

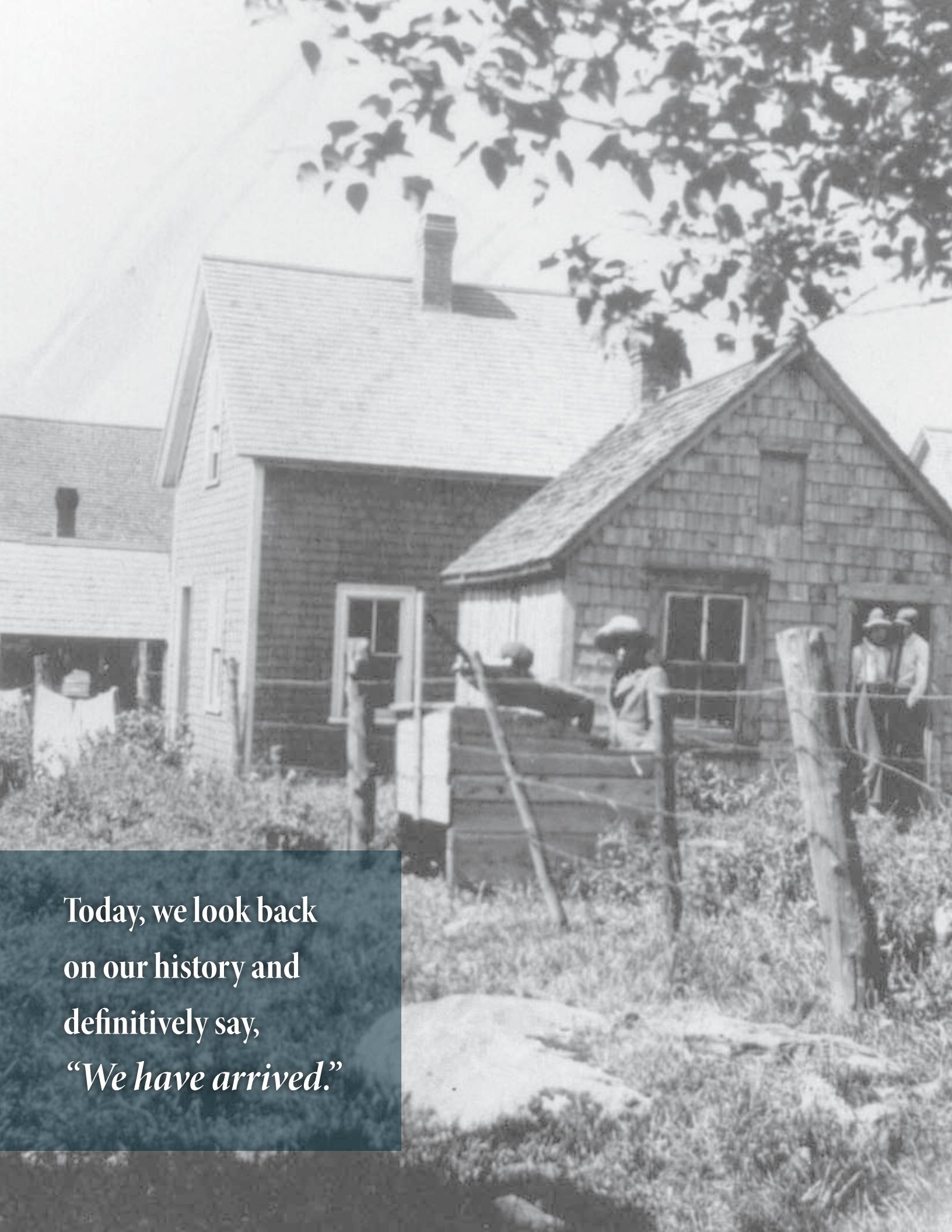
# WE HAVE ARRIVED

MEMBERTOU ANNUAL REPORT 2015 - 2016



Membertou  
WELCOMING THE WORLD!

Today, we look back  
on our history and  
definitively say,  
*“We have arrived.”*



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# MESSAGE FROM CHIEF & COUNCIL

Membertou is steadily growing in economic and developmental terms, allowing us to play a significant role as a community partner. Not only are we continually giving back to our community, we are taking the lead in providing resources to valuable causes outside in the Cape Breton Regional Municipality.

The past fiscal year, 2015-16, was one of our busiest and most successful to date. Without question, one of our most successful.

In November 2015, Membertou was celebrated as ‘wonderful and successful,’ and a “great model for the rest of Canada and a great model for the world,” by the Governor General of Canada, the Right Honourable David Johnston.

