	<u>\$ 19,355,979</u>

Millbrook Band Council

Notes to the consolidated financial statements

March 31, 2013

9. Long term debt (continued)

Principal repayments in each of the next five years are due as follows:

2014	\$	1,220,249
2015	\$	1,143,710
2016	\$	1,142,821
2017	\$	1,910,726
2018	\$	1,121,492

10. Tangible capital assets

			<u>2013</u>	<u>2012</u>
	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Land	\$ 1,278,365	\$ -	\$ 1,278,365	\$ 1,278,365
Land improvements	401,940	397,388	4,552	6,075
Cenotaph	26,977	18,210	8,767	10,116
Roads	7,122,621	3,351,516	3,771,105	3,626,225
Paving and recreational grounds				
Administrative	172,694	144,695	27,999	36,634
MEDC	9,445	5,495	3,950	4,294
Treaty Gas	100,147	87,024	13,123	19,347
Rental Authority	28,818	10,922	17,896	19,452
Mobile homes	36,860	24,778	12,082	13,425
Motor vessels	2,965,719	2,238,891	726,828	826,192
Automotive equipment	492,636	444,373	48,263	69,865
Equipment				
Incorporated entities	3,035,439	1,724,618	1,310,821	1,835,668
Administrative	701,211	643,982	57,229	18,955
Fisheries	83,416	62,874	20,542	26,113
Rental authority	3,678	3,558	120	145
Technologies	8,900	4,450	4,450	6,230
Tobacco store	20,529	16,665	3,864	2,889
Treaty Gas	803,959	639,122	164,837	186,594
Housing projects	7,500	6,481	1,019	1,274
Buildings				
Incorporated entities	39,704,611	10,983,608	28,721,003	29,365,266
Band hall	218,226	218,226	-	-
Band office	2,953,432	1,547,195	1,406,237	1,554,592
Community centre				
– Sheet Harbour	41,154	27,780	13,374	15,432
Community hall	271,883	232,550	39,333	52,927
Day care	109,441	80,378	29,063	34,535
Gymnasium	781,473	781,473	-	-
Health Centre	1,593,448	676,788	916,660	996,332
Capital housing	1,911,599	1,321,970	589,629	659,055
Old Medical Centre	71,256	69,023	2,233	5,796
Fisheries office	297,161	35,174	261,987	2,374

Millbrook Band Council

Notes to the consolidated financial statements

March 31, 2013

10. Tangible capital assets (continued)			<u>2013</u>	<u>2012</u>
	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Pre-school	1,511,589	605,634	905,955	968,424
Project Haven	261,946	255,325	6,621	19,718
Rental Authority	2,939,082	698,020	2,241,062	1,931,881
Senior Citizens Centre	31,319	31,319	-	-
Storage facility	20,477	20,477	-	-
Sub-offices	94,481	94,481	-	-
Treaty Gas	2,216,843	1,938,838	278,005	389,904
C.M.H.C. housing projects	12,874,693	3,814,127	9,060,566	9,469,677
Yard maintenance building	482,633	102,759	379,874	404,006
Software development	1,420,235	939,611	480,624	633,353
Water Tower	1,998,798	717,978	1,280,820	1,360,772
Wharfs	1,531,600	646,763	884,837	961,417
	<u>\$ 90,638,234</u>	<u>\$ 35,664,539</u>	<u>\$ 54,973,695</u>	<u>\$ 56,813,319</u>

11. Deferred development costs	<u>2013</u>	<u>2012</u>
Deferred development costs, beginning of year	\$ 362,362	\$ 631,361
Costs incurred during the year:		
Cole Harbour subdivision	13,764	191,697
Connector tunnel	-	31,658
Glooscap subdivision	621,605	404,054
Lacrosse/soccer field	-	10,664
Millbrook Power Centre	12,516	-
Millbrook Community Sign	12,025	-
Power Centre Area "B"	-	10,795
Tuff's Cove	-	15,666
Other	7,614	1,523
	<u>1,029,886</u>	<u>1,297,418</u>
Less: Transfer to capital assets	<u>(696,141)</u>	<u>(935,056)</u>
Deferred development costs, end of year (see below)	333,745	362,362

