



Consolidated Financial Statements

Membertou Reserve Band Council

March 31, 2016

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## Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of the Membertou Reserve Band Council and all the information in this annual report are the responsibility of management and have been approved by the Chief and Council.

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

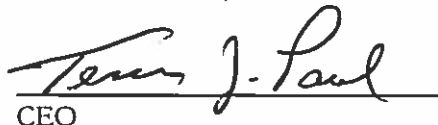
The Band maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable, and accurate, and the Band's assets are appropriately accounted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

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

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

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

  
Chief Financial Officer

  
CEO

## Independent Auditor's Report

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To the Chief and Councillors of the

Membertou Reserve Band Council

We have audited the accompanying consolidated statement of financial position of the Membertou Reserve Band Council (the "Band Council") as at March 31, 2016, and the consolidated statement of operations, changes in net financial liabilities, statement of fund balances, and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's responsibility for the financial statements**

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

### **Auditor's responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk

assessments, the auditor considers internal control relevant to the Band Council'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 Band Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Band Council's management, as well as evaluating the overall presentation of the consolidated financial statements.

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

#### **Basis for qualified opinion**

The statement of financial position includes intangible assets in the amount of \$2,064,336 for fishing licenses and permits purchased by the Band. Recording intangible assets is a departure from Canadian public sector accounting standards. Accordingly, both the purchased licenses and permits and accumulated surplus are overstated by \$2,064,336 as at March 31, 2016. If intangible assets were not recorded in order to be in compliance with Canadian public sector accounting standards, purchased licenses and permits and accumulated surplus would both decrease by \$2,064,336.

#### **Qualified opinion**

In our opinion, except for the effects of the matter described in the *Basis for qualified opinion* paragraph, these consolidated financial statements present fairly, in all material respects, the financial position of the Membertou Reserve Band Council as at March 31, 2016, and the results of its operations, changes in its net financial liabilities, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

#### **Emphasis of matters**

We draw attention to Note 2 to the financial statements which describes the restatement of a prior period. Our opinion is qualified in respect to this matter.

#### **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 41 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, on the audit of the consolidated financial statements taken as a whole.

Sydney, Nova Scotia

July 21, 2016



Chartered accountants

# Membertou Reserve Band Council

## Consolidated Statement of Operations

Year ended March 31

Budget

2016

2015  
(Restated  
Note 2)

### Revenues

Fisheries	\$ 2,292,483	\$ 3,043,099	\$ 2,711,344
Rental	2,738,130	2,549,121	1,648,672
Commercial sales	37,287,275	35,050,755	33,103,552
Commodity tax recovery	-	-	990,000
Gain on disposal of property	-	172,075	-
Government transfers (Note 24)	11,522,072	14,855,177	19,509,019
Other revenues	172,768	368,011	308,474
	<u>54,012,728</u>	<u>56,038,238</u>	<u>58,271,061</u>

### Expenditures

Administrative	2,591,418	2,703,009	1,053,021
Community expenses	3,022,169	3,166,900	2,692,627
Core funding and benefits	868,848	855,006	941,526
Cost of sales – commercial	16,612,348	14,263,362	13,935,623
Education and training	1,207,610	1,233,213	1,447,265
Fishing	170,100	308,485	201,918
Health programs	725,557	1,085,643	804,530
Insurance	461,679	439,903	596,496
Interest	1,380,961	1,565,226	1,301,311
Other	2,577,728	2,134,257	2,886,266
Professional fees	322,600	350,074	379,403
Repairs and maintenance	2,748,717	4,258,937	3,146,631
Salaries and benefits	13,581,799	13,599,807	13,345,579
Security and policing	916,305	909,898	869,589
Social	3,597,314	3,266,418	3,588,410
	<u>50,785,153</u>	<u>50,140,138</u>	<u>47,190,195</u>
Less: transfers/recoveries	<u>(1,470,340)</u>	<u>(1,502,876)</u>	<u>(755,932)</u>

49,314,813      **48,637,262**      46,434,263

### Annual surplus before amortization and property transfer

4,697,915      **7,400,976**      11,836,798

Transfer of Highway 125 Project to the  
Province of Nova Scotia (Note 21)

-      **6,021,928**      -

Amortization

3,279,027      3,887,589      3,371,979

3,279,027      9,909,517      3,371,979

### Annual surplus (deficit)

\$ 1,418,888      \$ (2,508,541)      \$ 8,464,819

See accompanying notes to the consolidated financial statements.

# Membertou Reserve Band Council

## Consolidated Statement of Financial Position

March 31

2016

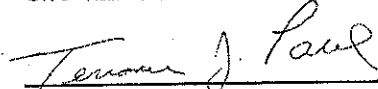
2015  
(Restated  
Note 2)

<b>Financial assets</b>		
Cash	\$ 2,917,234	\$ 4,962,670
Receivables (Note 3)	3,547,238	3,181,649
Band funds in trust (Note 4)	114,735	25,008
Restricted cash	1,723,561	1,401,886
Investments (Note 5)	<u>2,689,397</u>	<u>2,770,913</u>
	<u>10,992,165</u>	<u>12,342,126</u>
 <b>Financial liabilities</b>		
Payables and accruals (Note 11)	3,547,161	7,372,538
Construction payables to be financed	2,352,324	-
Deferred revenue (Note 12)	476,052	530,582
Long term debt (Note 13)	61,620,511	36,018,710
Deferred trust contributions (Note 16)	5,748,207	5,540,707
Capital lease obligations (Note 15)	<u>27,753</u>	<u>159,616</u>
	<u>73,772,008</u>	<u>49,622,153</u>
 Net financial liabilities (Page 6)	 (62,779,843)	 (37,280,027)
 <b>Non-financial assets</b>		
Purchased fishing licenses and permits (Note 8)	2,064,336	2,064,336
Capital assets (Note 9)	109,821,417	87,086,836
Prepays (Note 6)	291,460	193,882
Inventory (Note 7)	<u>325,955</u>	<u>286,383</u>
	<u>112,503,168</u>	<u>89,631,437</u>
 Net assets	 <u>\$ 49,723,325</u>	 <u>\$ 52,351,410</u>
 <hr/>		
Fund balances (Page 7)	<u>\$ 49,723,325</u>	<u>\$ 52,351,410</u>

Contingencies (Note 17)

Commitments (Note 18)

On behalf of the Band Council

 Chief

 Councillor

See accompanying notes to the consolidated financial statements.

# Membertou Reserve Band Council

## Consolidated Statement of Changes in Net Financial Liabilities

Year ended March 31	Budget	2016	2015 (Restated Note 2)
Net revenues	\$ 1,418,888	<b>\$ (2,508,541)</b>	\$ 8,464,819
Gain on disposal of capital assets	-	<b>(172,075)</b>	-
Transfer of Highway 125 Project to the Province of Nova Scotia (Note 21)	-	<b>6,021,928</b>	-
Proceeds on sale of capital assets	-	<b>255,100</b>	-
Depreciation	3,279,027	<b>3,887,589</b>	3,371,979
Fishing licenses and permits acquired	-	-	(202,347)
Capital assets acquired	<u>(29,305,924)</u>	<b><u>(32,727,123)</u></b>	<u>(13,425,989)</u>
	<u>(24,608,009)</u>	<b><u>(25,243,122)</u></b>	<u>(1,791,538)</u>
Replacement Reserve transfers, net of approved repairs	-	<b>(208,316)</b>	(156,533)
Allocation to capital reserve, net of withdrawals	-	<b>(955)</b>	4,084
Interest earned on funds in trust	-	<b>2,727</b>	944
Proceeds to trust from land disposition	-	<b>87,000</b>	-
Usage of prepaid expenses	-	<b>(97,578)</b>	(33,220)
Acquisition of inventory, net of usage	-	<b>(39,572)</b>	7,236
	<u>-</u>	<b><u>(256,694)</u></b>	<u>(177,489)</u>
Change in net financial liabilities	(24,608,009)	<b>(25,499,816)</b>	(1,969,027)
Net financial liabilities, beginning of year	<u>(37,280,027)</u>	<b><u>(37,280,027)</u></b>	<u>(35,311,000)</u>
Net financial liabilities, end of year	<b><u>\$ (61,888,036)</u></b>	<b><u>\$ (62,779,843)</u></b>	<b><u>\$ (37,280,027)</u></b>

See accompanying notes to the consolidated financial statements.