Sponsorship is term that has also become associated with Membertou. Last year, we were a main sponsor of several events: Cape Breton Pride Week, the first ever Sydney RibFest, Cape Breton Bike Rally, and the PGA Celtic Classic.

Membertou was also an active partner for Sydney Action Week and Celtic Colours. We were also honoured to meet several delegations during the year including members the Governor General Canadian Learning Conference and Truth & Reconciliation Commission of Canada. Membertou also hosted the National Aboriginal Physical Activity Conference.

The past fiscal year was also the first time that Membertou’s youth actually met two Prime Ministers of Canada. Membertou Elementary’s Council enjoyed a virtual Q&A with The Right Honourable, Prime Minister Justin Trudeau, and Youth Chief Julian Marshall shared a conversation with Prime Minister Paul Martin.



We wish to take a moment to commend everyone in the Public Works Department for its around-the-clock service. One only has to think back to the blizzard-filled winter of last year. The men and women in Public Works kept our roads and walkways safe and clear for the community, while ensuring our businesses could remain open for customer services. Public Works followed up an incredible winter with numerous new projects; one being the new Bradley Street sewer connector construction.

Our success as a community and corporation is possible through the involvement of our members and the work of our dedicated staff. You are the reason why the world has accepted Membertou’s welcome and why we can continue in development and accomplishments.

## COUNCIL MEMBERS:

Chief Terry Paul  
Austin Christmas  
Dean Christmas  
Johanna LaPorte  
Julie Christmas  
Joan Denny  
Robin Googoo  
Lee Gould  
Paul MacDonald  
David Marshall  
Allister “Buster” Matthews  
Anthony “Ike” Paul  
Lawrence “Quism” Paul Jr.



# WE HAVE ARRIVED

A lot may happen in 100 years. Things come, things go; times change; some things may cease to exist, other new things are created.

For Membertou, we need not look any further than our own community. A century ago, Membertou did not technically exist yet. It was known only as the Kings Road Reservation, situated along the banks of Sydney Harbour in the Shipyard area of the city. In 1916, 125 of our ancestors were ordered to leave their homes and relocate to its present location. The move happened 10 years later.

Today we look back at the past fiscal year and reflect on how far Membertou has come. In 2015-16, we recognize three (3) significant events:

- 1** Exit 7A opened on Nova Scotia Highway 125;
- 2** Membertou was the first band in Canada to earn Financial Management System Certification from First Nations Financial Management Board;
- 3** Membertou purchased the Medical Arts and Health Park buildings, furthering the community's land base, and also repatriating the former Kings Road Reserve land back to us.

In exactly one century, Membertou has come a full circle. Our population and land base have expanded, creating a vibrant business hub that is revitalizing the Cape Breton Regional Municipality's economy. Accessibility to Membertou is available to all in terms of business, partnerships, or simple visiting and commuting. We would once struggle to secure funding and partners; today we are the funder and sponsor for many community initiatives.

In one of Membertou's most treasured milestones, we reclaimed those traditional lands that we once called home. We cannot travel back in time, or return to the original homes; however, the land has returned to Membertou.

Today we look back on our history and wonder what our ancestors would think if they saw Membertou now. We believe that our ancestors would be proud of what Membertou has become and where it will go.

Today, we look back on our history and definitively say, "We have arrived."





## WHAT BEGAN AS A \$7-MILLION HIGHWAY OVERPASS PROJECT IS NOW MEMBERTOU'S OFFICIAL "FRONT DOOR."

Exit 7A on Nova Scotia Highway 125 officially opened in Spring 2015, becoming the newest entranceway to Membertou. Commuters can both enter and exit Membertou on either side of the northbound-southbound highway.

With the opening of 7A, Membertou is open to everyone with several entry points: Membertou Street; Towerview Road; Churchill Drive via Alexandra Street, Terry Way and George Street, and Exit 7A; Bradley Street and Tupsi Drive via 7A.

Guests have a direct access to Membertou's services, via Churchill Drive, including the Trade & Convention Centre, Entertainment Centre, Market, Hampton Inn, and soon the Membertou Sport & Wellness Centre. With over 27,000 commuters travelling along NS Highway 125 on a daily basis, Membertou is in the prime location to welcome guests to the community's shops and services.

On the other side of the highway, Churchill Crossing continues in development and will be open to community members and guests in 2018. In fall 2015, Membertou Development Corporation applied for a zoning application to begin Phase 2 of Churchill Crossing development, light commercial retail.



The next time you visit Membertou, use our front door!

