

**MALISEET NATION AT TOBIQUE**  
**Consolidated Financial Statements**  
**Year Ended March 31, 2018**

**MALISEET NATION AT TOBIQUE**  
**Index to Consolidated Financial Statements**  
**Year Ended March 31, 2018**

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## Management Report

### Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of the Maliseet Nation at Tobique are the responsibility of management and have been approved by Chief and Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants and as such include amounts that are the best estimates and judgments of management.

Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The First Nation's Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the consolidated financial statements.

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

The external auditors, Teed Saunders Doyle, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of the Maliseet Nation at Tobique and meet when required.

Approved by the Council of the First Nation:



Chief and Council



Co-Manager

## INDEPENDENT AUDITOR'S REPORT

To the Community members of Maliseet Nation at Tobique

We have audited the accompanying consolidated financial statements of Maliseet Nation at Tobique, which comprise the consolidated statements of financial position as at March 31, 2018 and the consolidated statements of operations and, changes in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards and the reporting provisions of the Indigenous and Northern Affairs Canada Year End Reporting Handbook (fiscal year 2017-2018), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

### Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Maliseet Nation at Tobique as at March 31, 2018 and the results of its operations and its cash flows for the years then ended in accordance with Canadian public sector accounting standards.

*Teed Saunders Doyle*

Fredericton, New Brunswick  
September 14, 2018


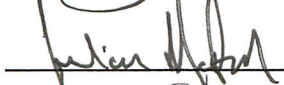
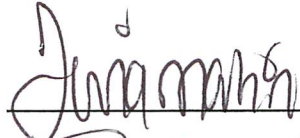

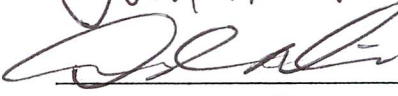

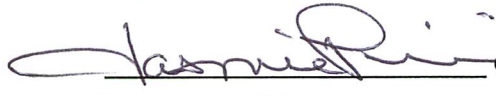
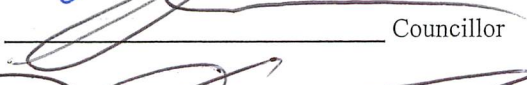
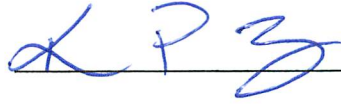


CHARTERED PROFESSIONAL ACCOUNTANTS



**MALISEET NATION AT TOBIQUE**  
**Financial Statement Review and Approval**  
**Year Ended March 31, 2018**

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The accompanying financial statements of Maliseet Nation at Tobique are the responsibility of management and have been reviewed and approved by:

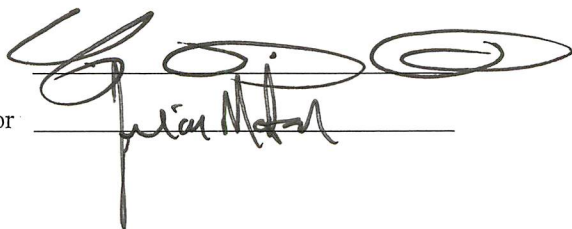
 _____	Chief		
 _____	Councillor	 _____	Councillor
 _____	Councillor	 _____	Councillor
 _____	Councillor	 _____	Councillor
 _____	Councillor	 _____	Councillor
 _____	Councillor	_____	Councillor
 _____	Councillor	_____	Councillor

**MALISEET NATION AT TOBIQUE**  
**Consolidated Statement of Financial Position**  
**Year Ended March 31, 2018**

	2018	2017
<b>FINANCIAL ASSETS</b>		
Cash (Note 3)	\$ 4,760,929	\$ 1,841,624
Accounts receivable (Note 6)	3,756,482	1,991,800
Inventory	170,851	120,784
Trust funds held by federal governments (Note 4)	34,047	32,963
Investments held in trust (Note 17)	5,787,266	6,572,095
Investment in government business enterprise (Note 11)	796,864	-
	<u>15,306,439</u>	<u>10,559,266</u>
<b>LIABILITIES</b>		
Accounts payable (Note 7)	8,636,444	8,222,744
Deferred revenue (Note 8)	3,878,145	301,995
Long term debt (Note 10)	11,335,424	12,207,830
Deferred contributions related to Economic Development Trust Funds (Note 20)	5,787,266	6,572,095
	<u>29,637,279</u>	<u>27,304,664</u>
<b>NET DEBT</b>	<u>(14,330,840)</u>	<u>(16,745,398)</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 14)	49,261,963	47,443,988
Prepaid expenses (Note 5)	65,711	71,471
	<u>49,327,674</u>	<u>47,515,459</u>
<b>ACCUMULATED SURPLUS</b>	<u>\$ 34,996,834</u>	<u>\$ 30,770,061</u>