# Membertou Reserve Band Council

## Consolidated Statement of Fund Balances

Year ended March 31

					2016	2015 (Restated Note 2)
	Unrestricted Fund	Funds on Deposit with AANDC	Net Assets - Externally Restricted		<b>Total</b>	<b>Total</b>
			Replacement Reserve	Moveable Capital Asset Reserve		
Opening balance	\$ 49,870,544	\$ 25,008	\$ 305,046	\$ 86,476	<b>\$ 50,287,074</b>	\$ 42,176,107
Prior period adjustment (Note 2)	<u>2,064,336</u>	-	-	-	<b><u>2,064,336</u></b>	<u>1,861,989</u>
Balance, as restated	51,934,880	25,008	305,046	86,476	<b>52,351,410</b>	44,038,096
Excess (deficiency) of revenue over expenditures (Page 4)	(2,508,541)	-	-	-	<b>(2,508,541)</b>	8,464,819
Current year allocations	(112,143)	87,000	112,143	7,725	<b>94,725</b>	7,725
Withdrawals	-	-	(209,621)	(8,680)	<b>(218,301)</b>	(162,922)
Interest earned	<u>-</u>	<u>2,727</u>	<u>1,305</u>	<u>-</u>	<b><u>4,032</u></b>	<u>3,692</u>
Ending balance	<b><u>\$ 49,314,196</u></b>	<b><u>\$ 114,735</u></b>	<b><u>\$ 208,873</u></b>	<b><u>\$ 85,521</u></b>	<b><u>\$ 49,723,325</u></b>	<b><u>\$ 52,351,410</u></b>

See accompanying notes to the consolidated financial statements.

# Membertou Reserve Band Council

## Consolidated Statement of Cash Flows

Year ended March 31

2016

2015  
(Restated  
Note 2)

(Decrease) increase in cash and cash equivalents

	2016	2015 (Restated Note 2)
<b>Operating</b>		
Excess (deficiency) of revenue over expenditures	\$ (2,508,541)	\$ 8,464,819
Depreciation	3,887,589	3,371,979
Gain on disposal of capital assets	(172,075)	-
Transfer of Highway 125 Project to the Province of Nova Scotia (Note 21)	6,021,928	-
Share of limited partnership (income) loss	(42,484)	14,605
	<u>7,186,417</u>	<u>11,851,403</u>
Change in non-cash operating working capital (Note 19)	(2,030,322)	2,884,542
	<u>5,156,095</u>	<u>14,735,945</u>
<b>Investing</b>		
Partnership draws	150,000	100,000
Purchase of investments	(26,000)	-
	<u>124,000</u>	<u>100,000</u>
<b>Financing</b>		
Replacement reserve (net of approved repairs)	(208,316)	(156,533)
Moveable Capital Asset Reserve transfers (net of withdrawals)	(955)	4,084
Trust contributions	2,727	944
New deferred trust contributions	207,500	259,500
Proceeds to trust from land disposition	87,000	-
Repayment of long term capital lease obligation	(131,863)	(150,617)
Receipt of long term debt	27,444,387	6,659,104
Repayment of long term debt	(1,842,586)	(3,153,913)
	<u>25,557,894</u>	<u>3,462,569</u>
<b>Capital</b>		
Proceeds on disposal of assets	255,100	-
Capital assets acquired	(32,727,123)	(13,628,336)
	<u>(32,472,023)</u>	<u>(13,628,336)</u>
Net (decrease) increase in cash and cash equivalents	(1,634,034)	4,670,178
Cash and cash equivalents, beginning of year	<u>6,389,564</u>	<u>1,719,386</u>
Cash and cash equivalents, end of year	<u>\$ 4,755,530</u>	<u>\$ 6,389,564</u>
Cash and cash equivalents consist of:		
Cash	\$ 2,917,234	\$ 4,962,670
Funds in trust	114,735	25,008
Restricted cash	<u>1,723,561</u>	<u>1,401,886</u>
	<u>\$ 4,755,530</u>	<u>\$ 6,389,564</u>

See accompanying notes to the consolidated financial statements.

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# Membertou Reserve Band Council

## Notes to the Consolidated Financial Statements

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March 31, 2016

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### 1. Summary of significant accounting policies

#### **Reporting entity and principles of financial reporting**

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

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

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

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

#### **Principles of consolidation**

The consolidated financial statements include the accounts of all funds and operations in which the First Nation has a controlling interest, after the elimination of inter-fund transactions and balances. The entities include the following Membertou Reserve Band Council Funds - Operating Fund, Housing Fund, Public Works Fund, Capital Fund, Economic Development Fund, Enterprise Fund, Employment Development Fund, Health Fund, AFS Program Fund, Social Fund, Enterprise Fund, and Education Fund, as well as, the Membertou Development Corporation, the Membertou Market, the Membertou Trade & Convention Centre Limited, the Membertou Gaming Commission Inc., 3237395 Nova Scotia Limited (Operating as Membertou Insurance Brokers), Membertou Commercial Fisheries, Membertou Entertainment Centre, the Membertou Business Centre, the Membertou Cultural and Heritage Centre Foundation Inc., Membertou Data Centre, Membertou Geomatics, Membertou Sport and Wellness Centre, and Membertou Properties Limited Partnership.

#### **Revenue recognition**

Membertou Reserve Band Council follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses or capital expenditures are incurred. Unrestricted contributions are recognized as revenue when recovered or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

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

#### **Cash and cash equivalents**

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

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# Membertou Reserve Band Council

## Notes to the Consolidated Financial Statements

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March 31, 2016

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

#### Capital assets

Capital assets are recorded at cost.

#### Depreciation

Rates and bases of depreciation applied to write off the cost of property and equipment over their estimated lives are as follows:

Buildings	4%, declining balance
Housing properties	25 year, straight line
Infrastructure	4%, declining balance
Fishing vessels	15%, declining balance
Fishing equipment	20%, declining balance
Equipment	20%, declining balance
Motor vehicles	20%, declining balance
Moveable equipment	20%, declining balance
School buses	20%, declining balance
Computer hardware and software	20%, declining balance
Office equipment and furniture	20%, declining balance
Parking lots	20%, declining balance
Equipment under capital lease	20%, declining balance

#### Purchased fishing licenses and permits

Purchased fishing licenses and permits assets are intangible assets. These indefinite-lived fishing licenses and permits are recognized at cost and are not amortized. The capitalization of intangible assets is a departure from Canadian public sector accounting standards.

The Band evaluates the carrying value of its licenses and permits annually for impairment. Should a permanent impairment be identified, the impairment will be recognized as a reduction in the carrying value and as a charge against income on the statement of operations in the period the impairment occurred.

The Band also owns other communal fishing licenses and permits which were not purchased by the Band but were given to or granted to the Band.

#### Investments

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

#### Use of estimates

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

#### Income taxes

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

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# Membertou Reserve Band Council

## Notes to the Consolidated Financial Statements

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March 31, 2016

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

#### **Moveable Capital Asset Reserve**

The Band is required to maintain a Moveable Capital Asset Reserve in accordance with the consolidated contribution agreement with Health Canada. The reserve is for the maintenance or replacement of capital assets transferred to the band by Health Canada. Expenditures of capital funds under the reserve are restricted to expenditures on these assets only and there can be no transfer of these funds to the operating budget.

#### **Net debt**

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

#### **Inventory**

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

The cost of inventory recognized as an expense during fiscal 2016 was \$8,993,549 (2015 \$9,318,461). No write-down of inventories below their cost to their net realizable value was made in fiscal 2016. There were no reversals of inventories written down previously that are no longer estimated to sell below cost.

#### **Leases**

Leases are classified as either capital or operating in nature. Capital leases are those which transfer substantially all the benefits and risks of ownership to the lessee. If the lease contains a term that allows ownership to pass to the Company or there is a bargain purchase option the capitalized value is depreciated over the estimated useful life of the related asset. Otherwise, the capitalized value is depreciated on a straight line basis over the lesser of the lease term and its estimated useful life. Obligations recorded under capital leases are reduced by the principal portion of lease payments as incurred and the imputed interest portion of capital lease payments is charged to expense and amortized straight-line over the life of the lease. Operating lease payments are charged to expense.

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# Membertou Reserve Band Council

## Notes to the Consolidated Financial Statements

March 31, 2016

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

#### Hedge accounting

The Band uses derivative instruments to manage the Band's exposure to interest rate risks. When derivative instruments are used, the Band determines whether hedge accounting can be applied. Where hedge accounting can and will be applied, the hedge is documented at inception, detailing the hedging relationship, identifying the hedged item, the related hedging item, the nature of the specific risks being hedged and the intended term of the hedging relationship. Both at the inception of the hedging relationship, and throughout the term, the Band has reasonable assurance that the critical terms of the hedging item and the hedged item are, and will remain, the same. For all hedged items which are anticipated transactions, the Band has determined that it is probable that the transaction will occur at the time and in the amount documented at the inception of the hedging relationship.

The Band has elected to use hedge accounting for the following qualifying hedging relationships:

A prime plus 1.50% mortgage has been hedged with a 3.495% fixed interest rate swap to mitigate the effect of changes in interest rates.