**Pjilita'q Maupeltu.  
Ke'app mitukwalitesnen.**

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**Welcome to Membertou.  
Please visit us again soon.**





# CHURCHILL CROSSING

*Light-Commercial & Retail Development Opportunities*

Churchill Crossing will be the Cape Breton Regional Municipality's most innovative and unique shops and services district. It is easily accessible and clearly visible from the newly twinned Highway 125 (Exit 7A), with over approximately 25,000 cars a day passing by this soon-to-be vibrant retail commercial development area.

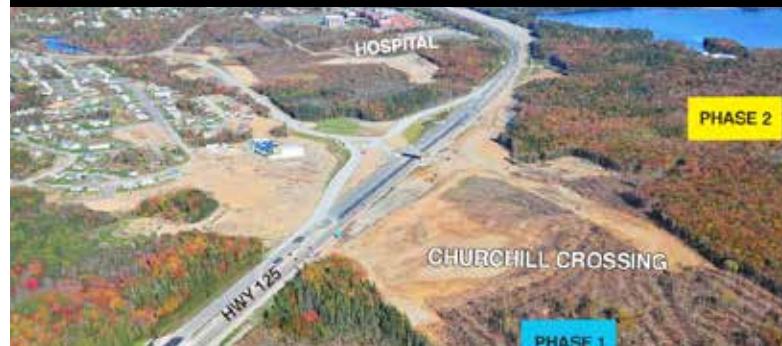
Currently, 40 acres are available for lease for light-commercial development. Total development area of this project is approximately 180 acres.

## PHASE 1

- Ready for tenants by Spring 2018
- 40 acres available for lease
- Fully serviced
- Flexible lot sizes available
- Light-commercial development and retail development opportunities
- A market of over 100,000 in the Industrial Cape Breton radius



# CHURCHILL CROSSING



**NOW LEASING PHASE 1**

Churchill Crossing will attract and create new jobs, promote economic growth and encourage investment in both Membertou and the Cape Breton Regional Municipality.

### TOTAL POPULATION

CBRM - 106,000   Cape Breton Island - 135,974

### NUMBER OF PRIVATE HOUSEHOLDS IN CBRM

Under 25 - 700
Age 25-34 - 3,960
Age 35-44 - 5,870
Age 45-54 - 9,045
Age 55-64 - 9,720
Age 65-74 - 7,005
Age 75 + - 6,025
<b>Total - 42,325</b>

### AVERAGE HOUSEHOLD INCOME (CBRM)

\$51,310

### FOR MORE INFORMATION PLEASE CONTACT:

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[billbonnar@membertou.ca](mailto:billbonnar@membertou.ca)

Jennifer Deleskie  
902-577-7301  
[jenniferdeleskie@membertou.ca](mailto:jenniferdeleskie@membertou.ca)



## MEMBERTOU TAKES BACK A PIECE OF ITS HISTORY

It may have taken 100 years, but Membertou can actually proclaim, “*We've taken it back!*”

In December 2015, Chief Terry Paul and Dan Christmas announced that Membertou had made two pertinent acquisitions, the Sydney Health Park located at the Cape Breton Regional Hospital, and the Medical Arts Building on King's Road.

The significance of the purchases, in addition to Membertou expanding its land size, is the fact that the Medical Arts building is settled on a land parcel that was once the Kings Road Reservation. Membertou had actually regained its former home lands, where our community's founding families were actually born.

Membertou's legacy began on Kings Road, where the community was once located as the Kings Road Reservation. In 1916, the Exchequer Court of Canada ordered the relocation of 27 families from Kings Road to where Membertou is currently situated atop Alexandra Street. It was the first and only time in Canadian history that indigenous people were forcibly removed from their homes to a new location, at the behest of the federal government.

Membertou has plans to host a commemoration ceremony in fall or winter 2016 to mark the repatriation of the land, and the expulsion of community ancestors. Plans are being discussed by a planning committee.

Economically, the acquisitions will also reinvest the economic revenues directly into Cape Breton Island. The current tenants of both buildings will remain at each location, and the revenue generated now stays in Cape Breton.





## FNFMS FNB

### *Yet Another First for Membertou!*

First Nation Financial Management Board (FNFMB) issued its first Financial Management System (FMS) certificate to Membertou at a ceremony in October 2015. The event brought together representatives from Membertou and FNFMB, including Executive Chair Harold Calla, who presented Chief Terry Paul with the certification.

The benefits of having an FMS certification include increased transparency and accountability to community members. The certification allows Membertou to increase its economic development opportunities through increased capacity and access to capital. As a result of the certification, Membertou further strengthens its already strong financial management system.

