

# Blueprints to Prosperity

*Building Membertou's Future*



**Memberton**  
WELCOMING THE WORLD!

*Memberton Annual Report 2016 - 2017*

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# Executive Summary



**Membertou community celebrates annual Pow Wow**

Every community has a story to tell. Every community has their own individual narrative to share. In Membertou, our story begins at home, and all are welcome to join and be part of the adventure.

Our community's motto, "Welcoming the World," is a true representation of the spirit of our ancestors; one that we strive to live through our actions.

In 2016-17, we had an exciting year of hard work and may "firsts" for the community. We had the great pleasure of seeing the new state-of-the-art Membertou Sport and Wellness Centre open its doors in August of 2016. It is now a popular community space for fitness, sports, and family.

Three months later, the YMCA Membertou, located within the Membertou Sport and Wellness Centre had its ribbon cut; an official opening to a space that provides accessible fitness opportunities for the entire community. A community milestone was reached weeks later in March, as the 44<sup>th</sup> Annual Wallace Bernard Memorial Native Youth Hockey Tournament was played on home ice for the very first time.

We also welcomed for the first time, East Coast Music Week. It was announced in January 2016 that Membertou would be the first Indigenous community to host the conference portion of the festival. We all watched in April 2016, as the opening ceremonies were held at the Membertou Trade & Convention Centre, with Mi'kmaw artists performing in the musical showcase.

Another first for our community created national buzz, the Prime Minister of Canada, Justin Trudeau, appointed the first Mi'kmaq representative, our community member and former Membertou Senior Advisor to the Senate. Dan Christmas was sworn in to the Red Chamber in November 2016. Dan's appointment and leadership is a great source of pride for the community.

Membertou played host to the 2016 Nova Scotia Mi'kmaw Summer Games and celebrated the community in a big way, as 2016 marks one hundred years since Membertou's relocation from Kun'tewiktuk on Kings Road.

Every year is a new volume of stories to make and share. Each month is another chapter in the story of Membertou. We're proud to continue building a legacy through business development, community leadership and support, access to education, and focusing on our youth, which will honour our community for many years to come.

# Chief & Council



## *A Message from Membertou Chief Terrance Paul and Membertou Council*

Over the last year, we are extremely proud to have served as Membertou's Chief and Council. We have had the great honor to represent and move forward the initiatives of our people and our community.

We have experienced growth in many senses of the term in 2016-17. We proudly welcomed thousands of visitors to our community, we gathered to reflect on our 100<sup>th</sup> anniversary of our people's relocation to Membertou from the King's Road Reserve, and we excitedly opened the doors to our community's first arena, the Membertou Sport and Wellness Centre.

The Membertou Sport and Wellness Centre is a shining example of the growth and development that we have been working toward for many years. The Centre is a welcoming, community-minded space that is used to enhance both the spirit of our community members, and improve the health and wellness of our people. It is truly a community space where we will celebrate many occasions for years to come.

In 2016, our council had the great pleasure of welcoming four new council members – all of whom are dedicated and empowered members of our community who have been working to fulfill their duties. We send gratitude to our members of council who will not be returning – their dedication to Membertou has been wide-spread and we cannot thank them enough for their contributions.

Our community members have also had an inspiring year. Many of you have been part of our exciting growth, and many have been awarded accolades for their tireless efforts in supporting their work and community – we send sincere congratulations for the accomplishments of all our people.

As we look forward to 2017-18, we are filled with hope that we can continue to build upon our prosperity and ensure the most success for the community of Membertou. We look forward to breaking ground in Churchill Crossing, our new commercial district, and to working with the talented and community-minded people who have given us the opportunity to represent Membertou.

From us to you, we'd like to say thank you – for it is you, who has gotten us here! Together, let's continue to welcome the world to our inspiring community of Membertou.

Sincerely,

*Chief Terry Paul  
& Membertou Council*

**Chief & Council**

## *Membertou Chief and Council Members*

**Chief Terrance Paul**

**Craig Christmas**

**Dean Christmas**

**Gail Christmas**

**Robin Googoo**

**Lee Gould**

**Paul MacDonald**

**David Marshall**

**Johanna LaPorte**

**Graham Marshall**

**Allister 'Buster' Matthews**

**Cary Paul**

**Lawrence "Quism" Paul Jr.**

**3<sup>RD</sup> { LARGEST EMPLOYER  
IN THE CBRM }**

**13 NEW  
HOMES BUILT IN 2016**  
**15** IN PROGRESS AS OF MAR 31, 2017  
AT A COST OF \$5.5 MILLION

**684  
ACRES**  
PURCHASED SINCE 2014

**GROSS MEMBERTOU REVENUE | 2016-2017**  
**\$72,159,362**

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

**GRAND TOTAL:  
\$1,204,500**

BIG BROTHERS / BIG SISTERS  
CHILDREN'S WISH FOUNDATION  
CRIME STOPPERS  
KNIGHTS OF COLUMBUS  
MADD CAPE BRETON CHAPTER  
MEMBERTOU RECREATION

ROTARY CLUB OF SYDNEY-SUNRISE  
SYDNEY MINOR HOCKEY  
THE KINSMEN CLUB OF SYDNEY  
TWO RIVERS WILDLIFE PARK  
CAPE BRETON BASKETBALL  
FERAL AND ABANDONED CAT SOCIETY

# May. 2016

Yellowknife Dene First Nation visits Membertou.