Millbrook First Nation Economic Development Corporation Limited

Development costs (net of amortization of \$8,722,443
2012 - \$7,765,800)

	<u>6,140,959</u>	<u>6,942,680</u>
\$	<u>6,474,704</u>	<u>\$ 7,305,042</u>

Millbrook Band Council

Notes to the consolidated financial statements

March 31, 2013

11. Deferred development costs (continued)	<u>2013</u>	<u>2012</u>
Represented by:		
Cole Harbour Business Centre	\$ 172,376	\$ 158,612
Connector tunnel	44,439	44,439
Glooscap subdivision	-	74,537
Lacrosse/soccer field	10,664	10,664
Millbrook Power Centre	12,516	-
Millbrook Community Sign	12,025	-
Truro Power Centre Phase I	20,148	20,148
Tuff's Cove	53,962	53,962
Other	7,615	-
	<u>\$ 333,745</u>	<u>\$ 362,362</u>

12. Trust Fund

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

13. Contingencies

- a) The Band entered into a five year funding agreement with the Department of Aboriginal Affairs and Northern Development Canada, effective April 1, 2008. These funds are to be used to provide certain programs and services to band members and recipients as defined in the agreement.
- b) The Band's pension plan contributions are funded by the Department of Aboriginal Affairs and Northern Development Canada. Any unexpended portion of these funds are repayable by the Band.
- c) The Band has entered into contribution agreements with various government departments. Funding received under these contribution agreements are subject to repayment if the Band fails to comply with the terms and conditions of the agreements.
- d) The housing projects do not calculate their rental income in accordance with sub-paragraph 2(5) of the operating agreement with C.M.H.C. In addition, C.M.H.C. may determine certain expenditures to be not eligible in determining the accumulated surplus/deficit of the housing projects, if such expenditures are not in accordance with the agreement. Failure to comply with the terms and conditions of the agreement could result in repayment of excess subsidies as well as discontinuance of all Federal assistance.

Millbrook Band Council

Notes to the consolidated financial statements

March 31, 2013

13. Contingencies (continued)

- e) The Band and one of its incorporated companies has provided a guarantee of \$67,800 for an outstanding loan of Amherst 8 Motel Limited.
-

14. Subsidy assistance payments

The Housing Projects have received Federal assistance through C.M.H.C. pursuant to Section 56.1 of the National Housing Act to reduce the mortgage interest expense to enable the projects to provide housing to low income individuals. The amount of assistance recorded in 2013 was \$314,336 (2012 - \$357,960) which reduced interest on the mortgage with respect to the residential component.

15. Related party transaction

During the year, the Band Council paid allowances to its Band members totalling \$3,288,982 (2012 - \$3,811,201).

16. Economic dependence

The Millbrook First Nation receives a major portion of its revenues pursuant to a funding arrangement with Aboriginal Affairs and Northern Development Canada.

As explained in Note 12(a), the First Nation is a party to an *Alternative Funding Agreement* (AFA) with Aboriginal Affairs and Northern Development Canada. Under the terms of the agreement, funding from the arrangement with Indian and Northern Affairs can be suspended if terms of the AFA are not complied with by the First Nation.

17. Commitment

The Band committed a contribution of \$250,000 in 2012 towards the Central Nova Scotia Civic Centre which is to be paid over five years at \$50,000 a year. The first payment was made in fiscal 2013.

Millbrook Band Council

Notes to the consolidated financial statements

March 31, 2013

18. Retirement service awards

The Band Council has a policy which provides for its employees, Chief and Council members, upon retirement an award in recognition of service, equal to one (1) week of salary for each year of service for employees, and \$1,000 per year for each year of service for Chief and Council. The liability at March 31, 2013 is determined to be \$779,657 (2012 - \$766,546) for employees and \$211,000 (2012 - \$198,000) for Chief and Council and has been reflected in these consolidated financial statements.