The FNFMB is Canada's only legislated body that develops and publishes Financial Performance and Financial Management System Standards for First Nations. The FNFMB is an Aboriginal institution that provides a suite of financial management tools and services to First Nations governments seeking to strengthen their fiscal stewardship and accountability regime and develop necessary capacity to meet their expanding fiscal and financial management requirements (About First Nations Financial Management Board, 2016).

# YMCA PARTNERSHIP

### *Partnering Up to Promote Healthy Living!*

Membertou and the Cape Breton Family YMCA came together and formed a strategic partnership, as part of the Physical Activity Strategy. The corporate sponsorship allows for Membertou community members to purchase YMCA memberships at a discounted rate.

With the corporate sponsorship rate, data recorded by the YMCA will be reported back to Membertou, providing information on the number of community members using the Y's facilities, and how often. The special rates were announced in September 2015.

It was expected that a minimum of 100 new YMCA membership registrations in the first year, and increasing to 150 in year two. The YMCA reported that 149 new registrations were signed within the first month!

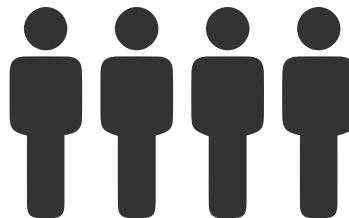
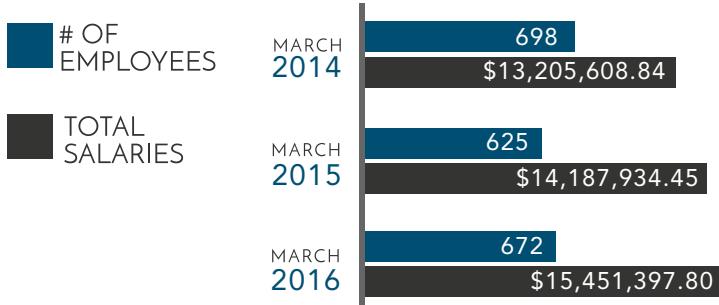
To celebrate the new bond, the partners hosted Family Y Day later that month at Maupeltuewey Kina'matno'kuom. Guests enjoyed a morning of family activities and a tour of the YMCA's facilities in the afternoon.

The Memorandum of Understanding (MOU) was signed on November 5, 2015. In attendance for the signing were Paul Moore and Scott Haldane of the YMCA, Membertou's Chief Terry Paul and Krista Devoe, and students from Maupeltuewey Kina'matno'kuom.

The Cape Breton YMCA will also have a new location at the Membertou Sport & Wellness Centre when the complex is completed in Fall 2016.



# INFOGRAPHICS



**MEMBERTOU IS NOW THE  
3<sup>RD</sup> LARGEST EMPLOYER  
IN CBRM**



**116,354 SQ FT**  
TOTAL OFFICE SPACE PURCHASED  
IN 2015-2016



**130 NEW HOMES SINCE 2005**

**\$ 1.8 MILLION**  
PAID IN TAXES TO CBRM IN 2016

**TOTAL CHARITABLE DONATIONS FROM  
MEMBERTOU ENTERTAINMENT CENTRE SINCE 2007**

**GRAND TOTAL  
\$1,141,000**

OUR BENEFICIARIES INCLUDE:

KINSMEN CLUB OF SYDNEY  
BIG BROTHERS BIG SISTERS  
MADD CAPE BRETON  
KNIGHTS OF COLUMBUS  
SYDNEY MINOR HOCKEY  
ROTARY CLUB OF SYDNEY  
TWO RIVERS WILDLIFE PARK  
CAPE BRETON CRIME STOPPERS  
CHILDREN'S WISH FOUNDATION



# PUBLIC WORKS

## CONSTRUCTION PROJECTS OF 2015

### TUPSI DRIVE SEWER CONNECTOR

The 2015-16 construction season was a busy one for Membertou's Public Works department. The department completed the Tupsi Drive Deep Sewer Connector project. The project connects the existing sewer main to the new development on the south side of Highway 125.

### BRADLEY STREET STORM SYSTEM

A storm water collector system on Bradley Street was installed throughout the summer/fall of 2015. This project will install a curb and gutter system, storm water collector, and sidewalk from the end of the existing sidewalk at Tupsi Drive to the end of the existing sidewalk at Maupeltuwey Kina'motno'kuom.

### INFRASTRUCTURE

Existing infrastructure such as the community streets, sewer and water services will continue to be maintained by the department.