Chief

Councillor



**MALISEET NATION AT TOBIQUE**  
**Consolidated Statement of Changes in Net Debt**  
**Year Ended March 31, 2018**

	2018	2017
EXCESS OF REVENUE OVER EXPENSES	\$ 4,187,442	\$ 1,123,887
Acquisition of tangible capital assets	(4,037,211)	(1,743,013)
Proceeds on disposal of tangible capital assets	10,905	-
Amortization of tangible capital assets	2,212,193	2,206,809
Gain on disposal of tangible capital assets	(4,261)	-
Change in replacement reserve	39,729	39,729
Decrease in prepaid expenses	5,761	20,729
DECREASE IN NET DEBT	2,414,558	1,648,141
NET DEBT - BEGINNING OF YEAR	(16,745,398)	(18,393,539)
NET DEBT - END OF YEAR	\$ (14,330,840)	\$ (16,745,398)

**MALISEET NATION AT TOBIQUE**  
**Consolidated Statement of Operations**  
**Year Ended March 31, 2018**

	Budget 2018	Actual 2018	Actual 2017
<b>REVENUE</b>			
Indigenous and Northern Affairs Canada	\$ 10,099,843	\$ 13,319,587	\$ 51,074,726
Canada Mortgage and Housing Corporation (CMHC)	-	231,137	297,571
Department of Fisheries and Oceans Canada	-	557,354	463,267
Health Canada	3,001,289	3,770,221	3,004,656
Maliseet Gas Bar Ltd.	4,122,000	4,129,788	4,121,669
Other	1,511,703	6,867,727	5,983,844
Province of New Brunswick	657,000	3,217,064	3,158,471
Public Safety Canada	-	104,503	69,887
Tobique High Stakes V.T.	13,500,000	11,847,650	14,154,103
Net loss from investment in John W. Jamer Ltd.	-	(7,836)	-
	<u>32,891,835</u>	<u>44,037,195</u>	<u>82,328,194</u>
<b>EXPENSES</b>			
Band administration	2,270,956	1,073,716	1,191,202
CMHC	-	311,759	435,107
Capital	808,159	2,742,115	2,677,335
Education	4,773,633	5,552,612	5,090,012
Health	3,001,289	3,412,271	3,454,400
Land claim	-	-	38,811,297
Maliseet Gas Bar Ltd.	3,887,457	3,872,528	4,104,018
Own source	137,945	7,746,758	7,747,817
Social assistance	3,707,624	3,365,002	3,717,497
Tobique High Stakes V.T.	12,728,764	11,772,992	13,975,622
	<u>31,315,827</u>	<u>39,849,753</u>	<u>81,204,307</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<u>\$ 1,576,008</u>	<u>\$ 4,187,442</u>	<u>\$ 1,123,887</u>