Membertou donates land for new residence for Hospice Palliative Care Society of Cape Breton County.

The Membertou Open, a partnership with Hampton Inn, is announced in support of Cape Breton University Athletics.

Membertou Governance Committee hosts the 4<sup>th</sup> annual Wikipalimk Spring Festival.

Cassidy LaPorte is crowned Miss Membertou, and chosen to represent our community at the NSMSG '16 Princess Pageant.

Membertou honours Dr. Mohan Virick, MD, for his decades of service and commitment on National Aboriginal Day.

Mi'kmaq Chiefs break ground at Donkin Mine

Membertou is the first Indigenous community to host conference portion of East Coast Music Week.

Ta'n Wen'ju'te'kewinu'k Etl-kinamasulti'tij hosts Toe to Toe, its second major event to another sell-out crowd on April 23<sup>rd</sup>.

# Apr. 2016

# Jun. 2016

## A Year in Review:

# Jul. 2016

Lac La Ronge delegation visited Membertou for the first time, focusing on our paths to economic progress and success.

Destination Membertou Summer Cruiser team gears up for a summer of representing the community at festivals and events across Cape Breton.

Sydney Pride Week kicks off with Membertou as the official sponsor.

The 7<sup>th</sup> Nova Scotia Mi'kmaq Summer Games are held in Membertou, with our community hosting a grand celebration for all teams, featuring Ashley Callingbull, A Tribe Called Red and more.

Construction of the Membertou Sport and Wellness Centre is complete.

# Sep. 2016

Nova Scotia's Lieutenant Governor, the Honourable J.J. Grant, attended the 13th annual Membertou Mawiomi.

Ice-breaker: Chief Terry Paul and Buster Matthews complete the first on-ice skate at the Membertou Sport & Wellness Centre.

# Aug. 2016

# NOV. 2016

Membertou's founding families are brought home to rest as part of The Journey On, commemorating the forced relocation from Kun'tewiktuk to present-day Membertou.

A community dream comes to life as the Membertou Sport & Wellness Centre officially opens its doors, with special guest Lord Stanley.

The first ever Treaty Healing & Education Gathering is hosted by the Membertou Seniors 55+ Club.

Dan Christmas, now a member of the Senate, says his farewell to Membertou at the annual staff breakfast as he prepared to take on his new role as a Canadian Senator.

# Oct. 2016

# Dec. 2016

## Events Timeline

# Jan. 2017

The YMCA-Membertou kicks off the New Year with new memberships, provides new fitness opportunities, and exceeds initial projections.

The annual Community Awards Banquet is held to recognize the hard work of community members.

Membertou Councillor, Graham Marshall cuts ribbon to officially open the Membertou YMCA at grand opening celebration.

# Mar. 2017

After 44 years, the Wallace Bernard Native Youth Hockey Tournament finally made its debut on home ice. Membertou won three gold medals and one silver.

Many additional events and excitement took place within each business and community group in 2016-17.

# Feb. 2017



## *Kun'tewiktuk: The Journey On*

*October 23, 2016*

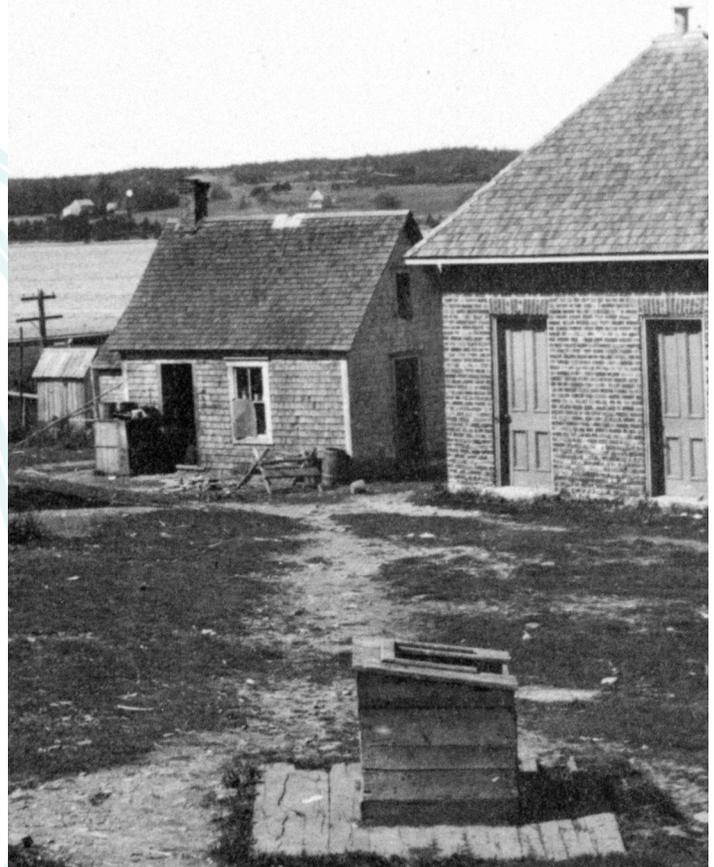
Kun'tewiktuk was located along the banks of Sydney Harbour, and it is what our ancestors originally called home. Before Membertou, there was Kun'tewiktuk, the 'place near the rock.'