# HOUSING

In fiscal year 2015-16, Membertou Housing Department constructed 13 homes in the community, an increase of three (3) from the previous fiscal year. During the year, 25 contractors from Membertou constructed the new homes for their fellow community members, including 15 carpenters, 3 plumbers, 2 electricians, and 5 labourers covering repairs and after-hours services.

All new homes built in Membertou are energy efficient, featuring in-floor heating and time-of-day metering electrical capabilities. New homes also come with one-inch IKO foil foam on the outside, and 6.2-added R-Value with the R24 walls on the inside.

Also, Membertou Housing Department offers after-hour housing repairs and emergency work. The service is offered outside of scheduled work hours, and is also available 24-hours on weekends and holidays.





# GOVERNANCE

Membertou Governance Committee held 12 meetings and two (2) workshops on the Environmental Management Plan (EMP) were organized. The Governance Committee worked on the issues highlighted below:

## MEMBERTOU/MAUPELTU LAND CODE

The Membertou Land Code ratification vote was tabled in 2015-16, pending discussions with both the federal and provincial governments.

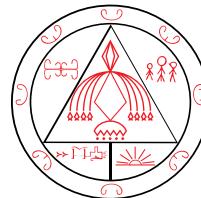
The Governance Committee will make a recommendation to Chief and Council to proceed with a ratification vote on the land code to only apply to Caribou Marsh reserve lands at this point, with a plan to include the other two once the water course issue has been resolved in those areas.

## MEMBERTOU/MAUPELTU ENVIRONMENTAL MANAGEMENT PLAN (EMP)

A draft Membertou Environmental Management Plan was completed based on the input from the community via a series of community engagements sessions that were held from March 9-11, 2015. The plan is to finalize the Membertou's Environmental Management Plan in the 2016-17 fiscal year.

## PHASE II ENVIRONMENTAL SITE ASSESSMENT OF CARIBOU MARSH

Stantec developed a proposal to conduct a Phase II Environmental Site Assessment (ESA) of Caribou Marsh. The plan is to conduct the Phase II in the 2016-17 fiscal year.



**MAUPELTU  
TA'N TELSUTEKEK**  
MEMBERTOU GOVERNANCE

## MEMBERTOU FAMILY HOMES LAW

Fourteen engagement sessions were held with the community on the Membertou Family Homes Law (MFHL). A ratification vote on the MFHL will be held the 2016-17 fiscal year.

## CITIZENSHIP

The Governance Committee held 10 citizenship engagement sessions in 2015-16. Dr. Pam Palmater shared research findings on the membership survey that was developed and finalized in 2015-16. The plan is to draft a citizenship/membership code in the 2016-17 fiscal year.

## W'IKIPALTIMK: 4TH ANNUAL SPRING GATHERING

The annual Spring Gathering was held on April 25, 2015, at Maupeltuewey Kina'matno'kuom. Bill McCue, former Chief of Georgina Island, Ontario, was our guest speaker.

## GOVERNANCE NEWSLETTER

Four (4) quarterly issues of the Maupeltu Ta'n Telsutekek newsletter were published on website and delivered to all Membertou homes.

[www.membertou-governance.com](http://www.membertou-governance.com)





# YOUTH CHIEF & COUNCIL

The Membertou Youth Chief & Council is comprised of students who are selected by their peers to be the voices of all community youth. The council addresses issues and concerns that impact all youth in the community and discusses methods on how to better the lives of their fellow peers. Membertou's Communications Department acts as facilitators for the young role models.

The group continues to experience significant growth and members were selected in September 2015. It was also the first year that the council saw its largest and most diverse membership with 10 members. The council was first open to youth ages 15 to 18, but lowered to 14 following changes to the school boards' grade systems.

Julian Marshall was selected by his classmates as the council's fourth Youth Chief, after serving the previous year as a council member. He was again joined by councillors Blake Christmas, Keegan Christmas, Dana Joe and Salena Sylvester. They were joined by newcomers Faith Francis, Reannah LaPorte, Montana Marshall, Ethan Paul, and Wilfred Prosper.



In one of the busiest years since forming, this council was responsible for hosting several community-based events including a Halloween Party for elementary students, two youth socials, and a Christmas tree lighting party. Members also volunteer for community events throughout the year, and participate in Governance Committee engagement sessions.

In January 2016, Youth Chief Julian became a recipient of a PotashCorp Youth Financial Management Award, including a 5-year, \$5,000 scholarship package. At the AFOA Conference in Montreal, Julian read his winning essay to over 1,000 finance and banking professionals. He then joined Prime Minister Paul Martin for a one-on-one discussion.

Many youth council are also members of organized sport and school teams, maintain part-time jobs, and volunteer regularly while maintaining high academics and being positive role models for younger generations.