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### 2. Prior period adjustment

Canadian Public Sector Accounting Standards do not allow for the capitalization of intangible capital assets. In 2016, management and Chief and Council of the Membertou Reserve Band Council has decided to capitalize the Band's purchased fishing licenses and permits which are considered to be intangible capital assets. In addition, the Band decided to restate the comparative period as if all other purchased commercial fishing licenses and permits were capitalized. All other licenses and permits currently owned by the Membertou Reserve Band Council have been granted to the Band for a \$nil consideration and have not been capitalized. Since the capitalization of these purchased intangible assets is a departure from PSAS, a qualification in the independent auditor's report has been disclosed for the GAAP departure.

The prior period adjustment recorded as a result had the following impact on the financial statements for the year ended March 31, 2015:

#### Statement of operations

Crab permits	\$ (202,347)
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#### Statement of net assets

Unrestricted fund, beginning of year	\$ 1,861,989
Excess of revenue over expenditures	\$ 202,347
Unrestricted fund, end of year	\$ 2,064,336

#### Statement of financial position

Capital assets	\$ 2,064,336
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# Membertou Reserve Band Council

## Notes to the Consolidated Financial Statements

March 31, 2016

<b>3. Receivables</b>	<b><u>2016</u></b>	<b><u>2015</u></b>
Indigenous and Northern Affairs Canada	\$ 598,533	\$ 8,848
Housing rents	666,786	665,422
Mi'Kmaq Employment Training Secretariat	573	118,630
Health Canada	18,468	38,786
Commodity sales tax	836,363	925,837
Department of Fisheries and Oceans	171,606	52,592
Atlantic Integrated Commercial Fisheries Initiative	-	37,565
Province of Nova Scotia	214,415	344,306
Loan proceeds	-	223,957
Mi'Kmaq Kina'matnewey	103,032	63,819
Sundry	231,783	153,775
Unama'ki Economics Benefits Office	-	72,038
Canada Mortgage and Housing Corporation	58,644	141,143
Trade	<u>709,939</u>	<u>423,819</u>
	<b>3,610,142</b>	<b>3,270,537</b>
Less: allowance for doubtful accounts	<u>(62,904)</u>	<u>(88,888)</u>
	<b><u>\$ 3,547,238</u></b>	<b><u>\$ 3,181,649</u></b>

### 4. Band funds in trust

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

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

	<b><u>2016</u></b>	<b><u>2015</u></b>
Net assets, beginning of year	\$ 25,008	\$ 24,064
Proceeds from reserve lands disposition	87,000	-
Interest earned	<u>2,727</u>	<u>944</u>
Net assets, end of year	<b><u>\$ 114,735</u></b>	<b><u>\$ 25,008</u></b>

### 5. Investments

	<b><u>2016</u></b>	<b><u>2015</u></b>
Membertou Hotel Limited Partnership	\$ 2,663,397	\$ 2,770,913
Encyt Technologies Incorporated	<u>26,000</u>	<u>-</u>
	<b><u>\$ 2,689,397</u></b>	<b><u>\$ 2,770,913</u></b>

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# Membertou Reserve Band Council

## Notes to the Consolidated Financial Statements

March 31, 2016

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<b>6. Prepaids</b>	<b><u>2016</u></b>	<b><u>2015</u></b>
Core funding	\$ -	\$ 6,002
Insurance	250,828	168,362
Miscellaneous	<u>40,632</u>	<u>19,518</u>
	<b><u>\$ 291,460</u></b>	<b><u>\$ 193,882</u></b>

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<b>7. Inventory</b>	<b><u>2016</u></b>	<b><u>2015</u></b>
Membertou Enterprise Fund	\$ 38	\$ 187
Membertou Trade and Convention Centre Limited	74,171	67,549
Membertou Entertainment Centre	15,686	21,478
Membertou Cultural and Heritage Centre Foundation Inc.	88,516	54,010
Membertou Market	<u>147,544</u>	<u>143,159</u>
	<b><u>\$ 325,955</u></b>	<b><u>\$ 286,383</u></b>

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<b>8. Purchased fishing licenses and permits</b>	<b><u>2016</u></b>	<b><u>2015</u></b>
Purchased fishing licenses and permits	<b><u>\$ 2,064,336</u></b>	<b><u>\$ 2,064,336</u></b>

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The Band records all purchased commercial fishing licenses and permits as intangible assets. All other permits and licenses owned by Membertou Reserve Band Council have been granted for a \$nil consideration and therefore have not been capitalized.

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# Membertou Reserve Band Council

## Notes to the Consolidated Financial Statements

Year ended March 31

### 9. Capital assets

	Cost, beginning of year	Additions	Disposals	Cost, end of year	Accumulated depreciation, beginning of year	Depreciation	Accumulated depreciation, end of year	2016 Net book value	2015 Net book value
Land	6,501,531	912,277	(79,494)	7,334,314	-	-	-	7,334,314	6,501,531
Buildings	37,857,954	17,950,622	-	55,808,576	7,920,945	1,336,273	9,257,218	46,551,358	29,937,009
Infrastructure	30,903,352	4,873,925	(7,215,390)	28,561,887	4,995,609	684,343	5,679,952	22,881,935	25,907,743
Housing Properties	22,310,055	2,316,776	-	24,626,831	9,992,194	857,047	10,849,241	13,777,590	12,317,861
Fishing vessels	1,411,166	-	-	1,411,166	610,184	115,707	725,891	685,275	800,982
Fishing equipment	395,426	-	-	395,426	221,278	36,102	257,380	138,046	174,148
Equipment	4,354,950	120,349	-	4,475,299	3,158,637	250,707	3,409,344	1,065,955	1,196,313
Motor Vehicles	707,340	31,248	-	738,588	432,424	58,094	490,518	248,070	274,916
Computer hardware & software	1,441,143	30,588	-	1,471,731	1,106,083	69,856	1,175,939	295,792	335,060
Office equipment	603,257	-	-	603,257	525,340	15,259	540,599	62,658	77,917
Parking lots	628,204	-	-	628,204	218,633	16,383	235,016	393,188	409,571
Leasehold improvements	2,009,719	337,866	-	2,347,585	596,681	419,533	1,016,214	1,331,371	1,413,038
Signage	290,494	21,336	-	311,830	181,379	23,937	205,316	106,514	109,115
Assets under construction	7,631,632	7,317,719	-	14,949,351	-	-	-	14,949,351	7,631,632
	117,046,223	33,912,706	(7,294,884)	143,664,045	29,959,387	3,883,241	33,842,628	109,821,417	87,086,836

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# Membertou Reserve Band Council

## Notes to the Consolidated Financial Statements

March 31, 2016

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### 10. Bank indebtedness

The Band Council has an established line of credit of \$2,500,000. The line of credit bears interest at a rate of prime plus 1%. At the year end, the line of credit had a balance outstanding of nil (2015 - nil). Security is as described in Note 13.

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### 11. Payables and accruals

	<u>2016</u>	<u>2015</u>
Trade	\$ 2,589,668	\$ 3,954,038
Accrued liabilities	725,856	3,311,943
Commodity tax	66,167	43,221
Employee benefits	70,264	60,088
Security deposits	32,504	-
Other	<u>62,702</u>	<u>3,248</u>
	<u>\$ 3,547,161</u>	<u>\$ 7,372,538</u>

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### 12. Deferred revenue

	<u>2016</u>	<u>2015</u>
Tui'kn Partnership	\$ 109,582	\$ 109,582
Long term deferred gain on land sale	94,741	94,741
Health Canada	-	16,681
Kwilmu'kw Maw-klusuaqn	71,018	-
Miscellaneous	<u>200,711</u>	<u>309,578</u>
	<u>\$ 476,052</u>	<u>\$ 530,582</u>

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# Membertou Reserve Band Council

## Notes to the Consolidated Financial Statements

March 31, 2016

13. Long term debt	<u>2016</u>	<u>2015</u>
<b>Canada Mortgage and Housing Corporation</b>		
1.39% - 2.84% mortgages, repayable under various terms by October 2038.	\$ 6,768,293	\$ 6,777,211
<b>First Nation Finance Authority</b>		
3.79% loan, repayable in monthly instalments of \$97,792, including interest, beginning in September 2016, maturing June 2024.	32,012,650	20,775,414
<b>Royal Bank of Canada</b>		
2.21% - 5.25% mortgages, repayable under various terms by September 20, 2032.	1,221,232	1,385,015
<b>Ulnooweg Development Group</b>		
8% term loan, maturing in October 2016, repayable in 84 monthly blended payments of \$3,165.	21,597	56,320
Prime plus 3% term loan repaid during the year	-	60,586
<b>Bank of Montreal</b>		
4.25% term loan, maturing in July 2019, repayable in equal annual instalments of \$40,714.	382,857	458,572
4.25% mortgage, repayable in equal monthly Instalments of \$5,378, including interest, matures August 2023.	404,274	446,908
3.2% term loan, with interest only payments until arena project is complete.	1,675,154	-
4.25% term loan, repayable in annual instalments of \$143,333, plus interest, matures in July 2016.	143,334	286,666
Prime plus 0.75% non-revolving, demand loan with repayment of interest only during the construction phase, up to 12 months. After the construction phase, the loan will be converted to a term loan with the option of a fixed rate. Loan is repayable over 25 years.	1,113,897	425,994
3.59% mortgage repayable in monthly instalments of \$5,338 on account of principal and interest maturing on May 2020, secured by an Indigenous and Northern Affairs Canada Ministerial Guarantee. Loan is repayable over 25 years.	1,004,475	1,029,600