In 1916, the inhabitants were ordered to leave their homes and to relocate. Over a 10-year period, our ancestors resettled in what we know today as Membertou.

Exactly 100 years later, the descendants of the founding families brought our ancestors' spirits home to rest. Hundreds would gather for a special memorial - The Journey On.

An open house showed the history of Kun'tewiktuk on the walls of the Sydney Medical Arts Building, which now sits upon the sacred land where our peoples once lived. Displayed was a scale-size model of what our ancestral community looked like. Photos are displayed along the building walls, to show that our history will always be remembered.

Chief Terry Paul and Kun'tewiktuk committee unveiled the cenotaph, complete with the names of the families who were forcibly removed. A symbolic walk followed at sundown, with glowing lamps to bring our ancestors' spirits home to finally rest. A community feast ended the evening.



## An Overview of Youth Chief & Council

It was an historic year for Membertou's Youth Chief & Council (MYCC) as the youngest, and first female leader was elected. Montana Marshall led the assembly of 13 student councillors, with reps from two high schools.

Over the year, the youth hosted monthly meetings and participated in community events including the 44<sup>th</sup> Wallace Bernard Hockey Tournament, Membertou Sport and Wellness Centre grand opening, Seniors' Fair, and the Mi'kmaw Christmas Social.

Community involvement went beyond Membertou and into the Cape Breton Regional Municipality by participating in the United Way's Community Impact Summit, and meeting with the CBRM Youth Council. Prior to the election, Montana attended the Assembly of First Nations conference.

MYCC members also work part-time, while maintaining strong academics in school, participating in extracurricular activities, and being the official voice of their peers in the community.

## Membertou Youth Chief & Council Members

**Youth Chief Montana Marshall**

**Blake Christmas**

**Keegan Christmas**

**Anne Dreah Dennis**

**Faith Francis**

**Dana Joe**

**Cassidy LaPorte**

**Reannah LaPorte**

**Noah Matthews-Cremo**

**Ethan Paul**

**McKenna Paul**

**Connor Sabattis**

**Salena Sylvester**

Left to right:

Ethan Paul, Salena Sylvester, Connor Sabattis, Montana Marshall, Reannah LaPorte, and McKenna Paul



# Youth Chief & Council

# Membertou Sport & Wellness Centre



*Thank you to the Major Donors who made our facility possible:*

Bank of Montreal

Emera

Cape Breton Beverages

Gordon Food Service

Beatrice & David Crawford



## Grand Opening

November 6, 2016

The decades-long dream of building a roof over a skating pond became reality with the opening of the Membertou Sport & Wellness Centre. On November 6, 2016, hundreds of people gathered to commemorate a long awaited milestone.

Greeting friends and family were National Hockey League (NHL) alumni: Bryan Trottier, Ted Nolan and Reggie Leach. The guest of honour was none other than Lord Stanley's Cup itself.

Throughout the day guests enjoyed skating the rinks, contests, winning prizes, sharing the excitement, and posing with The Stanley Cup, Conn Smyth Trophy and the Jack Adams Award.

Senator Dan Christmas welcomed everyone to the official opening, joined by Chief Terry Paul, Youth Chief Montana Marshall, CBRM councillor Eldon MacDonald, MLA Derek

Momborquette, and MP Mark Eyking, and many more. A welcoming song was performed by the Sons of Membertou, and O Canada was sung in Mi'kmaq by community youth, Jada Paul.

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



## Building a Healthier Membertou

February 22, 2017

Three short months following the grand opening of the Membertou Sport and Wellness Centre, Membertou cut the ribbon to its very own YMCA Cape Breton branch, located inside the new facility. The partnership, signed in fall 2015, has produced outstanding benefits to Membertou and surrounding community.