## Maupeltuewey Kina'matno'kuom Junior Council

Members of the Maupeltuewey Kina'matno'kuom Junior Council

- Chief Alexis Christmas
- Nevan Paul, Councillor
- Sonny Kabatay, Councillor
- Jada Paul, Councillor

The Maupeltuewey Kina'matno'kuom Junior Chief and Council is responsible for representing the school in any formal situation.

In November, they participated in the Google Hangout, hosted by Prime Minister Justin Trudeau on his first day of office! Maupeltuewey Kina'matno'kuom was one of five schools from across the country that were selected to ask the Prime Minister a question.

Junior Chief Alexis asked Trudeau what he enjoyed most about teaching, and how he could use those skills while serving in Parliament and the Prime Minister's Office. Trudeau replied that teaching has allowed him to understand complex issues and then break them down in a way that individuals can understand and be empowered by.



Chief and Council are called upon to speak with and give tours to any visitors to the school. They also help out with all fundraising and extra-curricular events that Maupeltuewey Kina'matno'kuom hosts.



# TIMELINE

## APRIL 2015

Toe to Toe in MB2: Membertou Boxing Club hosted the best night of amateur boxing in Nova Scotia on April 25 in front of a sell-out crowd of over 700.

Youth Forum: Membertou's younger generations shared their thoughts on the future direction of Membertou at the bi-annual gathering hosted by Membertou Interagency Committee.



## MAY 2015

Always welcoming the world, Membertou hosted major delegations during the month including the Governor General Canadian Leadership Conference (GGCLC) and National Aboriginal Physical Activity Conference.

Exit 7A opened on Nova Scotia Highway 125 creating Membertou's new front door.



## OCTOBER 2015

The Sydney Area Chamber of Commerce recognized the Membertou Trade & Convention Centre as Aboriginal Business of the Year at the Excellence in Business Awards.

Membertou became the first band in Canada to earn FNFMS FNB certification.

## NOVEMBER 2015

Hundreds gathered at St. Anne's Church cenotaph to honour our veterans and soldiers on Remembrance Day, a tribute that Membertou has hosted for decades.

## DECEMBER 2015

Members of the Harlem Globetrotters were special guests at the Winter Social, hosted by Membertou Youth Chief and Council.

Membertou reclaimed a piece of history by purchasing the Medical Arts Building, and Sydney Health Park.



# TIMELINE

## JULY 2015

Membertou was the main sponsor of the 2nd Annual Cape Breton Bike Rally, with many events taking place in the community.

The Greenlink Trail System officially opened on July 22 with a tree-planting ceremony at the entrance of the scenic 3 km walking path.



## JANUARY 2016

For its commitment to creating safe walking spaces in the community, Membertou received the 2015 Walkability Award from the Heart & Stroke Foundation.

## AUGUST 2015

In a support of diversity and the two-spirited community, Membertou was the main sponsor for Cape Breton Pride Week, while also sponsoring activities for Cape Breton Action Week.



## SEPTEMBER 2015

Membertou's 13th Annual Mawi'omi was visited by a very special guest, Nakuset (Nikki) Gould, a community member who stars on Degrassi: Next Class.

## MARCH 2016

The 43rd Annual Wally Bernard Memorial Youth Hockey Tournament saw Membertou take home four medals in six divisions.

## FEBRUARY 2016

Youth Chief Julian Marshall was awarded a \$5,000 scholarship from PotashCorp, and received a personal meeting with Prime Minister Paul Martin in Montréal.

One of Membertou's longest running traditions, the annual Shrove Tuesday community gathering, introduced a new prize to its community awards.



# MEMBERTOU BOXING

## Ta'n Wen'ju'te'kewinu'k Etl-kina'masulti'tij: Where Warriors Train

STILL STANDING AFTER AN 8-COUNT.

For years, the Membertou Boxing Club was a fledgling program without guidance or leadership. Instructors came and went, a few events happened, but the idea of a community-based boxing club seemed more like a novel idea than a reality.

In 2008, coaching duo Greg and Daniel Martin accepted the challenge to reintroduce the sweet science to Membertou. The novel idea would become reality. Through boxing, Membertou residents were taught important social and life skills while learning self-defence and creating healthy minds, bodies and spirits.

A 16-year-old prospect emerged – Jenna Bernard. She soon established herself as one of the most talented youngsters in amateur boxing, eventually becoming a two-time silver medalist at the Canadian National Championships. Membertou Boxing Club was also then established.