**MALISEET NATION AT TOBIQUE**  
**Consolidated Statement of Cash Flows**  
**Year Ended March 31, 2018**

	2018	2017
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses	\$ 4,187,442	\$ 1,123,887
Items not affecting cash:		
Amortization	2,212,193	2,206,809
Gain on disposal of tangible capital assets	(3,856)	-
	<u>6,395,779</u>	<u>3,330,696</u>
Changes in non-cash working capital:		
Accounts receivable	(1,764,682)	(723,328)
Inventory	(50,067)	24,724
Accounts payable	413,296	303,661
Deferred revenue	3,576,150	128,868
Prepaid expenses	5,760	20,729
	<u>2,180,457</u>	<u>(245,346)</u>
	<u>8,576,236</u>	<u>3,085,350</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(4,037,211)	(1,743,013)
Proceeds on disposal of property and equipment	10,906	-
Trust funds held by federal governments	(1,084)	(600)
Investment in government business enterprise	(796,864)	-
Change in replacement reserve	39,729	39,729
	<u>(4,784,524)</u>	<u>(1,703,884)</u>
<b>FINANCING ACTIVITIES</b>		
Proceeds from long term debt	4,684,801	-
Repayment of long term debt	(5,557,208)	(1,456,258)
	<u>(872,407)</u>	<u>(1,456,258)</u>
<b>INCREASE (DECREASE) IN CASH</b>	<b>2,919,305</b>	<b>(74,792)</b>
<b>CASH - BEGINNING OF YEAR</b>	<b><u>1,841,624</u></b>	<b><u>1,916,416</u></b>
<b>CASH - END OF YEAR</b>	<b><u>\$ 4,760,929</u></b>	<b><u>\$ 1,841,624</u></b>



**MALISEET NATION AT TOBIQUE**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2018**

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1. DESCRIPTION OF ENTITY

The Maliseet Nation at Tobique operates a First Nation Band in Tobique, New Brunswick for the benefit of its members.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

Reporting entity

The Maliseet Nation at Tobique reporting entity includes the Maliseet Nation at Tobique First Nation government and all related entities that are controlled by the First Nation.

Principles of consolidation

All controlled entities are fully consolidated on a line-by-line basis except for the commercial enterprises which meet the definition of government business enterprise, which are included in the Consolidated Financial Statements on a modified equity basis. Inter-organizational balances and transactions are eliminated upon consolidation.

Under the modified equity method of accounting, only the Maliseet Nation at Tobique's investment in the government business enterprise and the enterprise's net income and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprise that are different from those of the Maliseet Nation at Tobique.

Organizations consolidated in the Maliseet Nation at Tobique's financial statements include:

- Band administration programs
- CMHC
- Capital programs
- Education programs
- Health programs
- Maliseet Gas Bar Ltd.
- Own source programs
- Social assistance programs
- Tobique High Stakes V.T.

The consolidated statements also include an investment in the John W. Jamer Ltd. (note 18) using the modified equity method.

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**MALISEET NATION AT TOBIQUE**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2018**

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Asset classification

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

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks net of bank overdrafts.

Inventories for resale

Inventories of supplies and goods available for resale are recorded at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis.

Revenue recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose.

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service is performed.

Accounts receivable

Accounts receivable arise from trade receivables, loans and advances, and federal and provincial government receivables. An allowance for bad debts has been calculated, through discussions with management, assessment of other circumstances influencing the collectability of amounts, and using historical loss experience. Amounts deemed uncollectable are written off and deducted from the carrying value of the receivable. Amounts subsequently recovered from accounts previously written off are credited to the allowance account in the period of recovery.

Income taxes

The Maliseet Nation at Tobique is a First Nation and is not subject to income tax. Accordingly, no provision has been made for income taxes.

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**MALISEET NATION AT TOBIQUE**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2018**

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Net debt

The First Nation's consolidated financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt of the First Nation is determined by its liabilities less its financial assets. Net debt is comprised of two components, non-financial assets and accumulated surplus (deficit).

Tangible capital assets

Tangible capital assets include acquired, built, developed and improved tangible capital assets, whose useful life extends beyond one year and which are intended to be used on an ongoing basis for producing goods or delivering services.

Tangible capital assets are reported at net book value. Opening net book values of residential and commercial buildings and other infrastructure as at April 1, 2012 have been determined by an appraisal report prepared by an independent engineering consulting firm. Contributions received to assist in the acquisition of tangible capital assets are reported as current revenue.

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as tangible capital assets. Assets under construction are not amortized until the asset is available to be put into service.

Items inherited by right of the Crown, such as lands, forests, water and mineral resources, are not recognized in these financial statements.