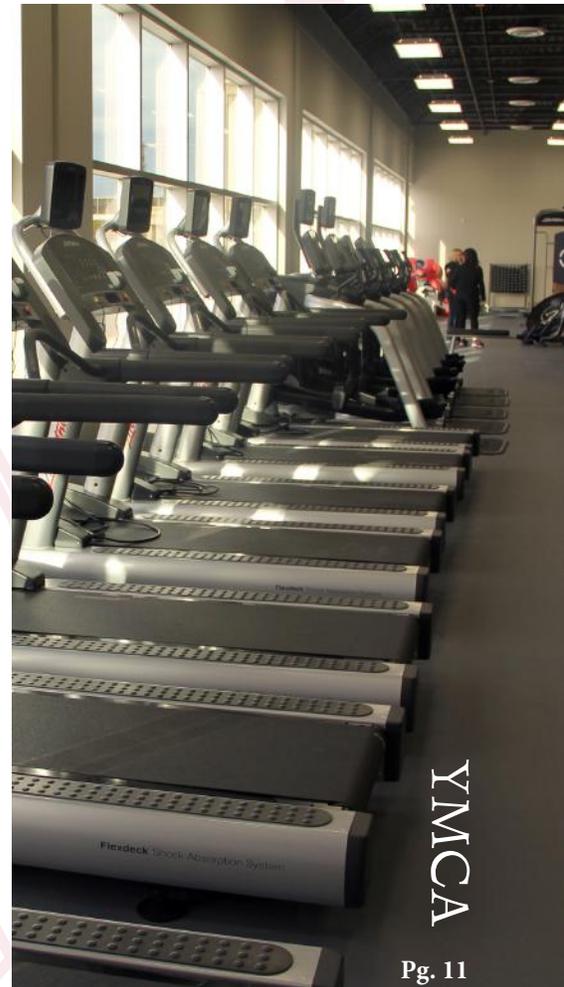
Original membership forecasts predicted a community-based membership of 150 within two years, only to be exceeded within weeks. These numbers have since quadrupled to 600 members at the Membertou YMCA.

Celebrating the grand opening of the YMCA in Membertou was Andre Gallant, CEO of YMCA Cape Breton, Peter Tinsdale, President and CEO of YMCA Canada, and Dave Farmer,

Membertou Sport & Wellness Centre / YMCA

Cape Breton YCMA Chair. An opening prayer was offered by Membertou Elder, Katy MacEwan, followed by the Sons of Membertou's singing of the Mi'kmaq Honour Song.

Graham Marshall cut the ribbon on behalf of Chief and Council, officially opening the YMCA Membertou.



# Senator Dan Christmas



On October 26, 2016, Dan Christmas received one of the most important phone calls of his life. On the other end was the Prime Minister of Canada, The Right Honourable Justin Trudeau.

Dan, along with eight others, had been selected by the Prime Minister's Office as the newest Senate appointees. He became the first Mi'kmaq person to be named to the Red Chamber, and sits on the Independent Senators Group.

Prior to his new appointment, Dan was Membertou's Senior Advisor for 20 years, and was also an elected member of its council and band manager. Throughout his career, Dan has devoted his work to the betterment of Mi'kmaq and First Nations people.

Dan Christmas has served in various leadership positions in the Mi'kmaq Nation of Nova Scotia. After serving five years as the Band Manager for the Community of Membertou, Dan worked for the Union of Nova Scotia Indians for 15 years - the final 10 as its Director. He was actively involved in the recognition and the implementation of Mi'kmaq Aboriginal and treaty rights in Nova Scotia.

Dan was first elected to Membertou's council in June 1996, and in 1997, he began his role as Senior Advisor with Membertou. He assisted the Chief, band council and its management team with the day-to-day operations of the Membertou community.

Dan Christmas has been active in a number of international, national, provincial and local agencies in a wide range of fields including Aboriginal & treaty rights, justice, policing, education, health care, human rights, adult training, business development and the environment. He has served as the Executive Chairperson of the Union of Nova Scotia Indians.

Following his new appointment as Senator, Dan finished his time as Membertou's Senior Advisor after 20 years. Throughout his career, Dan has devoted his work to the betterment of Mi'kmaq and First Nations people.

His contributions have earned him numerous awards, including an Honorary Doctor of Laws degree from Dalhousie University, the Queen Elizabeth II Diamond Jubilee Medal, the Tom Miller Human Rights Award, the National Excellence in Aboriginal Leadership Award.

Dan was officially sworn into The Senate of Canada on December 6, 2016. He was also honoured with Membertou's Lifetime Achievement Award at the 2017 Community Awards Banquet.



## Governance

Membertou Governance Committee held 11 meetings and organized numerous community engagement sessions on the Membertou Family Homes Law. Please find a brief description of activities undertaken in the 2016-17 fiscal year.

### **Membertou/Maupeltu Land Code**

The draft Membertou Land Code was revised and updated. A land code ratification vote on Caribou Marsh was tentatively scheduled for April 2018, pending Council approval. Chief and Council tabled the vote, pending the outcome of discussions with both the Federal and Provincial governments on the water course issue. Chief & Council would like to seek a legal opinion from the Mi'kmaq Rights Initiative before deciding on next steps.

### **Membertou/Maupeltu Environmental Management Plan (EMP)**

The Membertou Environmental Management Plan was accepted by Chief & Council. It is ready to be implemented once the Membertou Land Code vote is ratified and a Lands Director is hired.