The club grew in size and popularity, attracting attention from community members and beyond. The momentum would slowly build, leading up to what would become one of Membertou's most exciting and prolific brands: Toe to Toe.

On April 25, 2015, Membertou welcomed the best amateur boxers from the Maritimes and Ontario to go Toe to Toe in Membertou. The event was a true boxing experience that raised the bar for amateur boxing, and attracted a sell-out crowd to the Membertou Trade & Convention Centre.



In the week leading up to the event, TSN cameras and crew shadowed Jenna and teammate Aaron Francis. The result was a short documentary, *A Fighting Chance*, which shared the young fighters' stories of struggles and strengths. *A Fighting Chance* aired in November 2015. In February 2016, Francis would return home from the Brampton Cup tournament with a silver medal. He would also be joined by teammates Paul Bradley Gould, bronze medal; Andrew Woodberry, gold; and Connor Fong, silver. That same month, Ta'n Wen'ju'te'kewinu'k Etl-kina'masulti'tij celebrated its 8th anniversary.

[www.membertouboxingclub.com](http://www.membertouboxingclub.com)

“

*Boxing replicates life. You need to work hard and stay disciplined. Just like in life, boxing will knock you down, but it's the rise that makes you great. If you can do that in life, you can do that in boxing.*

- Coach Dan Martin



## MEMBERTOU'S GOVERNMENT DEPARTMENTS AND CORPORATE DIVISIONS

The following is a description of Membertou's corporate entities and government departments:

### MEMBERTOU'S GOVERNMENT DEPARTMENTS

ADMINISTRATION	INFORMATION TECHNOLOGY SERVICES
C@P SITE AND YOUTH CENTRE	MEMBERTOU RADIO (C99 FM)
EDUCATION	MEMBERTOU ENTREPRENEUR CENTRE
ENVIRONMENTAL SERVICES	NATURAL RESOURCES
FINANCE	OCCUPATIONAL HEALTH AND SAFETY
GOVERNANCE	PUBLIC WORKS
HEALTH DEPARTMENT & MEMBERTOU WELLNESS HOME	QUALITY ASSURANCE & ISO
HUMAN RESOURCES	SOCIAL SERVICES
HOUSING	

### MEMBERTOU'S CORPORATE ENTITIES

Corporate Division  
**Membertou**



Membertou  
Gaming  
Commission



Membertou  
Trade &  
Convention  
Centre



Membertou  
GEOMATICS SOLUTIONS



Membertou  
PROPERTIES LTD.



MEMBERTOU  
HERITAGE  
PARK



## FINANCIAL MESSAGE FROM CFO MIKE MCINTYRE

Membertou experienced another year of tremendous growth in 2015-16. The total commercial revenues have seen an increase of 5% over the 2014-15 fiscal year. Our financial position has been strengthened with an improved liquidity ratio of 1.07 to 1 as compared to .85 to 1 from the 2014-15 fiscal year.

Major capital projects and new investments were made during the fiscal year, and are as follows:

- The completion of the \$7-million NS Highway 125 Interchange, and transfer of the completed interchange to the Province of Nova Scotia;
- The Membertou Sport and Wellness Centre construction has continued, with strong financial support from both the federal and provincial governments. The \$21-million facility is on schedule to open September 2016;
- An investment of \$2.9-million was placed into the construction of a new 90-unit residential subdivision, with 40 lots completed during this fiscal year;



- 15 new homes were completed during the fiscal year;
- In our continuing effort to grow and diversify total revenues, Membertou made a major real estate investment with the acquisition of Health Park and the Medical Arts properties. These two properties have added an additional 112,000 sq. feet of commercial rental space to our real estate portfolio, and these two properties have more than doubled our real estate revenues from the 2014-15 fiscal year

### COMMUNITY SUPPORT

During the fiscal year Membertou has reinvested back **\$5,133,575** to the community as illustrated below:

COMMUNITY SUPPORT	\$ 616,069
SENIORS	\$ 70,073
SPORT AND YOUTH PROGRAMS	\$ 320,117
MEMBERTOU POW WOW	\$ 14,978
ANNUAL COMMUNITY DONATION	\$ 2,111,500
HOUSING RENTAL SUBSIDIES TO COMMUNITY MEMBERS	\$ 642,838
HOUSING REPAIRS AND MAINTENANCE	\$ 1,358,000

Overall, 2015-16 was a good year with all of Membertou's financial objectives being met and the overall financial health of the community remains strong.