# Membertou Reserve Band Council

## Notes to the Consolidated Financial Statements

March 31, 2016

	<u>2016</u>	<u>2015</u>
<b>13. Long term debt</b> (continued)		
<b>Peace Hills Trust</b>		
4.25% mortgage repayable in 180 monthly instalments of \$8,173, matures August 2028.	1,600,858	1,625,066
4.25% mortgage, repayable in 170 monthly instalments of \$15,140, matures May 2028.	1,723,743	1,829,829
<b>General Motors Acceptance Corporation</b>		
6.2% term loan repayable in monthly instalments of principal and interest of \$443, maturing in May 2016, secured by a chattel mortgage on a 2011 Chevrolet truck.	772	5,867
<b>Bank of Nova Scotia</b>		
Interest free loan, maturing in December 2019, repayable in equal monthly instalments of \$397	17,863	22,626
Interest free loan, maturing in December 2019, repayable in equal monthly instalments of \$397	17,862	22,626
Prime plus 1.5% mortgage repayable in 59 equal monthly payments of principal and interest. The term of the loan is 5 years and amortization is 25 years.	13,040,008	-
<b>Atlantic Canada Opportunities Agency</b>		
Interest free term loan repaid during the year	-	27,244
Interest free term loan repaid during the year	-	766
5.75% repayable loan, payments begin July 2015, repayable in monthly instalments of \$6,479, matures June 2021.	351,642	407,382
<b>Doncaster Mortgage</b>		
Interest free mortgage, repayable in annual instalments of \$60,000, maturing April 2017	120,000	180,000
<b>Poushay Mortgage</b>		
Interest free mortgage repaid during the year	-	53,875

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# Membertou Reserve Band Council

## Notes to the Consolidated Financial Statements

March 31, 2016

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13. Long term debt (continued)	<u>2016</u>	<u>2015</u>
<b>Canada Mortgage and Housing Corporation</b>		
2.02% mortgage advances		
Section 95	-	141,143
	<b>61,620,511</b>	36,018,710
Current portion of long term debt		
Principal payments due within one year	<b>1,920,255</b>	1,707,227
	<b>\$ 59,700,256</b>	<b>\$ 34,311,483</b>

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

As security, the Royal Bank of Canada has been given a general security agreement constituting a first ranking security interest in all personal property of the Membertou Reserve Band Council, Membertou Gaming Commission, Membertou Commercial Fisheries, and the Membertou Trade and Convention Centre, as well as guarantees in the amount of \$12,000,000 from each of the above noted divisions of the Band.

In conjunction with the mortgage from the Bank of Nova Scotia with a balance of \$13,040,008 at March 31, 2016, an interest rate swap is designated as a hedge of the interest rate risk in the Company's 25 year floating rate mortgage. The swap matures at the same time as the debt and requires the Company to pay 3.495%. The floating rate side of the swap exactly matches the interest payments on the debt, at a rate of prime plus 1.5%. All payments are due on the 17<sup>th</sup> day of each month; therefore interest is accrued at the reporting date.

For the Bank of Nova Scotia loan, the Band has given a General Security Agreement constituting a 2<sup>nd</sup> security interest in all present and future personal property subject with appropriate insurance coverage, loss if any, payable to the Bank and including a specific charges over property with a net book value of \$18,019,447.

Repayments in each of the next five (5) years are as follows:

2017	\$ 1,920,255
2018	1,781,926
2019	1,748,429
2020	1,761,309
2021	1,585,657
Thereafter	52,822,935
	<b>\$ 61,620,511</b>

# Membertou Reserve Band Council

## Notes to the Consolidated Financial Statements

March 31, 2016

<b>14. Derivatives</b>		<b><u>2016</u></b>
	<u>Carrying Amount</u>	<u>Notional Amount</u>
Interest rate swap	\$ 13,040,008	\$ 13,039,991

The Band has designated prime plus 1.5% mortgage as hedged with 3.495% fixed interest rate swap to mitigate the effect of changes in interest rates. The following is the accrued amounts pertaining to 3.495% fixed interest rate swap:

3.495% fixed rate interest rate swap		<b><u>2016</u></b>
Accrued net amount payable on swap		<b>\$ 1,620</b>

<b>15. Capital lease obligations</b>	<b><u>2016</u></b>	<b><u>2015</u></b>
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**Royal Bank of Canada**

1.92% capital lease repaid during the year	\$ -	\$ 71,755
4.18% capital lease, repayable in monthly instalments of \$2,607 on account of principal and interest maturing in December 2016, on a CAT Backhoe.	<b>20,786</b>	50,285
6.07% capital lease repaid during the year	-	4,093
7.6% capital lease, repayable in monthly instalments of \$2,347 on account of principal and interest maturing in June 2016.	<u>6,967</u>	<u>33,483</u>
	<b>27,753</b>	159,616
Less: current portion	<u>27,753</u>	<u>148,595</u>
	<b>\$ -</b>	<b>\$ 11,021</b>

Repayment in the next year is as follows:

2016	\$ -	\$ 160,121
2017	<u>30,504</u>	<u>6,137</u>
	<b>30,504</b>	166,258
Less: amounts representing interest	<u>2,751</u>	<u>6,642</u>
Present value of net minimum capital lease payments	<b>27,753</b>	159,616
Less: Current portion of obligations under capital lease	<u>27,753</u>	<u>148,595</u>
	<b>\$ -</b>	<b>\$ 11,021</b>

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# Membertou Reserve Band Council

## Notes to the Consolidated Financial Statements

March 31, 2016

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<b>16. Deferred trust contributions</b>	<b><u>2016</u></b>	<b><u>2015</u></b>
Balance, beginning of year	\$ 5,540,707	\$ 5,281,207
Contributions during the year	<b>(565,500)</b>	(529,500)
Deferrals during the year	<b><u>773,000</u></b>	<u>789,000</u>
	<b>5,748,207</b>	5,540,707
Contributions due within one year	<b><u>480,000</u></b>	<u>555,000</u>
Deferred trust contributions	<b><u>\$ 5,268,207</u></b>	<b><u>\$ 4,985,707</u></b>

The Membertou Reserve Band Council has setup a Children's Trust Fund for all children on the Membertou Reserve Band Council list. An annual contribution is made on each child's behalf to the trust fund.

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### 17. Contingencies

- a) The Band has entered into a five year alternative funding arrangement with the Indigenous and Northern Affairs Canada, effective April 1, 2012. These funds may be repayable if any of the following conditions are not met:
    - 1) minimum program requirements are not met;
    - 2) capital funds are not expended for capital purposes; and
    - 3) any mandatory capital projects are not completed.
  - b) As at March 31, 2016, the Band has provided a guarantee for mortgages payable by Band members, totalling \$1,028,462 (2015 - \$1,080,474), which were obtained under Section 10 of the Canada Mortgage and Housing Corporation Act. In the event that the individual is unable to meet its obligations at some future date and the Band is required to honour its guarantee, any payments will be accounted for as a charge to operations in the year such payments are made.
  - c) The Band has entered into contribution agreements with various government departments. Funding received under these contribution agreements is subject to repayment if the band fails to comply with the terms and conditions of the agreements.
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# Membertou Reserve Band Council

## Notes to the Consolidated Financial Statements

March 31, 2016

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### 18. Commitments

Membertou Entertainment Centre has entered into an agreement to lease handsets which expires on July 31, 2018. The annual rent of the handsets consists of a minimum monthly payment. Minimum lease payments for the next three (3) years are as follows:

2017	\$ 290,304
2018	\$ 290,304
2019	\$ 96,768

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19. Change in non-cash operating working capital	<u>2016</u>	<u>2015</u>
Receivables	\$ (365,589)	\$ 1,505,024
Prepays	(97,578)	(33,220)
Inventory	(39,572)	7,236
Payables and accruals	(1,473,053)	1,211,097
Deferred revenue	<u>(54,530)</u>	<u>194,405</u>
	<u>\$ (2,030,322)</u>	<u>\$ 2,884,542</u>

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### 20. Replacement reserve fund

Under the terms of the agreement with the CMHC, the replacement reserve account is to be increased by annual charges to equity. The charge in the current year is \$112,143 (2015 - \$125,205). These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by the CMHC from time to time. The funds in the account may only be used as approved by the CMHC. Withdrawals are credited to interest first and then principal.