### **Phase II Environmental Site Assessment of Caribou Marsh**

Stantec is currently in the process of conducting a Phase II Environmental Site Assessment (ESA) of Caribou Marsh. The plan is to complete the Phase II ESA in the 2017-18 fiscal year.

### **Membertou Family Homes Law**

Numerous engagement sessions were held on the Membertou Family Homes Law and a ratification vote to accept the Law was held in April 2016. The community overwhelmingly voted in support of the Membertou Family Homes Law and has been in effect as of April 30<sup>th</sup>, 2016.

### **Wi'kipaltimk: 5<sup>th</sup> & 6<sup>th</sup> Annual Spring Gathering**

The 5<sup>th</sup> Annual Spring Gathering was held on May 14<sup>th</sup>, 2016 and the 6<sup>th</sup> Annual Spring Gathering was held on March 25<sup>th</sup>, 2107. Both events were well attended.

### **Governance Newsletter**

Four (4) quarterly issues of the Maupeltu Ta'n Telsutekek newsletter were published on the website and delivered to all Membertou homes. For copies of the newsletter or for more information on past/upcoming events please check the Membertou Governance website at: [www.membertou-governance.com](http://www.membertou-governance.com)



# Governance



Membertou  
Heritage Park /  
Petroglyphs  
Gift Shop

Membertou Trade &  
Convention Centre /  
Kiju's Restaurant

Membertou  
Market /  
Membertou  
Chicken & Deli

Membertou  
Gaming  
Commission

Membertou  
Professional  
Centre

### Membertou Market / Membertou Chicken & Deli

- 5,000 Square Foot Facility
- Convenience Store & Shell Gas Station
- Chicken & Deli Specialties

### Membertou Heritage Park

- Opened in 2012
- 5,500 Square Foot Facility
- Mi'kmaq exhibits & guided tours
- Petroglyphs Gift Shop

### Membertou Trade & Convention Centre

- Opened in 2004
- 47,000 Square Foot Facility
- Meeting & Conventions
- Kiju's Restaurant

### Hampton Inn by Hilton

- Opened in 2012
- 148 Rooms
- Pedway to Membertou Trade & Convention Centre

### Membertou Gaming Commission

- Opened in 2001
- Three Locations
- Video Lottery Terminals

### Membertou Entertainment Centre

- Opened in 2007
- 33,000 Square Foot Facility
- Bingo four nights a week
- Two Video Lottery Terminals

# Map of Membertou

Hampton Inn by  
Hilton Membertou

Membertou  
Entertainment  
Centre / Membertou  
Gaming Commission

Membertou  
Sport & Wellness  
Centre

Membertou Gaming  
Commission

Membertou Business  
Centre

## Membertou Sport & Wellness Centre

- Two NHL sized arenas
- YMCA Conditioning Centre
- Intermissions Café
- Indoor Walking Track

## Membertou Business Centre

- Opened in 2011
- 33,000 Square Feet of Commercial Real Estate

## Membertou Professional Centre

- Opened in 2013
- 20,000 Square Feet of Commercial Real Estate

# Events in Membertou



Summer Games Day 1

## Membertou Hosts Biggest Mi'kmaw Summer Games to Date

*August 14-21, 2016*

Thousands came together in Membertou for the most anticipated summer event in the Mi'kma'ki – the 2016 Nova Scotia Mi'kmaw Summer Games.

Events began with two days of golf, followed by the arrival of the Summer Games scroll from Millbrook, the 2015 host. Membertou Youth, Peter Googoo and Sheldon Googoo Jr. completed the final leg of the 330-km run that began days before. Chief Robert Gloade presented the scroll to Chief Terry Paul, and the games had officially opened.

Opening ceremonies included the parade of teams and entertainment by Donna's Boy and others. Up next was comedian Howie Miller, before spotlight went to the annual Summer Games Queen pageant. Membertou's own Glen Gould co-hosted the pageant, along with our very special guest, Ashley Callingbull, the 2015 Mrs. Universe.

Salena Sylvester of Membertou was crowned the 2016 Summer Games Queen by Mrs. Universe herself.

On the eve of the games' closing, A Tribe Called Red and City Natives delivered an unforgettable show, along with a dazzling firework display that lit up the entire city.

Throughout the week, nearly 2,000 athletes registered to compete in nearly 20 different sports. Mi'kmaw communities from across Nova Scotia, New Brunswick, and even Quebec participated in the events.

Membertou would like to thank all of the amazing volunteers, athletes, coaches, and organizers for all their hard work and dedication. A special thanks to lead organizers, Marcella Marshall, Krista Devoe and Brittany Paul.