Amortization is provided annually, at rates calculated to write-off the assets over their estimated useful lives as follows:

Commercial buildings	30 and 40 years	straight-line method
Residential buildings	40 and 50 years	straight-line method
Boats	15%	declining balance method
Vehicles	30%	declining balance method
Shoreline erosion	40 years	straight-line method
Computer equipment	55%	declining balance method
Other equipment	8, 10 and 20%	declining balance method
Roads	4%	declining balance method
Infrastructure	4 and 20%	declining balance method

Amortization of Section 95.1 Housing is provided on buildings and equipment purchased on loans insured by CMHC at a rate equal to the annual principal reduction of the mortgage.

The Maliseet Nation at Tobique regularly reviews its property and equipment to eliminate obsolete items.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

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**MALISEET NATION AT TOBIQUE**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2018**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Significant estimates pertaining to these financial statements include the following:

- determination of amortization rates and residual values of tangible capital assets

3. CASH

Cash is comprised of the following:

	<u>2018</u>	<u>2017</u>
Externally restricted		
CMHC - Replacement reserve (Note 13)	\$ 218,955	\$ 179,676
Unrestricted		
Operating	<u>4,541,974</u>	<u>1,661,948</u>
	<u>\$ 4,760,929</u>	<u>\$ 1,841,624</u>

4. TRUST FUNDS HELD BY FEDERAL GOVERNMENT

	<u>March 31, 2017</u>	<u>Additions</u>	<u>Withdrawals</u>	<u>March 31, 2018</u>
Revenue	\$ 27,538	\$ 1,084	\$ -	\$ 28,622
Capital	<u>5,425</u>	<u>-</u>	<u>-</u>	<u>5,425</u>
	<u>\$ 32,963</u>	<u>\$ 1,084</u>	<u>\$ -</u>	<u>\$ 34,047</u>

The trust funds arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

5. PREPAID EXPENSES

	<u>2018</u>	<u>2017</u>
Insurance	\$ 13,506	\$ 21,754
Other	<u>52,205</u>	<u>49,717</u>
	<u>\$ 65,711</u>	<u>\$ 71,471</u>

**MALISEET NATION AT TOBIQUE**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2018**

6. ACCOUNTS RECEIVABLE

Accounts receivable consists of the following:

	2018	2017
Due from members:		
Employee advances	\$ 10,413	\$ 8,568
Due from others:		
Indigenous and Northern Affairs Canada	2,169,145	538,866
HST receivable	-	2,360
Department of Fisheries and Oceans	195,163	186,600
Canada Mortgage and Housing Corporation	57,073	69,850
Health Canada	-	64,259
Province of New Brunswick	537,950	274,412
Department of Public Safety	-	4,439
Other	786,738	842,446
	<u>\$ 3,756,482</u>	<u>\$ 1,991,800</u>

7. ACCOUNTS PAYABLE

	2018	2017
Indigenous and Northern Affairs Canada	\$ -	\$ 50,632
Suppliers	824,578	301,830
Accrued salaries	91,341	104,243
HST	1,235,228	1,178,931
Payroll deductions	6,030,319	6,057,219
Other accrued liabilities	404,978	529,889
Promissory note payable	50,000	-
	<u>\$ 8,636,444</u>	<u>\$ 8,222,744</u>

8. DEFERRED REVENUE

	2018	2017
Indigenous and Northern Affairs Canada		
Emergency services building - NTU5 & NTPJ	\$ 1,907,583	\$ -
New Band office - NTMB	75,000	-
New water well - NTFV	328,424	-
Response - Snow removal - NTR2	69,831	-
Road upgrades - NTU1	238,149	-
School roofing - NTHC	33,667	-
Special services - Jordan's principles - NTMC	6,336	-
Subdivision - NTF5 & NTFV	490,870	-
Health Canada	565,847	100,000
Province of New Brunswick	-	40,406
Other	162,438	161,589
	<u>\$ 3,878,145</u>	<u>\$ 301,995</u>



**MALISEET NATION AT TOBIQUE**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2018**

9. RECONCILIATION OF INDIGENOUS AND NORTHERN AFFAIRS CANADA (INAC) FUNDING

	2018	2017
INAC Funding per Consolidated Financial Statements	\$ 13,319,587	\$ 51,074,726
Add: Prior year advanced loan funding	-	443,853
Add: Current year deferred revenue	3,149,860	-
Less: Current year adjustments	401,296	(28,750)
Funding per INAC revenue confirmation	<u>\$ 16,870,743</u>	<u>\$ 51,489,829</u>