As of March 31, 2016, the reserve was fully funded.

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### 21. Transfer of Highway 125 Project to the Province of Nova Scotia

Under the terms of a Memorandum of Understanding between the Membertou Reserve Band Council and the Province of Nova Scotia, the Band agreed to construct an interchange structure connecting the Membertou Indian Reserve with that of the provincial highway system. Upon its completion, the Band agreed to transfer ownership of the interchange and ramp system to the Province of Nova Scotia.

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# **Membertou Reserve Band Council**

## **Notes to the Consolidated Financial Statements**

March 31, 2016

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### **22. Financial instruments**

#### **Credit risk**

Credit risk is the risk of an unexpected loss if a customer or counterparty to a financial instrument fails to meet its contractual obligation. The Entity's financial instruments that are exposed to concentrations of credit risk are primarily accounts receivable.

The Entity's maximum exposure to credit risk corresponds to the carrying amount for all receivables.

#### **Liquidity risk**

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

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

The contractual maturities of the principal portion of significant financial liabilities as at March 31, 2016, are outlined in Note 13.

#### **Fair value of financial instruments**

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

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

#### **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Band is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Given the current composition of long-term debt, fixed-rate instruments subject the Band to a fair value risk while the floating-rate instruments subject it to a cash flow risk. There was no significant change in exposure from the prior year.

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# Membertou Reserve Band Council

## Notes to the Consolidated Financial Statements

March 31, 2016

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### 23. Pension costs and obligations

The Band is required to match contributions to a group registered retirement savings plan for all full time employees to a limit of 5.5% of the yearly maximum pensionable earnings for non-band members and 9% for band members. Total contributions during the year amounted to \$460,663 (2015 - \$448,540).

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### 24. Government transfers

	2016			2015		
	Operating	Capital	Total	Operating	Capital	Total
Indigenous and Northern						
Development Canada	\$ 5,734,514	\$ 950,594	\$ 6,685,108	\$ 6,054,834	\$ 3,339,304	\$ 9,394,138
Health Canada	2,046,212	13,120	2,059,332	1,911,103	58,831	1,969,934
Canada Mortgage and Housing Corporation	398,585		398,585	387,728		387,728
Mi'kmaw Kina'matnewey	3,177,910		3,177,910	3,033,311		3,033,311
Other	705,057	500,000	1,205,057	736,837	2,780,565	3,517,402
Total	12,062,278	1,463,714	13,525,992	12,123,813	6,178,700	18,302,513
Province of Nova Scotia	200,000	1,129,185	1,329,185	206,506	1,000,000	1,206,506
	<u>\$ 12,262,278</u>	<u>\$ 2,592,899</u>	<u>\$ 14,855,177</u>	<u>\$12,330,319</u>	<u>\$ 7,178,700</u>	<u>\$ 19,509,019</u>

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# Membertou Reserve Band Council

## Notes to the Consolidated Financial Statements

March 31, 2016

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### 25. Segmented information

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

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

- Social Development – social assistance provided to qualifying members.
- Band Government – all associated with the administration of the Band operations.
- Human Resources and Quality Management – centralized human resource division for the Band's operations.
- Capital Projects – provides capital construction projects for the community.
- Operations and Maintenance – repairs and maintenance carried out during the year to the community buildings.
- Economic Development – specified development projects undertaken by the Band.
- Education – providing elementary, secondary and post-secondary tuition for qualifying members along with related programs and support.
- Employment Development – activities related to job training and skills.
- Health Canada – activity of the Health Centre which provides a variety of health care programs and support.
- Department of Fisheries and Oceans – AFS Program – management of the DFO fisheries operations.
- Miscellaneous – all other items not reported in a specified division.
- Housing Fund – Section 95 and non-subsidized housing operations.
- Public Works – expenditures and revenues related to the creation and maintenance of infrastructure of the Band.
- Enterprise Fund – the Band's tobacco sales operation and community expenses.
- Development Corporation – specified development projects and expenditures initiated at the Band level.
- Commercial Fishing – encompasses the fisheries activities of the Band.
- Gaming Commission – the VLT operations of the Band.
- Membertou Market – gas bar and deli operation.
- Trade and Convention Centre – convention hall and Kiju's restaurant.
- Entertainment Centre – the Band's bingo operations.
- Membertou Insurance Brokers – insurance brokerage operated by the Band.
- Rental Division – operates the commercial rental division.
- Cultural and Heritage Centre Foundation – operates the Heritage Park and Petroglyph's Gift Shop.
- Data Centre – revenues and expenditures related to the IT division.
- Geomatics – revenues and expenditures related to the geomatics consulting division.
- Membertou Sport and Wellness Centre – capital revenues received related to the new sport and wellness centre.
- Membertou Properties Limited Partnership – operates two commercial rental buildings.

See financial data on Page 42.

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# Membertou Reserve Band Council

## Notes to the Consolidated Financial Statements

March 31, 2016

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<b>26. Expenses by object</b>	<u>2016</u>	<u>2015</u>
Administrative	\$ 2,073,009	\$ 1,053,021
Community expenses	3,166,900	2,692,627
Cost of sales – commercial	14,263,362	13,935,623
Core funding and benefits	855,006	941,526
Depreciation	3,887,589	3,371,979
Education and training	1,233,213	1,447,265
Fishing	308,485	201,918
Health programs	1,085,643	804,530
Insurance	439,903	596,496
Interest	1,565,226	1,301,311
Other	2,134,257	2,886,266
Professional fees	350,074	379,403
Repairs and maintenance	4,258,937	3,146,631
Salaries and benefits	13,599,807	13,345,579
Security and policing	909,898	869,589
Social	<u>3,266,418</u>	<u>3,588,410</u>
	<b>54,027,727</b>	50,562,174
Transfer of Highway 125 Project to the Province of Nova Scotia (Note 20)	6,021,928	-
Less: transfers/recoveries	<u>(1,502,876)</u>	<u>(755,932)</u>
	<b><u>\$ 58,546,779</u></b>	<b><u>\$ 49,806,242</u></b>

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### 27. Comparative figures

Certain of the 2015 comparative figures have been reclassified to conform to the financial statement presentation adopted for 2016.

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**Membertou Reserve Band Council**  
**Schedule A – Indigenous and Northern Affairs Canada**  
**Canada**  
**Statement of Revenue**

Year ended March 31	Schedule	Budget	2016	2015
<b>Social Development</b>				
Social assistance		\$ 4,350,621	\$ 4,350,510	\$ 4,308,734
Social delivery		139,608	140,960	139,608
		<u>4,490,229</u>	<u>4,491,470</u>	<u>4,448,342</u>
<b>Band Government</b>				
Government support		536,787	541,991	536,787
Land management – Capacity Development		-	-	9,938
FNLM Development		-	-	12,500
Lands and trust		14,876	15,020	14,876
		<u>551,663</u>	<u>557,011</u>	<u>574,101</u>
<b>Capital Projects</b>				
Capital		339,304	342,594	339,304
Membertou Subdivision		-	608,000	-
Membertou Sport & Wellness Centre		-	-	3,000,000
Water Meter Project		-	-	27,120
		<u>339,304</u>	<u>950,594</u>	<u>3,366,424</u>
<b>Operations and Maintenance</b>				
		<u>256,738</u>	<u>259,227</u>	<u>256,738</u>
<b>Economic Development</b>				
Economic development		87,047	91,218	90,342
Comprehensive marketing strategy		-	130,140	-
Destination Membertou		-	-	63,957
Community Promotion		-	-	205,110
Summer student pathways		35,000	37,075	33,163
Communities of Distinction		-	-	13,068
Purdy Crawford Chair for Aboriginal Studies		-	49,454	250,546
Advertising strategy		-	18,400	-
ExSpherience feasibility study		-	-	8,000
Memski Project		-	100,519	84,347
		<u>122,047</u>	<u>426,806</u>	<u>748,533</u>
<b>Less: transfer to other programs</b>				
Membertou Housing Fund		-	(608,000)	-
Membertou Sport and Wellness Centre		-	-	(3,000,000)
		<u>\$ 5,759,981</u>	<u>\$ 6,077,108</u>	<u>\$ 6,394,138</u>

See accompanying notes to the consolidated financial statements.

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**Membertou Reserve Band Council**  
**Schedule B – Indigenous and Northern Affairs Canada**  
**Canada**  
**Statement of Revenue and Expenditure**

Year ended March 31	Schedule	Budget	2016	2015
Revenue				
Indigenous and Northern Affairs Canada	A	\$ 5,759,981	<b>\$ 6,077,108</b>	\$ 6,394,138
Expenditure				
Social development	C	4,346,860	<b>4,491,524</b>	4,256,133
Band government	D	3,566,575	<b>3,143,003</b>	3,437,011
Human resources and quality management	E	777,408	<b>632,617</b>	693,036
Capital	F	-	-	274,145
Operations and maintenance	G	343,807	<b>376,738</b>	302,703
Economic development	H	430,663	<b>609,587</b>	839,987
		<u>9,465,313</u>	<u><b>9,253,469</b></u>	<u>9,803,015</u>
Excess of expenditure over revenue		<u>\$ (3,705,332)</u>	<u><b>\$ (3,176,361)</b></u>	<u>\$ (3,408,877)</u>

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See accompanying notes to the consolidated financial statements.