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

## East Coast Music Week: Another First for Membertou!

*April 13-17, 2016*

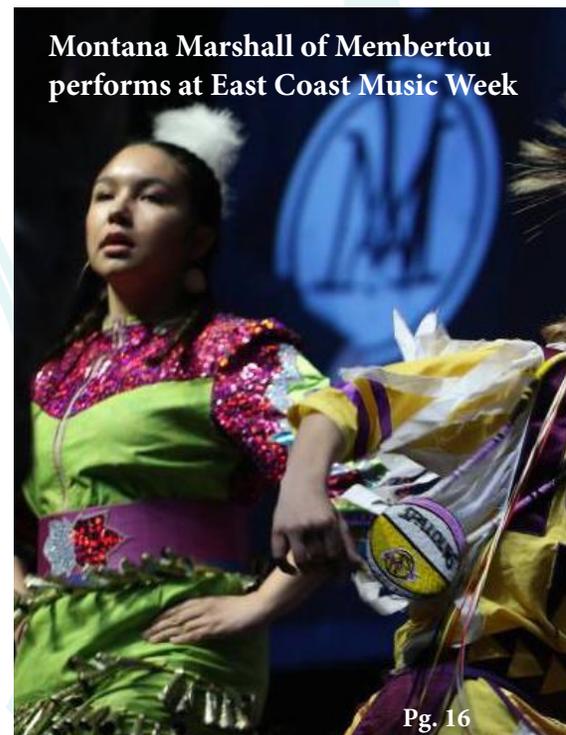
For the first time in its illustrious 30-year history, East Coast Music Association brought part of its week-long festival to an indigenous community. Membertou played host to the conference portion of East Coast Music Week 2016.

Celebrations began on April 13 at the Membertou Trade & Convention Centre with the opening gala, complete with traditional grand entry with drumming and dancing. Guests were also treated to music from Membertou's own Black & Grey, and a special performance of "Gentle Warrior" by Eskasoni's Kalolin Johnson, Devon Paul and Thunder Herney.

The Aboriginal Showcase followed with performances from Kam Speech, Tristan Grant and City Natives. All three were nominated for Aboriginal Artist of the Year.



## Montana Marshall of Membertou performs at East Coast Music Week



# Destination Membertou

Destination Membertou is an initiative created from the Membertou Marketing Department in 2014 to support events, promotions, sponsorship, and tourism in the community of Membertou.

As a platform to showcase the community, Destination Membertou has created cultural and educational opportunities for both members of the Membertou community, and people from all across the world interested in learning about Mi'kmaw culture.

Through cultural workshops, storytelling, songs and drumming, a focus on working with the Port of Sydney, and strong branding and marketing, Destination Membertou thrives to tell the rich stories and traditions of the community of Membertou in the best and most effective way possible.

Destination Membertou works in partnership with Membertou entities to engage new markets and audiences to explore the deep-rooted traditions of the community.

To learn more about Destination Membertou's projects, events, and promotions, please visit: [www.destinationmembertou.com](http://www.destinationmembertou.com)

**Alwyn Jeddore leads Dreamcatcher Workshop with community members**



**Summer Cruiser team members:  
Taylor Gould and Carl Paul**

# Future of



## *Membertou Bowling Alley*

Membertou is filling the void of the lack of modern bowling centres in Cape Breton.

The bowling alley will also feature a restaurant and a 16-lane alley with high-tech, electronic laser scoring options.

## *New Gaming Facility*

Construction on Membertou's new gaming facility began in 2016 and officially opened in Spring 2017.

The new gaming facility replaces two facilities that are no longer in use, and offers a comfortable, secure and enjoyable gaming environment for everyone.

The new facility has updated ventilation systems and provides smoking and non-smoking gaming options. The facility is open 23 hours a day, 7 days a week.

The new Membertou Gaming Building is located across from the Membertou Entertainment Centre and is now open for anyone over the age of 19 years.



# Membertou

## Hospice Palliative Care Home

A 10-bed residential hospice facility will be built on land donated by Membertou.

Announced on May 9, 2016, the project is a partnership between Hospice Palliative Care Society of Cape Breton County, BCA Group, and Membertou.



## Churchill Drive Subdivision

In 2016, Membertou Corporate broke ground in a new-to-be light shopping district, Churchill Crossing. The location of the district is across the highway from the Membertou Business Centre plaza located on Churchill Drive.

Churchill Crossing is still under construction and its development will work well into 2017. The intention of Churchill Crossing is to provide opportunity and convenience for the community of Membertou, its residents, and the larger Cape Breton community. In the future, it's goal is to become a light shopping destination in a one-stop-shop environment.

Stay tuned for more information.

# Financial Message from CFO Mike McIntyre



In 2016-17, Membertou had a successful year as the trend of financial growth continues. Our annual revenues exceeded expectation and commercial revenues increased by 12%, seeing the largest increase in revenue in our real estate division. This is a very favorable trend, as we continue to work on diversifying our sources of revenue.

Though successful, our year was not without bumps in the road. We were not able to reach all financial objectives due to flooding in October 2016. Our housing department was challenged by the flood costs and the implications of this issue are still being determined, but the damages have far exceeded our insurance coverages.

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

In 2016-17, Membertou contributed more than \$25 million in capital investments within the community.