19. Other

On August 1, 1987, the Band Council entered into a tuition agreement with the Chignecto-Central Regional School Board respecting the provision of education services to Indian children. The cost to the Band Council is based on the net operating expenditures of the school board prorated by the Indian student ratio enrolment in the schools administered by the School Board.

20. Share of income for First Nation entities

			<u>2013</u>	Restated (Note 2) <u>2012</u>
	Net Earnings (loss)	Consolidation Adjustments	<u>Balance</u>	<u>Balance</u>
3031611 Nova Scotia Limited (Page 31)	\$ (12,407)	\$ -	\$ (12,407)	\$ (19,648)
3050587 Nova Scotia Limited (Page 32)	(121,686)	-	(121,686)	(42,507)
3051802 Nova Scotia Limited (Page 33)	2,965	(110,300)	(107,335)	(741,709)
3051803 Nova Scotia Limited (Page 34)	14,125	10,375	24,500	80,579
3061881 Nova Scotia Limited (Page 35)	(38,858)	-	(38,858)	(7,939)
3151517 Nova Scotia Limited (Page 36)	41,093	(41,093)	-	-
Millbrook Technologies Inc. (Page 37)	(185,096)	-	(185,096)	(213,321)
Millbrook First Nation Economic Development Corporation Limited (Page 38)	(1,523,400)	(5,927)	(1,529,327)	(1,731,210)
Von Dutch Marine Limited (Page 39)	(1,685)	-	(1,685)	(1,733)
Mill Mel Residential Developments Partnership (Page 40)	82,185	52,389	134,574	168,393
	<u>\$ (1,742,764)</u>	<u>\$ (94,556)</u>	<u>\$ (1,837,320)</u>	<u>\$ (2,509,095)</u>

Millbrook Band Council

Schedule of trust fund operations

Year ended March 31	2013	2012
Revenues		
Rent		
3051803 Nova Scotia Limited	\$ 3,200	\$ 3,200
Millbrook First Nation Economic Development Corporation Limited	124,173	116,367
Mill Mel Residential Developments Partnership	2,727	2,721
Interest	<u>3,357</u>	<u>1,671</u>
Excess of revenues over expenditures and contributions	\$ <u>133,457</u>	\$ <u>123,959</u>

Millbrook Band Council

Schedule of consolidated revenues

Year ended March 31

	2013 <u>Budget</u>	2013 <u>Actual</u>	Restated (Note 2) 2012 <u>Actual</u>
Business enterprises			
Gross profit (Page 25)	\$ 3,649,791	\$ 4,282,521	\$ 4,248,506
Gaming revenues, net of Atlantic Lotto	10,619,230	9,393,806	11,269,553
Rental	886,489	1,152,537	1,183,005
Forestry	1,500	-	1,500
Interest	16,445	109,848	101,113
Day care – parent fees	49,779	28,189	40,457
Taxation	663,608	539,641	479,896
Share of income (loss) of First Nation entities (Note 20)	<u>90,596</u>	<u>(1,837,320)</u>	<u>(2,509,095)</u>
	<u>15,977,438</u>	<u>13,669,222</u>	<u>14,814,935</u>
Government			
Aboriginal Affairs and Northern Development			
Canada (Page 26)	7,291,970	7,797,279	7,247,703
Canada Mortgage and Housing Corporation	370,245	348,450	376,302
Child Health programming	46,674	7,700	56,674
Fisheries and Oceans Canada (Page 26)	-	417,478	249,716
Health Canada	958,000	1,147,883	1,082,147
Mi'kmaq Employment/Training Secretariat	488,000	587,599	482,663
Training recoveries	<u>21,944</u>	<u>122,004</u>	<u>4,842</u>
	<u>9,176,833</u>	<u>10,428,393</u>	<u>9,500,047</u>
	<u>\$ 25,154,271</u>	<u>\$ 24,097,615</u>	<u>\$ 24,314,982</u>

Consolidated revenues comprised of:

Business enterprises revenue	\$ 17,090,654	\$ 16,045,241	\$ 17,853,960
Government revenue	<u>9,176,833</u>	<u>10,428,393</u>	<u>9,500,047</u>
	26,267,487	26,473,634	27,354,007
Less: depreciation expense – business operations	<u>(1,113,216)</u>	<u>(2,376,019)</u>	<u>(3,039,025)</u>
	<u>\$ 25,154,271</u>	<u>\$ 24,097,615</u>	<u>\$ 24,314,982</u>

Millbrook Band Council

Schedule of consolidated gross profit

Year ended March 31

2013

2012

	<u>Sales</u>	<u>Cost of Sales</u>	<u>Gross Profit</u>	<u>Gross Profit</u>
Millbrook Fisheries	\$ 2,866,181	\$ 465,405	\$ 2,400,776	\$ 2,772,215
Millbrook Tobacco Store	4,480,343	2,887,041	1,593,302	1,222,643
Millbrook Treaty Gas	4,311,639	4,023,196	288,443	253,648
	<u>\$ 11,658,163</u>	<u>\$ 7,375,642</u>	<u>\$ 4,282,521</u>	<u>\$ 4,248,506</u>

Millbrook Band Council

Schedule to consolidated statement of operations

Year ended March 31

2013

2012

REVENUES

Aboriginal Affairs and Northern Development Canada

Funding allocations	\$	<u>7,797,279</u>	\$	<u>7,247,703</u>
---------------------	----	------------------	----	------------------

Fisheries and Oceans Canada

Funding allocations

AFS co-management agreement	\$	135,000	\$	135,000
-----------------------------	----	---------	----	---------

AICFI business development plan

Implementation contribution agreement

2.3 agreement		82,478		114,716
---------------	--	--------	--	---------

4.0 agreement		<u>200,000</u>		<u>-</u>
---------------	--	----------------	--	----------

		<u>417,478</u>		<u>249,716</u>
--	--	----------------	--	----------------

Funding allocation included in business operations revenue

AIMAP		330,000		-
-------	--	---------	--	---

Reallocation to related entities for fisheries operations and capital

		<u>(747,478)</u>		<u>(249,716)</u>
\$		<u>-</u>	\$	<u>-</u>

Millbrook Band Council

Schedule of salaries, honoraria, director fees and travel expenses - Chief and Council

Year ended March 31, 2013

Name of Individual (Chief and Council Member)	Salary	Honoraria	Travel Expenses	Total Expense	Advance Receivable (Payable)
Gloade, Bob, Chief	\$ 72,645	\$ 46,636	\$ 2,963	\$ 122,244	\$ 39,348
Cope, Alex	113,117	46,636	350	160,103	-
Gloade, Barry	95,906	46,636	350	142,892	-
Johnson, Lloyd	** 121,372	46,636	259	168,267	44,139
Martin, Barry	73,141	46,636	350	120,127	10,333
Gloade, Adrian	71,945	46,636	1,850	120,431	46,636
Nasson, Chris	51,610	46,636	11,866	110,112	21,641
Gloade, Peter	49,589	46,636	14,339	110,564	46,636
Bernard, Colin	45,149	46,636	9,100	100,885	46,636
Gloade, Vernon	30,375	46,636	1,850	78,861	46,636
Johnson, Gordon	-	46,636	832	47,468	-
Markie, Ward	-	46,636	1,850	48,486	5,522
Brooks, Bryan	3,060	46,636	1,850	51,546	-
Total	\$ 727,909	\$ 606,268	\$ 47,809	\$1,381,986	\$ 307,527