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## Membertou Reserve Band Council

### Schedule C – Social Development

### Statement of Revenue and Expenditure

Year ended March 31	Budget	<b>2016</b>	2015
<b>Revenue</b>			
Social assistance	\$ 4,350,621	<b>\$ 4,350,510</b>	\$ 4,308,734
Service delivery	<u>139,608</u>	<b><u>140,960</u></b>	<u>139,608</u>
	<u>4,490,229</u>	<b><u>4,491,470</u></b>	<u>4,448,342</u>
<b>Expenditure</b>			
Administrative fee	-	<b>598,000</b>	-
Administration	392,625	<b>350,034</b>	347,318
Adult care	311,321	<b>246,620</b>	301,659
Basic needs	2,806,200	<b>2,713,030</b>	3,017,262
Special needs	194,102	<b>195,768</b>	220,288
Social assistance transfers	597,012	<b>357,620</b>	350,860
Administration travel	12,000	<b>14,698</b>	4,977
Telephone and office	<u>33,600</u>	<b><u>15,754</u></b>	<u>13,769</u>
	<u>4,346,860</u>	<b><u>4,491,524</u></b>	<u>4,256,133</u>
Excess of revenue over expenditure	<b><u>\$ 143,369</u></b>	<b><u>\$ (54)</u></b>	<b><u>\$ 192,209</u></b>

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See accompanying notes to the consolidated financial statements.

# Membertou Reserve Band Council

## Schedule D – Band Government

### Statement of Revenue and Expenditure

Year ended March 31	Budget	2016	2015
<b>Revenue</b>			
Government support	\$ 536,787	\$ 541,991	\$ 536,787
Land management	-	-	9,938
Land management development	-	-	12,500
Lands and trust	<u>14,876</u>	<u>15,020</u>	<u>14,876</u>
	<u>551,663</u>	<u>557,011</u>	<u>574,101</u>
<b>Expenditure</b>			
<b>Band government</b>			
Core funding	838,848	838,848	838,848
Council meetings	40,000	62,782	47,639
Council pension	30,000	16,158	14,222
Council travel	<u>30,000</u>	<u>27,297</u>	<u>40,817</u>
	<u>938,848</u>	<u>945,085</u>	<u>941,526</u>
<b>Band administration</b>			
Administration salaries and benefits	1,623,663	1,801,672	1,576,294
Administration travel	114,000	110,874	92,022
Election	-	3,038	21,737
Rent	-	62,150	-
Heat and lights	12,000	12,594	11,146
Telephone and internet	16,200	19,727	8,016
Office and stationary	22,000	18,749	17,481
Office equipment	25,100	20,684	25,869
Postage	17,708	18,178	16,755
Professional services	168,000	191,743	234,309
Software acquisition and support	24,000	33,850	29,337
Miscellaneous	59,000	36,682	11,155
Depreciation	15,708	12,991	10,533
Data centre support	72,500	60,252	34,080
Governance project	254,801	231,441	196,260
Strategic planning	-	72,383	-
Land management	-	-	6,500
Communications	143,047	121,815	172,378
Janitorial	36,000	39,000	34,083
Insurance	<u>90,000</u>	<u>26,365</u>	<u>38,042</u>
	3,632,575	3,839,273	3,477,523
Less: Administration recoveries	<u>(66,000)</u>	<u>(696,270)</u>	<u>(40,512)</u>
	<u>3,566,575</u>	<u>3,143,003</u>	<u>3,437,011</u>
Excess of expenditures over revenue	<u>\$ (3,014,912)</u>	<u>\$ (2,585,992)</u>	<u>\$ (2,862,910)</u>

See accompanying notes to the consolidated financial statements.



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**Membertou Reserve Band Council**  
**Schedule E – Human Resources and Quality**  
**Management**  
**Statement of Expenditure**

Year ended March 31	Budget	2016	2015
Expenditures			
Wages and benefits	\$ 513,488	\$ 435,711	\$ 448,312
Travel	16,560	16,916	10,765
Strategic planning	-	-	114
Employee support services	132,435	69,617	103,310
Employee safety development	3,600	2,127	6,972
Professional development	45,500	31,328	52,542
Telephone & IT Support	16,720	26,239	24,800
Quality assurance consulting	7,000	6,441	6,207
Quality assurance fees	<u>42,105</u>	<u>44,238</u>	<u>40,014</u>
	<u>\$ 777,408</u>	<u>\$ 632,617</u>	<u>\$ 693,036</u>

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See accompanying notes to the consolidated financial statements.

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**Membertou Reserve Band Council**  
**Schedule F – Capital Projects**  
**Statement of Revenue and Expenditure**

Year ended March 31 Budget **2016** 2015

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Revenue			
Capital	\$ 339,304	<b>\$ 342,594</b>	\$ 339,304
Water meter project	<u>-</u>	<u>-</u>	<u>27,120</u>
	<u>339,304</u>	<u><b>342,594</b></u>	<u>366,424</u>
Expenditure			
Water meters	-	-	32,942
On reserve housing - renovations	-	-	226,203
On reserve housing – private equity	<u>-</u>	<u>-</u>	<u>15,000</u>
	<u>-</u>	<u>-</u>	<u>274,145</u>
Excess of revenue over expenditure	<u>\$ 339,304</u>	<u><b>\$ 342,594</b></u>	<u>\$ 92,279</u>

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See accompanying notes to the consolidated financial statements.

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## Membertou Reserve Band Council

### Schedule G – Operations and Maintenance

### Statement of Revenue and Expenditure

Year ended March 31	Budget	2016	2015
Revenue			
Operations and maintenance	\$ 256,738	<b>\$ 259,227</b>	\$ 256,738
Expenditures			
Environmental services wages and benefits	629,812	<b>679,491</b>	535,312
Police station	24,400	<b>22,253</b>	25,855
Community buildings	99,411	<b>75,809</b>	89,026
Membertou Gym	20,400	<b>23,637</b>	27,320
Fire prevention			-
Youth Centre	4,000	<b>1,489</b>	2,339
Church	10,000	<b>8,430</b>	57,383
Depreciation – community buildings	49,164	<b>50,016</b>	46,897
Janitorial supplies	<u>64,680</u>	<b><u>74,673</u></b>	<u>62,602</u>
	901,867	<b>935,798</b>	846,734
Less: cost recoveries	<u>(558,060)</u>	<b><u>(559,060)</u></b>	<u>(544,031)</u>
	<u>343,807</u>	<b><u>376,738</u></b>	<u>302,703</u>
Excess of expenditure over revenue	<b><u>\$ (87,069)</u></b>	<b><u>\$ (117,511)</u></b>	<b><u>\$ (45,965)</u></b>

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See accompanying notes to the consolidated financial statements.

# Membertou Reserve Band Council

## Schedule H – Economic Development

### Statement of Revenue and Expenditure

Year ended March 31	Budget	2016	2015
<b>Revenue</b>			
Economic development	\$ 87,047	\$ 91,218	\$ 90,342
Memski	-	100,519	84,347
Community promotion	-	-	205,110
Comprehensive marketing strategy	-	130,140	-
Destination Membertou	-	-	63,957
Land acquisition	-	-	-
Communities of distinction	-	-	13,068
ExSpherience feasibility study	-	-	8,000
Advertising strategy	-	18,400	-
Purdy Crawford Chair for Aboriginal Studies	-	49,454	250,546
Summer student pathways	35,000	37,075	33,163
	<u>122,047</u>	<u>426,806</u>	<u>748,533</u>
<b>Expenditure</b>			
Economic development transfer	80,000	80,000	80,000
Purdy Crawford Chair	-	49,454	250,546
Business development	-	100,519	84,347
Summer student pathways	-	-	33,163
Summer Students	-	37,075	-
Janitorial services	4,087	-	1,019
Community promotion project	-	-	22,044
Comprehensive marketing strategy	7,650	23,868	190,355
Marketing Project	279,280	250,276	-
ExSpherience feasibility study	-	-	10,000
Entrepreneur certificate program	-	-	-
Destination Membertou	-	-	107,260
Membertou Entrepreneur Centre –			
Office and travel	13,800	21,922	15,832
Salaries and benefits	45,846	46,473	45,421
	<u>430,663</u>	<u>609,587</u>	<u>839,987</u>
Excess of expenditure over revenue	<u>\$ (308,616)</u>	<u>\$ (182,781)</u>	<u>\$ (91,454)</u>

See accompanying notes to the consolidated financial statements.