## Membertou's Community Support

During the 2016-17 fiscal year, Membertou has reinvested **\$5,715,205** back into the community:

Community Support	\$649,022	Seniors	\$98,694
Sport and Youth Programs	\$187,290	Membertou Pow Wow	\$46,605
Summer Games	\$128,952	Annual Community Donation	\$2,131,100
Housing Rental Subsidies to Community Members	\$328,850	Housing Repairs and Maintenance	\$2,154,692

Overall, 2016-17 was a good year for Membertou. Despite some unforeseen challenges from the severe October flood, the Membertou Band still remains in a strong financial position. We are continuing to work to increase revenues and reach new levels of growth for our next fiscal year.

### Investment highlights are as follows:

- Completion of the \$ 22 million Membertou Sport and Wellness Centre. The facility hosts two NHL sized ice surfaces and opened September 2016. The facility also opened a branch of the YMCA Cape Breton in November 2016.
- Investment of \$ 5.2 Million on Phase 1 construction of Churchill Crossing Commercial Park was made during the fiscal year.
- Investment of \$ 1.7 million for new Gaming Building was made to replace older facilities.
- Work on a 90-unit subdivision continued with a \$1.9 million investment.
- 15 new homes were completed during the fiscal year .

# 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, 2017, 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, 2017. 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, 2017, 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.

Sydney, Nova Scotia  
July 25, 2017

*Grant Thornton LLP*  
Chartered Professional Accountants  
Licensed Public Accountants



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# Consolidated Statement of Operations

MEMBERTOU RESERVE BAND COUNCIL			
REVENUES	BUDGET	2017	2016
Fisheries	\$ 3,021,499	\$ 3,902,794	\$ 3,043,099
Rental	4,757,548	4,672,972	2,549,121
Commercial sales	37,054,362	37,353,772	35,077,216
Gain on disposal of property	-	15,526	172,075
Government transfers	11,869,505	25,499,957	14,855,177
Other revenues	88,000	714,341	458,088
	<b>56,790,914</b>	<b>72,159,362</b>	<b>56,154,776</b>
EXPENDITURES	BUDGET	2017	2016
Administrative	3,331,619	3,668,243	2,729,470
Community expenses	3,221,978	3,526,929	3,166,900
Core funding and benefits	852,840	849,027	855,006
Cost of sales – commercial	14,591,040	14,548,790	14,263,362
Education and training	1,157,411	1,273,558	1,233,213
Fishing	200,400	297,491	308,485
Health programs	693,606	904,835	1,085,643
Insurance	462,248	519,898	439,903
Interest	2,055,885	2,203,238	1,565,226
Other	2,786,237	2,814,176	2,134,257
Professional fees	321,825	293,575	350,074
Repairs and maintenance	5,472,833	7,874,073	4,468,558
Salaries and benefits	14,307,154	14,626,462	13,599,807
Security and policing	822,533	947,359	909,898
Social	3,556,159	3,589,123	3,266,418
	<b>53,833,768</b>	<b>57,936,777</b>	<b>50,376,220</b>
Less: transfer/recoveries	(1,561,516)	(1,613,922)	(1,502,876)
	<b>52,272,252</b>	<b>56,322,855</b>	<b>48,873,344</b>
Annual surplus before amortization and property transfer	<b>4,518,662</b>	<b>15,836,507</b>	<b>7,281,432</b>
Transfer of Highway 125 Project to the Province of Nova Scotia	-	-	6,021,928
Amortization	3,938,133	5,146,698	3,887,589
	<b>3,938,133</b>	<b>5,146,698</b>	<b>9,909,517</b>
Annual Surplus (deficit)	<b>580,529</b>	<b>10,689,809</b>	<b>(2,628,085)</b>
Accumulated surplus, beginning of year		49,723,325	52,351,410
Accumulated surplus, end of year		<b>60,413,134</b>	<b>49,723,325</b>

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

# Consolidated Statement of Financial Position

MEMBERTOU RESERVE BAND COUNCIL		
FINANCIAL ASSETS	2017	2016
Cash	\$ 3,867,542	\$ 2,917,234
Receivables	7,130,323	3,547,238
Inventory	395,669	325,955
Band funds in trust	116,380	114,735
Restricted cash	2,019,815	1,723,561
Investments	2,710,678	2,689,397
	<b>16,240,407</b>	<b>11,318,120</b>
FINANCIAL LIABILITIES	2017	2016
Payables and accruals	7,207,565	3,547,161
Construction payables to be financed	517,406	2,352,324
Deferred Revenue	1,432,409	476,052
Long term debt	72,471,012	61,620,511
Deferred trust contributions	6,098,207	5,748,207
Capital lease obligations	389,060	27,753
	<b>88,115,659</b>	<b>73,772,008</b>
Net financial liabilities	<b>(71,875,252)</b>	<b>(62,453,888)</b>
NON-FINANCIAL ASSETS	2017	2016
Purchased fishing licenses and permits	2,064,336	2,064,336
Capital assets	129,691,662	109,821,417
Prepays	532,388	291,460
	<b>132,288,386</b>	<b>112,177,213</b>
Accumulated surplus	<b>60,413,134</b>	<b>49,723,325</b>