** Includes retirement payment of \$61,903.

Millbrook Band Council

Schedule of 15 highest paid employees other than the Chief and Council

Year ended March 31, 2013

Name of Employee	Title	Travel Expenses	Wages	Total Expense
Kennedy, Shane	Captain	\$ -	\$ 106,301	\$ 106,301
Johnson, Justin	Captain	-	104,293	104,923
Paul, Elizabeth	Director of Health	2,928	84,208	87,136
Prosper-Julien, Tony	Captain	-	81,886	81,886
Sylliboy, Dana	Captain	-	76,396	76,396
MacLeod, Suzzette	Registered Nurse	3,213	67,570	70,783
Ryan, Cindy	Registered Nurse	3,026	66,041	69,067
Pictou, William	Outreach Director	10,462	61,481	71,943
Bernard, Angela	Comptroller	1,498	60,741	62,239
Bernard, Bernie	Construction Foreman	-	58,571	58,571
Paul, Lorne	Construction Foreman	-	57,645	57,645
Gloade, Debbie	Director of Education	1,030	56,289	57,319
Gloade, William T.	Maintenance	85	54,231	54,316
Gloade, Frank	Captain	-	52,242	52,242
Howe, Terry	Captain	-	49,159	49,159
Total		\$ 22,242	\$ 1,037,054	\$ 1,059,296

Millbrook Band Council

Schedule of Federal government funding

Year ended March 31, 2013

	Federal Funding Confirmed	Adjustments	Deferred Revenue Beginning of Year	Total Federal Funding Available	Federal Funding Expended	Deferred Revenue End of Year
Aboriginal Affairs and Northern Development Canada						
Community development	\$ 176,417	\$ -	\$ -	\$ 176,417	\$ 176,417	\$ -
Economic development	79,638	-	-	79,638	79,638	-
Education	2,775,577	-	-	2,775,577	2,775,577	-
Indian Government support	642,134	-	-	642,134	642,134	-
Social development	3,573,903	-	-	3,573,903	3,573,903	-
Other	626,110	-	-	626,110	626,110	-
	\$ 7,873,779	\$ -	\$ -	\$ 7,873,779	\$ 7,873,779	\$ -
Health Canada						
Aboriginal Diabetes Initiative	\$ 43,178	\$ -	\$ -	\$ 43,178	\$ 43,178	\$ -
Aboriginal Head Start On-Reserve	119,929	-	-	119,929	119,929	-
Building healthy communities	-	-	-	-	-	-
- mental health crisis management	-	-	-	-	-	-
Capital facilities - operation and maintenance	5,732	-	-	5,732	5,732	-
Communicable disease control	5,150	-	-	5,150	5,150	-
Community health promotion and injury/illness prevention	2,100	-	-	2,100	2,100	-
Environmental health program	23,100	-	-	23,100	23,100	-
First Nations and Inuit home and community care	162,262	-	-	162,262	162,262	-
	\$ 361,451	\$ -	\$ -	\$ 361,451	\$ 361,451	\$ -
Canada Mortgage and Housing Corporation						
	\$ 394,336	\$ -	\$ 87,283	\$ 481,619	\$ 348,450	\$ 133,169
Department of Fisheries and Oceans						
	\$ 417,478	\$ -	\$ -	\$ 417,478	\$ 417,478	\$ -
Mi'kmaq Employment / Training Secretariat						
	\$ 587,599	\$ -	\$ -	\$ 587,599	\$ 587,599	\$ -
TOTAL	\$ 9,634,643	\$ -	\$ 87,283	\$ 9,721,926	\$ 9,588,757	\$ 133,169

Millbrook Band Council

Schedule of revenues and expenditures – AANDC contribution funding

Year ended March 31, 2013

	Info Mgmt / Info Technology Governance Capacity Dev 1842	Enhanced Teachers Salaries 2107	New Paths Improving School Effectiveness 2158	First Nations & Inuit Skills Link Program 2176	Major Resource Dev & Energy Investments 8026	Response 8502	Total
Revenues							
AANDC	\$ 16,000	\$ 2,992	\$ 44,900	\$ 31,441	\$ 76,500	\$ 90,000	\$ 261,833
Plus: Deferred revenue beginning of year	-	-	-	-	-	-	-
	16,000	2,992	44,900	31,441	76,500	90,000	261,833
Expenditures							
Salaries and benefits	-	336,973	17,181	92,659	-	-	446,813
Materials	-	112	4,712	-	-	-	4,824
Professional development	-	600	5,887	-	-	-	6,487
Wind mill project	-	-	-	-	106,500	-	106,500
House repairs	-	-	-	-	-	98,294	98,294
Other	-	7,824	23,362	-	-	-	31,186
Total expenditures	-	345,509	51,142	92,659	106,500	98,294	694,104
Deficit, end of year	16,000	\$ (342,517)	\$ (6,242)	\$ (61,218)	\$ (30,000)	\$ (8,294)	\$ (432,271)
Funding repaid subsequent to March 31, 2013	(16,000)						
	\$ -						