# Membertou Reserve Band Council

## Schedule I – Education

### Statement of Revenue and Expenditure

Year ended March 31	Budget	2016	2015
<b>Revenue</b>			
Mi'kmaw Kina'matnewey	\$ 3,128,820	<b>\$ 3,177,910</b>	\$ 3,033,311
Miscellaneous	<u>-</u>	<b><u>(12,354)</u></b>	<u>47,396</u>
	<u>3,128,820</u>	<b><u>3,165,556</u></b>	<u>3,080,707</u>
<b>Expenditure</b>			
<b>Band operated school</b>			
Equipment	9,600	<b>29,419</b>	16,309
Operation and maintenance	59,000	<b>53,362</b>	28,309
Professional development	14,000	<b>1,762</b>	3,314
Salaries and benefits – teacher's aid	254,190	<b>271,619</b>	232,005
Salaries and benefits – teachers	978,435	<b>1,112,864</b>	984,556
Speech pathologist	-	-	(2,546)
Supplies	70,400	<b>103,522</b>	75,361
School monitor	56,407	<b>50,942</b>	41,855
Breakfast program	12,000	<b>42,869</b>	17,309
Band operated school insurance	34,800	<b>53,099</b>	44,952
Environmental services	78,000	<b>96,000</b>	97,820
Utilities	<u>55,800</u>	<b><u>73,772</u></b>	<u>55,909</u>
	<u>1,622,632</u>	<b><u>1,889,230</u></b>	<u>1,595,153</u>
<b>Wallace Bernard Centre</b>			
Professional development	2,400	-	1,262
Repairs and maintenance	10,000	<b>32,401</b>	6,493
Salaries and benefits – teachers	365,222	<b>368,482</b>	328,746
Salaries and benefits – special education	147,632	<b>136,881</b>	138,767
Supplies	28,500	<b>32,329</b>	23,701
Environmental services	36,000	<b>36,000</b>	49,688
Utilities	<u>10,160</u>	<b><u>10,936</u></b>	<u>11,168</u>
	<u>599,914</u>	<b><u>617,029</u></b>	<u>559,825</u>
Less: transfers to expenses	<u>(154,280)</u>	<b><u>(226,960)</u></b>	<u>(87,236)</u>
	<u>445,634</u>	<b><u>390,069</u></b>	<u>472,589</u>

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**Membertou Reserve Band Council**  
**Schedule I – Education**  
**Statement of Revenue and Expenditure (continued)**

Year ended March 31	Budget	2016	2015
Education program			
Graduation	35,000	<b>27,639</b>	22,099
Instructional Services and administration	321,594	<b>334,638</b>	327,587
Peer tutoring	3,000	-	-
Post secondary - incentives	9,000	<b>15,000</b>	9,000
Post secondary - supplies	27,300	<b>32,624</b>	24,899
Post secondary - transportation	18,500	<b>16,326</b>	13,153
Post secondary - tuition and allowance	649,260	<b>709,203</b>	667,439
Student supplies	33,000	<b>34,057</b>	30,953
Transportation – professional development	3,000	<b>250</b>	250
Transportation - repairs and fuel	41,800	<b>37,349</b>	39,730
Transportation – salaries and benefits	129,428	<b>137,892</b>	133,134
Transportation – interest on bus loan	-	-	-
Treaty education project	24,000	<b>10,000</b>	-
Assessment and remediation	6,000	<b>10,000</b>	-
Cap site – salaries and benefits	75,856	<b>84,129</b>	82,784
Cap site – operations and maintenance	3,000	<b>2,083</b>	6,541
Cap site – computer equipment	1,500	<b>500</b>	-
Religious coordinator	48,329	<b>48,934</b>	47,830
Travel	39,300	<b>29,082</b>	48,775
Data centre support	48,000	<b>48,000</b>	29,880
Language and cultural project	12,000	<b>19,348</b>	13,733
Depreciation	395,664	<b>424,935</b>	248,404
Board tuition and allowance	34,000	<b>36,110</b>	29,984
	<u>1,958,531</u>	<u><b>2,058,099</b></u>	<u>1,776,175</u>
	<u>4,026,797</u>	<u><b>4,337,398</b></u>	<u>3,843,917</u>
Excess of expenditure over revenue	<u>\$ (897,977)</u>	<u><b>\$ (1,171,842)</b></u>	<u>\$ (763,210)</u>

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See accompanying notes to the consolidated financial statements.

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**Membertou Reserve Band Council**  
**Schedule J – Employment Development**  
**Statement of Revenue and Expenditure**

Year ended March 31	Budget	2016	2015
Revenue			
Mi'kmaq employment training secretariat	\$ 434,580	<b>\$ 474,249</b>	\$ 493,373
Expenditure			
Employment officer – salaries and benefits	46,030	<b>56,726</b>	53,537
Pathways	319,818	<b>257,818</b>	250,603
First nations childcare	87,232	<b>127,225</b>	87,236
Summer students	<u>40,000</u>	<b><u>41,213</u></b>	<u>43,039</u>
	<u>493,080</u>	<b><u>482,982</u></b>	<u>434,415</u>
Excess of (expenditures over revenue) revenue over expenditure	<b>\$ (58,500)</b>	<b>\$ (8,733)</b>	<b>\$ 58,958</b>

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See accompanying notes to the consolidated financial statements.

# Membertou Reserve Band Council

## Schedule K – Health Canada Programs

### Statement of Revenue and Expenditure

Year ended March 31	Budget	2016	2015
<b>Revenue</b>			
Health services transfer programs	\$ 868,092	\$ 995,121	\$ 906,664
Targeted programs			
Health services accreditation	-	38,903	43,902
Health information systems	291,600	684,469	642,719
Home and community care	191,460	196,360	191,459
Environmental drinking water	-	5,000	-
Non-insured health benefits	87,767	87,767	87,767
Healthy child development	38,592	38,592	38,592
Health capital	-	13,120	58,831
	<u>1,477,511</u>	<u>2,059,332</u>	<u>1,969,934</u>
<b>Expenditure</b>			
Transferred programs			
Brighter futures	-	62,305	3,396
Community health nursing	168,202	182,880	103,487
Community health representative	30,095	29,844	24,560
Addiction services – salaries and benefits	123,049	215,799	118,366
Health administration	154,190	160,047	140,216
Operations and maintenance	90,450	97,552	85,843
Pre-natal nutrition program	21,000	8,982	12,229
Depreciation	20,400	18,173	19,064
Data centre support	48,000	48,000	27,900
Audit	3,500	3,500	3,500
Capital asset reserve	5,000	7,725	7,725
Clinic expenses	51,962	59,349	54,103
Aboriginal head start	44,789	83,253	63,596
Children's oral health	28,860	10,641	12,068
Health centre renovations	-	15,412	1,596
Health Canada Program Recoveries	-	-	26,196
Less: overhead recovery	(25,000)	(25,000)	(18,750)
	<u>764,497</u>	<u>978,462</u>	<u>685,095</u>



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**Membertou Reserve Band Council**  
**Schedule K – Health Canada Programs**  
**Statement of Revenue and Expenditure (continued)**

Year ended March 31	Budget	2016	2015
Targeted programs			
Health accreditation	40,000	<b>39,701</b>	46,500
Environmental drinking water	-	<b>5,000</b>	-
Healthy child development	6,000	<b>39,518</b>	38,593
Health information systems	106,015	<b>89,052</b>	98,319
Home and community care	184,067	<b>197,101</b>	191,738
Non-insured health benefits – transportation	82,331	<b>105,488</b>	102,424
Funding transferred to Mi'kmaw Kina'matnewey	-	<b>225,800</b>	252,800
Data centre technical support	291,600	<b>374,469</b>	291,600
	<u>710,013</u>	<u><b>1,076,129</b></u>	<u>1,021,974</u>
	<u>1,474,510</u>	<u><b>2,054,591</b></u>	<u>1,707,069</u>
Excess of revenue over expenditure	<u>\$ 3,001</u>	<u><b>\$ 4,741</b></u>	<u>\$ 262,865</u>

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See accompanying notes to the consolidated financial statements.

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**Membertou Reserve Band Council**  
**Schedule L – Department of Fisheries and Oceans -**  
**AFS Program – Statement of Revenue and Expenditure**

Year ended March 31	Budget	2016	2015
Revenue			
Department of Fisheries and Oceans	\$ 162,000	<b>\$ 162,000</b>	\$ 198,392
Expenditure			
Fisheries – office	5,290	<b>10,906</b>	8,230
Fisheries – supplies and travel	20,134	<b>7,938</b>	16,490
Fisheries – wages and benefits	133,083	<b>127,370</b>	128,966
Fisheries – truck operations	6,560	<b>8,028</b>	7,790
Depreciation	<u>6,000</u>	<u><b>10,401</b></u>	<u>8,452</u>
	<u>171,067</u>	<u><b>164,643</b></u>	<u>169,928</u>
Excess of (expenditure over revenue)			
revenue over expenditure	<u>\$ (9,067)</u>	<u><b>\$ (2,643)</b></u>	<u>\$ 28,464</u>

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See accompanying notes to the consolidated financial statements.