10. LONG TERM DEBT

	2018	2017
Indigenous and Northern Affairs Canada loan repayable in monthly blended payments of \$11,200.	\$ 3,041,858	\$ 3,165,058
Indigenous and Northern Affairs Canada loan bearing interest at various rates, repayable in monthly blended payments of \$34,000.	1,757,026	2,163,406
Peace Hills Trust loan bearing interest at 3.95% per annum, repayable in monthly blended payments of \$6,170. The loan matures on February 1, 2020 and is secured by a general security agreement.	611,583	660,835
CMHC mortgage bearing interest at 1.84% per annum, repayable in monthly blended payments of \$373. The loan matures on September 1, 2022 and is secured by a Ministerial Guarantee and first mortgage on buildings.	37,379	41,143
CMHC mortgage bearing interest at 1.84% per annum, repayable in monthly blended payments of \$1,048. The loan matures on September 1, 2022 and is secured by a Ministerial Guarantee and first mortgage on buildings.	108,638	119,149
CMHC mortgage bearing interest at 1.03% per annum, repayable in monthly blended payments of \$1,480. The loan matures on October 1, 2021 and is secured by a Ministerial Guarantee and first mortgage on buildings.	141,746	157,955
CMHC mortgage bearing interest at 1.3% per annum, repayable in monthly blended payments of \$1,384. The loan matures on December 1, 2020 and is secured by a Ministerial Guarantee and first mortgage on buildings.	114,953	129,720
Peace Hills Trust loan bearing interest at 3.75% per annum, repayable in monthly blended payments of \$4,500. The loan was repaid during the year.	-	513,678
Peace Hills Trust loan bearing interest at 3.75% per annum, repayable in monthly blended payments of \$40,000. The loan was repaid during the year.	-	3,184,780

(continues)

**MALISEET NATION AT TOBIQUE**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2018**

10 LONG TERM DEBT *(continued)*

	2018	2017
Peace Hills Trust loan bearing interest at 3.75% per annum, repayable in monthly blended payments of \$500. The loan was repaid during the year.	-	78,084
Ford Credit loan bearing interest at 5.69% per annum, repayable in monthly blended payments of \$856. The loan matures on November 17, 2018 and is secured by a vehicle with a net book value of \$9,106.	5,881	15,705
Ulnooweg Development Group Inc. loan bearing interest at 12.75% per annum. The loan was repaid during the year.	-	88,008
CMHC mortgage bearing interest at 1.39% per annum, repayable in monthly blended payments of \$2,027. The loan matures on June 1, 2020 and is secured by a Ministerial Guarantee and first mortgage on buildings.	228,815	249,814
Peace Hills Trust mortgage bearing interest at 4.5% per annum, repayable in monthly blended payments of \$3,623. The loan matures on August 1, 2019 and is secured by a Ministerial Guarantee and first mortgage on buildings.	388,313	413,673
Ulnooweg Development Group Inc. loan bearing interest at 12.75% per annum. The loan was repaid during the year.	-	165,802
Ulnooweg Development Group Inc. loan bearing interest at 5.75% per annum. The loan was repaid during the year.	-	59,182
Peace Hills Trust loan bearing interest at 4.5% per annum, repayable in monthly blended payments of \$2,189. The loan matures on September 1, 2019 and is secured by a Ministerial Guarantee and first mortgage on buildings.	62,088	85,122
Ulnooweg Development Group Inc. loan bearing interest at 6.25% per annum. The loan was repaid during the year.	-	115,330
CMHC mortgage bearing interest at 1.05% per annum, repayable in monthly blended payments of \$1,319. The loan matures on April 1, 2020 and is secured by a Ministerial Guarantee and first mortgage on buildings.	92,024	106,807
Peace Hills Trust mortgage bearing interest at 3.95% per annum, repayable in monthly blended payments of \$632. The loan matures on March 1, 2020 and is secured by a Ministerial Guarantee and first mortgage on buildings.	36,537	42,583
Peace Hills Trust mortgage bearing interest at 3.95% per annum, repayable in monthly blended payments of \$1,029. The loan matures on March 1, 2020 and is secured by a Ministerial Guarantee and first mortgage on buildings.	59,137	68,991
Ulnooweg Development Group Inc. loan bearing interest at 6% per annum, repayable in monthly blended payments of \$360. The loan was repaid during the year.	-	105,844