Millbrook Band Council
3031611 Nova Scotia Limited

Statement of operations

Restated

(Note 2)

Year ended March 31, 2013

2012

2011

Expenses

Depreciation	\$	7,469	\$	7,863
Professional fees		1,418		6,006
Property taxes		2,619		2,897
Repairs and maintenance		-		2,882
Utilities		901		-

12,407

19,648

Net expenses

\$ (12,407) \$ (19,648)

Millbrook Band Council
3050587 Nova Scotia Limited
Statement of operations

Year ended March 31
(Unaudited)

	2013	2012
Revenue	\$ <u>2,628</u>	\$ -
Expenses		
Depreciation	90,657	-
Insurance	20,396	22,818
Professional fees	1,339	1,916
Telephone	-	288
Wharf expenses	6,763	10,571
Utilities	<u>5,159</u>	<u>6,914</u>
	<u>124,314</u>	<u>42,507</u>
Net expenses	\$ <u>(121,686)</u>	\$ <u>(42,507)</u>

Millbrook Band Council 3051802 Nova Scotia Limited

Statement of operations

Year ended March 31
(Unaudited)

	2013	2012
Revenues		
Department of Fisheries and Oceans Canada		
- AIMAP	\$ 330,000	\$ -
Aboriginal Affairs and Northern Development Canada		
- ACFDI	265,000	-
Millbrook Band Council	95,300	-
Blue Tech Systems	30,000	-
Rental income	15,000	15,000
Other income	7,355	8,817
	<u>742,655</u>	<u>23,817</u>
Expenses		
Bad debts	613	-
Bank charges	18	374
Consulting and marketing fees	-	7,899
Depreciation	693,997	697,885
Direct and overhead	27,065	21,409
Insurance	13,914	13,644
Professional fees	4,083	9,315
	<u>739,690</u>	<u>750,526</u>
Net revenues (expenses)	\$ <u>2,965</u>	\$ <u>(726,709)</u>

Millbrook Band Council 3051803 Nova Scotia Limited

Statement of operations

Year ended March 31

2013

2012

Revenue		
Rental	\$ 566,205	\$ 552,370
Other	<u>1,044</u>	<u>1,778</u>
	<u>567,249</u>	<u>554,148</u>
Operating costs and expenses		
Advertising	300	1,530
Bad debt	-	647
Insurance	10,369	8,900
Interest and bank charges	514	239
Management fees	29,353	29,180
Miscellaneous	1,399	1,290
Office and land rentals	3,200	3,200
Professional fees	6,339	7,678
Property taxes	48,268	50,401
Repairs and maintenance	114,398	41,800
Snow and refuse removal	22,526	16,600
Telephone	4,974	5,419
Utilities	75,931	78,608
Wages and employee benefits	<u>16,519</u>	<u>16,736</u>
	<u>334,090</u>	<u>262,228</u>
Earnings before other income and expenses	233,159	291,920
Equity share of net revenues of Mill Mel Residential Developments Partnership	<u>41,093</u>	<u>59,963</u>
	<u>274,252</u>	<u>351,883</u>
Other expenses		
Depreciation	145,422	145,422
Interest on long term debt	<u>114,705</u>	<u>119,520</u>
	<u>260,127</u>	<u>264,942</u>
Net revenues	\$ <u>14,125</u>	\$ <u>86,941</u>

Millbrook Band Council
3061881 Nova Scotia Limited
Statement of operations

Year ended March 31
(Unaudited)