# INDEPENDENT AUDITOR'S REPORT

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

*Grant Thornton LLP*  
Chartered accountants

Grant Thornton  
Audit • Tax • Advisory  
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## MEMBERTOU RESERVE BAND COUNCIL Consolidated Statement of Operations

REVENUES	BUDGET	2016	2015 (RESTATED NOTE 2)
Fisheries	\$ 2,292,483	\$3,043,099	\$2,711,344
Rentals	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	11,522,072	14,855,177	19,509,019
Other revenues	172,768	368,011	308,474
	<b>54,012,728</b>	<b>56,038,238</b>	<b>58,27,061</b>

EXPENDITURES	BUDGET	2016	2015 (RESTATED NOTE 2)
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
	50,785,153	50,140,138	47,190,195
Less: transfer/recoveries	(1,470,340)	(1,502,876)	(755,932)
	<b>49,314,813</b>	<b>48,637,262</b>	<b>46,434,263</b>

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	-	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)	<b>\$1,418,888</b>	<b>\$ (2,508,541)</b>	<b>\$ 8,464,819</b>

\*PLEASE SEE MEMBERTOU COMMUNITY WEBSITE FOR A COMPLETE SET OF THE BAND'S CONSOLIDATED FINANCIAL STATEMENTS



## MEMBERTOU RESERVE BAND COUNCIL Consolidated Statement of Financial Position

FINANCIAL ASSETS	2016	2015 (RESTATED NOTE 2)
Cash	\$2,917,234	\$4,962,670
Receivables	3,547,238	3,181,649
Band funds in trust	114,735	25,008
Restricted cash	1,723,561	1,401,886
Investments	2,689,397	2,770,913
	<b>10,992,165</b>	<b>12,342,126</b>

CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL LIABILITIES	2016	2015 (RESTATED NOTE 2)
Payables and accruals	3,547,161	-
Construction payables to be financed	2,352,324	-
Deferred revenue	476,052	530,582
Long term debt	16,620,511	36,018,710
Deferred trust contributions	5,748,207	5,540,707
Capital lease obligations	27,753	159,616
	<b>73,772,008</b>	<b>49,622,153</b>
Net financial liabilities	(62,779,843)	(37,280,027)

NON-FINANCIAL ASSETS	2016	2015 (RESTATED NOTE 2)
Purchased fishing licenses and permits	2,064,336	-
Capital assets	109,821,417	87,086,836
Prepays	291,460	193,882
Inventory	325,955	286,383
	112,503,168	89,631,437
Net assets	<b>\$ 49,723,325</b>	<b>\$ 52,351,410</b>
Fund balances	<b>\$ 49,723,325</b>	<b>\$ 52,351,410</b>



**MEMBERTOU RESERVE BAND COUNCIL**  
**Consolidated Statement of Changes in Net Financial Liabilities**

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


**MEMBERTOU RESERVE BAND COUNCIL Consolidated Statement of Cash Flows**

	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	6,021,928	-
Share of limited partnership (income) loss	(42,484)	14,605
	<b>7,186,417</b>	<b>11,851,403</b>
Change in non-cash operating working capital	(2,030,322)	2,884,542
	<b>5,156,095</b>	<b>14,735,945</b>
<b>INVESTING</b>		
Partnership draws	150,000	100,000
Purchase of investments	(26,000)	-
	<b>124,000</b>	<b>100,000</b>
<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)
	<b>25,557,894</b>	<b>3,462,569</b>
<b>CAPITAL</b>		
Proceeds on disposal of assets	255,100	-
Capital assets acquired	(32,727,123)	(13,628,336)
	<b>(32,472,023)</b>	<b>(13,628,336)</b>
Net (decrease) increase in cash and cash equivalents	(1,634,034)	4,670,178
Cash and cash equivalents, beginning of year	6,389,564	1,719,386
Cash and cash equivalents, end of year	<b>\$ 4,755,530</b>	<b>\$ 6,389,564</b>
Cash and cash equivalents consist of:		
Cash	\$ 2,917,234	\$ 4,962,670
Funds in trust	114,735	25,008
Restricted cash	1,723,561	1,401,886
	<b>\$ 4,755,530</b>	<b>\$ 6,389,564</b>



# SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (NOTE 1)

## 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.

## CAPITAL ASSETS

Capital assets are recorded at cost.

## INVESTMENTS

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

## 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.

## 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.

## 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.

## 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.



DEPRECIATION	PERCENTAGE
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

#### PRIOR PERIOD ADJUSTMENT (NOTE 2)

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)
STATEMENT OF OPERATIONS	
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 OPERATIONS	
Capital assets	\$ 2,064,336



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## MEMBERTOU ANNUAL REPORT 2015 - 2016

### MEMBERTOU BAND COUNCIL

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