*(continues)*

**MALISEET NATION AT TOBIQUE**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2018**

10 LONG TERM DEBT *(continued)*

	2018	2017
Peace Hills Trust mortgage bearing interest at 3.95% per annum, repayable in monthly blended payments of \$2,140. The loan matures on March 1, 2020 and is secured by a Ministerial Guarantee and first mortgage on buildings.	123,003	143,498
Ulnooweg Development Group Inc. loan bearing interest at 12.75% per annum, repayable in monthly blended payments of \$730. The loan was repaid during the year.	-	187,922
Ulnooweg Development Group Inc. loan bearing interest at 5.75% per annum. The loan was repaid during the year.	-	10,544
Ulnooweg Development Group Inc. loan bearing interest at 6% per annum. The loan was repaid during the year.	-	135,197
Scotiabank loan bearing interest at prime plus 1% per annum, repayable in monthly blended payments of \$1,667. The loan matures on December 29, 2022 and is secured by a school bus.	94,999	-
Peace Hills Trust loan bearing interest at prime plus 2% per annum, repayable in monthly blended payments of \$45,000. The loan matures on September 30, 2022 and is secured by a general security agreement.	4,431,444	-
	11,335,424	12,207,830
Amounts payable within one year	(1,005,897)	(5,056,650)
	<u>\$ 10,329,527</u>	<u>\$ 7,151,180</u>

Principal repayment terms are approximately:

2019	\$ 1,005,897
2020	2,031,175
2021	1,206,699
2022	988,770
2023	3,733,025
Thereafter	2,369,858
	<u>\$ 11,335,424</u>

11. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISE

	2018	2017
<u>John W. Jamer Ltd.</u>		
Balance, beginning of year	\$ -	\$ -
Purchase of shares	804,700	-
Current year equity pick-up	(7,836)	-
Balance, end of year	<u>\$ 796,864</u>	<u>\$ -</u>



**MALISEET NATION AT TOBIQUE**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2018**

12. EXPENSES BY OBJECT

	2018	2017
Amortization	\$ 2,212,193	\$ 2,206,809
Consulting fees	873,379	971,347
Distributions to Band members	364,922	23,167,440
INAC recovery	-	38,792
Insurance	127,613	181,597
Interest and bank charges	395,906	559,805
Interest on long term debt	323,238	124,345
Office	253,814	271,296
Other	18,028,164	22,926,889
Professional fees	1,377,657	1,961,790
Repairs and maintenance	837,591	899,039
Salaries and wages	11,118,133	9,486,371
Supplies	843,888	434,147
Transfers to Trusts	-	14,982,595
Travel and vehicle	500,479	287,269
Tuition	2,144,491	2,113,176
Utilities and telephone	448,285	591,600
	<u>\$ 39,849,753</u>	<u>\$ 81,204,307</u>

13. CASH - CMHC REPLACEMENT RESERVE

Under the terms of the agreement with the Canada Mortgage and Housing Corporation, the Replacement Reserve account is to be credited in the amount of \$39,279 annually. These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. Withdrawals are credited to interest first and then principal.

	2018	2017
Balance, beginning of year	\$ 179,676	\$ 140,397
Contributions	39,279	39,279
Balance, end of year	<u>\$ 218,955</u>	<u>\$ 179,676</u>

As at March 31, 2018 the cash related to the replacement reserve was not held in a segregated bank account. It should be noted that subsequent to year end \$179,676 was transferred into a separate Replacement Reserve bank account.