2013

2012

Expenses

Depreciation

\$ 32,099 \$ -

Insurance

5,499 6,154

Professional fees

1,260 1,785

Net expenses

\$ (38,858) \$ (7,939)

Millbrook Band Council
3151517 Nova Scotia Limited
Statement of operations

Year ended March 31 2013 2012
(Unaudited - see notice to reader)

Equity share of net income from Mill Mel Residential Developments Partnership	\$ <u>41,093</u>	\$ <u>59,963</u>
--	------------------	------------------

Millbrook Band Council
Millbrook Technologies Inc.
Statement of operations

Year ended March 31

2013

2012

Revenue	\$ <u>28,939</u>	\$ <u>133,115</u>
Operating costs and expenses		
Administrative fees	-	15,000
Amortization	188,269	247,184
Bad debts	4,825	5,945
Bank charges	1,088	1,167
Development costs	414	3,288
Distributions		
River of Life	6,062	11,329
Cultural awareness	2,312	8,756
Marketing fees	-	38,190
Professional fees	10,943	7,889
Travel	122	20,020
Utilities	-	2,668
	<u>214,035</u>	<u>361,436</u>
Net expenses	\$ <u>(185,096)</u>	\$ <u>(228,321)</u>

Millbrook Band Council
Millbrook First Nation Economic Development
Corporation Limited

Statement of operations

Restated

(Note 2)

Year ended March 31

2013

2012

Rental income	\$ 1,903,602	\$ 1,868,025
Other earnings (loss)	<u>117,354</u>	<u>(316,990)</u>
	<u>2,020,956</u>	<u>1,551,035</u>
Expenses		
Administration	75,000	75,000
Amortization	956,643	715,374
Appraisal and survey	6,750	-
Bad debts	134,353	9,333
Depreciation	1,077,485	1,077,969
Foreign exchange loss (gain)	6,440	(21,034)
Insurance	36,620	33,489
Interest on demand debt	67,644	86,522
Interest on long term debt	304,451	325,073
Marketing and consulting	124,900	14,750
Municipal services	60,015	73,496
Office expenses	48,353	32,107
Power Centre		
Common area	53,023	28,232
General operating	96,276	172,269
Professional fees	24,108	44,564
RCMP building	20,474	-
Rent	123,605	115,769
Sign maintenance	293	132
	<u>3,216,433</u>	<u>2,783,045</u>
	(1,195,477)	(1,232,010)
Provision for decline in value of investments	<u>(327,923)</u>	<u>(493,279)</u>
Net expenses	<u>\$ (1,523,400)</u>	<u>\$ (1,725,289)</u>

Millbrook Band Council
VON Dutch Marine Limited

Statement of operations

Year ended March 31

2013

2012

Expenses

Professional fees

\$ 1,685 \$ 1,733

Net expenses

\$ (1,685) \$ (1,733)

Millbrook Band Council
Mill Mel Residential Developments Partnership
Statement of earnings

Year ended March 31	2013	2012
Revenue		
Rentals	\$ 640,378	\$ 654,699
Other	<u>11,340</u>	<u>5,132</u>
	<u>651,718</u>	<u>659,831</u>
Operating costs and expenses		
Advertising	-	610
Bad debts	-	46
Insurance	10,369	9,886
Interest and bank charges	1,611	1,195
Management fees	33,486	33,743
Office and storage	5,576	-
Professional fees	12,452	9,181
Property taxes	49,662	45,746
Rent	2,727	2,721
Repairs and maintenance	67,090	46,209
Snow and refuse removal	20,711	14,123
Telephone	6,405	8,346
Utilities	95,547	92,080
Wages and employee benefits	<u>14,708</u>	<u>14,628</u>
	<u>320,344</u>	<u>278,514</u>
Income before other expenses	<u>331,374</u>	<u>381,317</u>
Other expenses		
Depreciation	140,621	138,906
Interest on long term debt	<u>108,568</u>	<u>122,485</u>
	<u>249,189</u>	<u>261,391</u>
Net revenues	<u>\$ 82,185</u>	<u>\$ 119,926</u>