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**Membertou Reserve Band Council**  
**Schedule M – Miscellaneous**  
**Statement of Revenue and Expenditure**

Year ended March 31	Budget	2016	2015
<b>Revenue</b>			
Interest, rental and sundry	\$ 9,768	\$ 39,432	\$ 22,309
Province of Nova Scotia	175,000	200,000	206,506
Sundry	-	-	30,906
	<u>184,768</u>	<u>239,432</u>	<u>259,721</u>
<b>Expenditure</b>			
Bank service charges	37,000	35,054	29,123
Interest on operating loan	-	-	2,383
Interest on long term debt	789,054	946,516	706,085
	<u>826,054</u>	<u>981,570</u>	<u>737,591</u>
Excess of expenditure over revenue	\$ (641,286)	\$ (742,138)	\$ (477,870)

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See accompanying notes to the consolidated financial statements.

# Membertou Reserve Band Council

Schedule of Segment Disclosure  
Year ended March 31, 2016

	Social Development			Band Government			Human Resources/Quality Mgmt.			Capital Projects			Operations and Maintenance		
	Budget 2016	Actual 2016	Actual 2015	Budget 2016	Actual 2016	Actual 2015	Budget 2016	Actual 2016	Actual 2015	Budget 2016	Actual 2016	Actual 2015	Budget 2016	Actual 2016	Actual 2015
<b>Revenues</b>															
Federal government operating transfers	\$ 4,490,229	\$ 4,491,470	\$ 4,448,342	\$ 551,663	\$ 557,011	\$ 574,101	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,120	\$ 256,738	\$ 259,227	\$ 256,738
Federal government capital transfers										339,304	342,594	339,304	-	-	-
Provincial government operating transfers										-	-	-	-	-	-
Provincial government capital transfers										-	-	-	-	-	-
Contributed assets										-	-	-	-	-	-
Economic activities				-	-	-				-	-	-	-	-	-
Investment income				-	-	-				-	-	-	-	-	-
Other										-	-	-	-	-	-
	4,490,229	4,491,470	4,448,342	551,663	557,011	574,101	-	-	-	339,304	342,594	366,424	256,738	259,227	256,738
<b>Expenses</b>															
Salaries and benefits	703,946	596,654	648,977	1,623,663	2,154,928	1,576,294	513,488	435,711	448,312				629,812	679,491	535,312
Amortization				15,708	12,991	10,533							49,164	50,016	46,897
Interest													-	-	-
Other	3,642,914	3,894,870	3,607,156	1,927,204	975,084	1,850,184	263,920	196,906	244,724	-	-	274,145	(335,169)	(352,769)	(279,506)
	4,346,860	4,491,524	4,256,133	3,566,575	3,143,003	3,437,011	777,408	632,617	693,036	-	-	274,145	343,807	376,738	302,703
<b>Surplus (deficit) for the year</b>	\$ 143,369	\$ (54)	\$ 192,209	\$ (3,014,912)	\$ (2,585,992)	\$ (2,862,910)	\$ (777,408)	\$ (632,617)	\$ (693,036)	\$ 339,304	\$ 342,594	\$ 92,279	\$ (87,069)	\$ (117,511)	\$ (45,965)

# Membertou Reserve Band Council

Schedule of Segment Disclosure  
Year ended March 31, 2016

	Economic Development			Education			Employment Development			Health Canada			Department of Fisheries and Oceans		
	Budget 2016	Actual 2016	Actual 2015	Budget 2016	Actual 2016	Actual 2015	Budget 2016	Actual 2016	Actual 2015	Budget 2016	Actual 2016	Actual 2015	Budget 2016	Actual 2016	Actual 2015
<b>Revenues</b>															
Federal government operating transfers	\$ 122,047	\$ 426,806	\$ 748,533	\$ 3,128,820	\$ 3,177,910	\$ 3,033,311	\$ 434,580	\$ 474,249	\$ 493,373	\$ 1,477,511	\$ 2,046,212	\$ 1,911,103	\$ 162,000	\$ 162,000	\$ 162,000
Federal government capital transfers		-	-		-	-				-	\$ 13,120	\$ 58,831	-	-	36,392
Provincial government operating transfers															
Provincial government capital transfers															
Contributed assets															
Economic activities															
Investment income															
Other					(12,354)	47,396									
	122,047	426,806	748,533	3,128,820	3,165,556	3,080,707	434,580	474,249	493,373	1,477,511	2,059,332	1,969,934	162,000	162,000	198,392
<b>Expenses</b>															
Salaries and benefits	45,846	83,551	45,421	2,058,499	2,211,743	2,092,254	86,030	97,939	96,576	659,603	714,676	578,367	133,083	127,370	128,966
Amortization				395,664	424,935	248,404				20,400	18,173	19,064	6,000	10,401	8,452
Interest															
Other	384,817	526,036	794,566	1,572,634	1,700,720	1,503,259	407,050	385,043	337,839	794,507	1,321,742	1,109,638	31,984	26,872	32,510
	430,663	609,587	839,987	4,026,797	4,337,398	3,843,917	493,080	482,982	434,415	1,474,510	2,054,591	1,707,069	171,067	164,643	169,928
<b>Surplus (deficit) for the year</b>	\$ (308,616)	\$ (182,781)	\$ (91,454)	\$ (897,977)	\$ (1,171,842)	\$ (763,210)	\$ (58,500)	\$ (8,733)	\$ 58,958	\$ 3,001	\$ 4,741	\$ 262,865	\$ (9,067)	\$ (2,643)	\$ 28,464

# Membertou Reserve Band Council

Schedule of Segment Disclosure  
Year ended March 31, 2016

	Miscellaneous			Housing Fund			Public Works			Commercial Entities			Total		
	Budget 2016	Actual 2016	Actual 2015	Budget 2016	Actual 2016	Actual 2015	Budget 2016	Actual 2016	Actual 2015	Budget 2016	Actual 2016	Actual 2015	Budget 2016	Actual 2016	Actual 2015
<b>Revenues</b>															
Federal government operating transfers	\$ -	\$ -	\$ -	\$ 384,180	\$ 398,585	\$ 387,728	\$ -	\$ -	\$ -	\$ 75,000	\$ 68,808	\$ 45,072	\$ 11,082,768	\$ 12,062,278	\$ 12,087,421
Federal government capital transfers					608,000						500,000	5,780,565	339,304	1,463,714	6,215,092
Provincial government operating transfers	175,000	200,000	206,506										175,000	200,000	206,506
Provincial government capital transfers	-	-	-					129,185	-		1,000,000	1,000,000		1,129,185	1,000,000
Contributed assets															
Economic activities															
Investment income											42,484			42,484	
Other	9,768	39,432	53,215	955,750	939,455	1,104,172	-	4,777	226,203	41,450,138	40,164,167	36,474,548	42,415,656	41,135,477	37,905,534
	184,768	239,432	259,721	1,339,930	1,946,040	1,491,900	-	133,962	226,203	41,525,138	41,775,459	43,300,185	54,012,728	56,033,138	57,414,553
<b>Expenses</b>															
Salaries and benefits				255,875	329,784	319,410	618,080	646,040	588,864	6,069,063	5,521,920	5,533,016	13,396,988	13,599,807	12,591,769
Amortization				587,272	857,047	821,194	449,529	807,706	800,147	1,755,290	1,706,320	1,417,288	3,279,027	3,887,589	3,371,979
Interest	826,054	981,570	737,591	184,455	225,176	211,434	8,431	3,692	8,500	362,071	354,788	287,780	1,381,011	1,565,226	1,245,305
Other	2,175,000	2,111,500	2,058,000	1,291,342	2,171,473	1,477,540	414,750	6,666,771	645,968	21,965,861	19,864,809	18,084,658	34,536,814	39,489,057	31,740,681
	3,001,054	3,093,070	2,795,591	2,318,944	3,583,480	2,829,578	1,490,790	8,124,209	2,043,479	30,152,285	27,447,837	25,322,742	52,593,840	58,541,679	48,949,734
<b>Surplus (deficit) for the year</b>	\$ (2,816,286)	\$ (2,853,638)	\$ (2,535,870)	\$ (979,014)	\$ (1,637,440)	\$ (1,337,678)	\$ (1,490,790)	\$ (7,990,247)	\$ (1,817,276)	\$ 11,372,853	\$ 14,327,622	\$ 17,977,443	\$ 1,418,888	\$ (2,508,541)	\$ 8,464,819