**MALISEET NATION AT TOBIQUE**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2018**

14. TANGIBLE CAPITAL ASSETS

	Cost					Accumulated Amortization				Net Book Value	
	Opening Balance	Additions	Disposals	Transfers of Assets	Closing Balance	Opening Balance	Amortization	Disposals, Write-offs & Other adj.	Closing Balance	Total 2018	Total 2017
<b>Tangible Capital Assets</b>											
Commercial buildings	\$ 25,302,001	\$ -	\$ -	\$ -	\$ 25,302,001	\$ 9,096,809	\$ 666,964	\$ -	\$ 9,763,771	\$ 15,538,230	\$ 16,205,192
Residential land	50,954	10,000	-	-	60,954	-	-	-	-	60,954	50,954
Residential buildings	25,099,229	10,496	-	505,293	25,615,018	8,799,565	574,945	-	9,374,509	16,240,509	16,299,664
Boats	6,000	-	-	-	6,000	6,000	-	-	6,000	-	-
Vehicles	986,250	176,103	37,880	-	1,124,472	836,876	69,113	(30,833)	875,157	249,315	149,374
Shoreline erosion	5,447,272	276,777	-	-	5,724,049	502,590	139,641	-	642,231	5,081,818	4,944,683
Computer equipment	45,189	45,103	-	-	90,292	32,203	19,546	-	51,748	38,543	12,985
Other equipment	2,647,929	186,220	-	-	2,834,149	1,662,623	215,204	-	1,877,825	956,324	985,306
Roads	6,354,397	1,869,842	-	-	8,224,239	1,088,278	248,517	-	1,336,796	6,887,443	5,266,119
Infrastructure	5,503,615	-	-	-	5,503,615	2,479,196	278,263	-	2,757,459	2,746,156	3,024,419
Licenses	-	150,000	-	-	150,000	-	-	-	-	150,000	-
Assets under construction	505,293	1,312,671	-	(505,293)	1,312,671	-	-	-	-	1,312,671	505,293
<b>Total</b>	<b>\$ 71,948,128</b>	<b>\$ 4,037,211</b>	<b>\$ 37,880</b>	<b>\$ -</b>	<b>\$ 75,947,459</b>	<b>\$ 24,504,140</b>	<b>\$ 2,212,193</b>	<b>\$ (30,833)</b>	<b>\$ 26,685,496</b>	<b>\$ 49,261,963</b>	<b>\$ 47,443,988</b>



**MALISEET NATION AT TOBIQUE**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2018**

**15. GOVERNMENT TRANSFERS**

	Operating	Capital	2018
Indigenous and Northern Affairs Canada	\$ 11,071,518	\$ 2,248,069	\$ 13,319,587
Health Canada	3,770,221	-	3,770,221
Canada Mortgage and Housing Corporation	231,137	-	231,137
Department of Fisheries and Oceans Canada	557,354	-	557,354
Public Safety Canada	104,503	-	104,503
Federal government transfers	\$ 15,734,733	\$ 2,248,069	\$ 17,982,802
Provincial government transfers	\$ 2,779,390	\$ 437,674	\$ 3,217,064
Total government transfers	\$ 18,514,123	\$ 2,685,743	\$ 21,199,866

	Operating	Capital	2017
Indigenous and Northern Affairs Canada	\$ 49,063,609	\$ 2,011,117	\$ 51,074,726
Health Canada	3,004,656	-	3,004,656
Canada Mortgage and Housing Corporation	297,571	-	297,571
Department of Fisheries and Oceans Canada	463,267	-	463,267
Public Safety Canada	69,887	-	69,887
Federal government transfers	\$ 52,898,990	\$ 2,011,117	\$ 54,910,107
Provincial government transfers	2,318,471	\$ 840,000	\$ 3,158,471
Total government transfers	\$ 55,217,461	\$ 2,851,117	\$ 58,068,578

**16. CONTINGENCIES**

Maliseet Nation at Tobique has entered into contribution agreements with various federal government departments. Funding received under these contribution agreements is subject to repayment if the First Nation fails to comply with the terms and conditions of the agreements.

In addition, in the normal course of its operations, Maliseet Nation at Tobique may become involved in legal actions. Some other potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded on Maliseet Nation at Tobique's consolidated financial statements.

The Band is defending various legal actions. Counsel is unable to form an opinion at this date in regard to the amount and merits of these claims.

**17. INVESTMENTS HELD IN TRUST**

During fiscal year ended March 31, 2017 the First Nation settled an outstanding land claim with the Federal Government of Canada. A portion of the claim has been set aside in an economic development trust managed by a third party trustee for the benefit of the band and its members. Through an extensive approval process the trustee has the ability to approve the release of the trust funds to the First Nation for economic development projects that benefit the band and its members.