# Consolidated Statement of Changes in Net Financial Liabilities

MEMBERTOU RESERVE BAND COUNCIL			
	BUDGET	2017	2016
Net revenues	\$ 580,529	\$ 10,689,809	(2,268,085)
Gain on disposal of capital assets	-	(15,526)	(172,075)
Transfer of Highway 125 Project to the Province of Nova Scotia	-	-	6,021,928
Proceeds on sale of capital assets	-	99,510	255,100
Depreciation	3,938,133	5,146,698	3,887,589
Capital assets acquired	-	(25,100,927)	(32,727,123)
	<b>4,518,662</b>	<b>(9,180,436)</b>	<b>(25,362,666)</b>
Acquisition of prepaid expenses	-	(240,928)	(97,578)
Change in net financial liabilities	<b>4,518,662</b>	<b>(9,421,364)</b>	<b>(25,460,244)</b>
Net financial liabilities, beginning of year	(62,779,843)	(62,453,888)	(36,993,644)
Net financial liabilities, end of year	<b>\$ (58,261,181)</b>	<b>\$ (71,875,252)</b>	<b>\$ (62,453,888)</b>

# Consolidated Statement of Cash Flows

MEMBERTOU RESERVE BAND COUNCIL Consolidated Statement of Cash Flow		
OPERATING	2017	2016
Excess (deficiency) of revenue over expenditures	\$ 10,689,809	\$ (2,628,085)
Depreciation	5,146,698	3,887,589
Gain on disposal of capital assets	(15,526)	(172,075)
Transfer of Highway 125 Project to the Province of Nova Scotia	-	6,021,928
Share of limited partnership (income)	(96,281)	(42,484)
	<b>15,724,700</b>	<b>7,066,873</b>
CHANGE IN NON-CASH OPERATING WORKING CAPITAL		
Receivables	(3,583,085)	(365,589)
Prepays	(240,928)	(97,578)
Inventory	(69,714)	(39,572)
Payables and accruals	1,825,486	(1,473,053)
Deferred revenue	956,357	(54,530)
	<b>14,612,816</b>	<b>5,036,551</b>
INVESTING		
Partnership draws	100,000	150,000
Purchase of investments	(25,000)	(26,000)
	<b>75,000</b>	<b>124,000</b>
FINANCING		
New deferred trust contributions	350,000	207,500
Repayment of long term capital lease obligation	(68,971)	(131,863)
Receipt of long term debt	12,914,267	27,444,387
Repayment of long term debt	(2,063,766)	(1,842,586)
	<b>11,131,530</b>	<b>25,677,438</b>
CAPITAL		
Proceeds on disposal of assets	99,510	255,100
Capital assets acquired	(24,670,649)	(32,727,123)
	<b>(24,571,139)</b>	<b>(32,472,023)</b>
Net (decrease) increase in cash and cash equivalents	<b>1,248,207</b>	<b>(1,634,034)</b>
Cash and cash equivalents, beginning of year	4,755,530	6,389,564
Cash and cash equivalents, end of year	<b>\$ 6,003,737</b>	<b>\$ 4,755,530</b>
CASH AND CASH EQUIVALENTS CONSIST OF:		
Cash	\$ 3,867,542	\$ 2,917,234
Funds in trust	116,380	114,735
Restricted cash	2,019,815	1,723,561
	<b>\$ 6,003,737</b>	<b>\$ 4,755,530</b>

# 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.

## Cash and Cash Equivalents

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

## Revenue Recognition

All non-government contributions or grant revenues that are externally restricted such that they must be used for a specified purpose are recognized as revenue in the period in which the resources are used for the purpose or purposes specified. Any externally restricted inflow received before the criterion has been met is reported as a liability until the resources are used for the purpose or purposes specified.

Unrestricted revenue is recognized when received or receivable if the amount to be received can be reasonably estimated and ultimate collection is reasonably assured. Rental revenue is recognized when received or receivable 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.

## Government Transfers

Government transfers received are recognized in the financial statements as revenue when the transfers are authorized and all eligibility criteria have been met except when there is a stipulation that gives rise to an obligation that meets the definition of a liability. In that case, the transfer is recorded as a liability and recognized as revenue as the stipulations are met.

Government transfers to individuals and other entities are recognized as an expense

when the transfers are authorized and all eligibility criteria have been met.

## Tangible Capital Assets

Tangible capital assets are recorded at cost less accumulated amortization and impairment.

## Purchased Fishing Licenses and Permits

Purchased fishing licenses and permits assets are intangible capital 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.

## 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 2017 was \$10,574,924 (2016 - \$8,986,394). No write-down of inventories below their cost to their net realizable value was made in fiscal 2017. 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.

## 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.

## Depreciation

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

DEPRECIATION	PERCENTAGE
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

## 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.

*Membertou Annual Report 2016 - 2017*

# *#WelcomingTheWorld*

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