**MALISEET NATION AT TOBIQUE**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2018**

**18. INVESTMENT IN COMMERCIAL ENTERPRISES**

The commercial enterprises are included in the First Nation reporting entity, as described in note 2 - Principles of consolidation includes:

- Maliseet Gas Bar Ltd. - fully consolidated
- Tobique High Stakes V.T. - fully consolidated
- John W. Jamer Ltd. - modified equity

The following table presents condensed financial information for these commercial enterprises.

	Maliseet Gas Bar Ltd.	Tobique High Stakes V.T.	John W. Jamer Ltd.	2018	2017
Cash	\$ 121,185	\$ 457,082	\$ 903	\$ 579,170	\$ 396,351
Accounts receivable	567,271	520,734	-	1,088,005	1,330,318
Inventory	170,851	-	41,079	211,930	120,784
Tangible capital assets	579,097	1,491,873	83,105	2,154,075	2,168,498
Other assets	4,004	-	1,194	5,198	4,004
<b>Total assets</b>	<b>\$ 1,442,408</b>	<b>\$ 2,469,689</b>	<b>\$ 126,281</b>	<b>\$ 4,038,378</b>	<b>\$ 4,019,955</b>
Accounts payable	\$ 1,076,093	\$ 1,712,239	\$ 8,345	\$ 2,796,677	\$ 2,804,522
Long term debt	-	5,881	-	5,881	309,471
<b>Total liabilities</b>	<b>\$ 1,076,093</b>	<b>\$ 1,718,120</b>	<b>\$ 8,345</b>	<b>\$ 2,802,558</b>	<b>\$ 3,113,993</b>
<b>Accumulated Surplus</b>	<b>\$ 366,315</b>	<b>\$ 751,569</b>	<b>\$ 117,936</b>	<b>\$ 1,235,820</b>	<b>\$ 905,962</b>
Revenue	\$ 4,129,788	\$ 11,847,650	\$ -	\$ 15,977,438	\$ 18,275,772
Expenses	3,871,528	11,772,542	7,836	15,651,906	18,057,053
Debt servicing	1,000	450	-	1,450	22,587
<b>Total Expenses</b>	<b>\$ 3,872,528</b>	<b>\$ 11,772,992</b>	<b>\$ 7,836</b>	<b>\$ 15,653,356</b>	<b>\$ 18,079,640</b>
<b>Net Income (loss)</b>	<b>\$ 257,260</b>	<b>\$ 74,658</b>	<b>\$ (7,836)</b>	<b>\$ 324,082</b>	<b>\$ 196,132</b>

**19. COMPARATIVE FIGURES**

Some of the comparative figures have been reclassified to conform to the current year's presentation.

**20. DEFERRED CONTRIBUTIONS RELATED TO ECONOMIC DEVELOPMENT TRUST FUNDS**

Deferred contributions related to economic development trust funds represent unamortized and unspent funds.

**MALISEET NATION AT TOBIQUE**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2018**

**21. SEGMENT DISCLOSURE**

The presentation by segment is based on the same accounting policies as described in the summary of Significant Accounting Policies as described in Note 2. The following table presents the expenses incurred and the revenue generated by main object of expense and by major revenue type. The segment results for the period are as follows:

	Education		Health		Economic Development		Housing		Community Services	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
<b>REVENUE</b>										
Federal Government	\$ 4,986,706	\$ 4,956,863	\$ 3,912,074	\$ 3,114,543	\$ -	\$ -	\$ 99,416	\$ 187,571	\$ 3,553,480	\$ 2,508,873
Provincial Government	403,565	426,992	-	105,000	-	-	-	-	-	-
Economic Activities	-	-	-	-	15,977,438	18,275,772	-	-	-	-
Net loss from investment in John W. Jamer Ltd.	-	-	-	-	(7,836)	-	-	-	-	-
Other Revenue	4,793	-	136,606	88,117	-	-	226,107	220,639	186,302	20,791
	5,395,064	5,383,855	4,048,680	3,307,660	15,969,602	18,275,772	325,523	408,210	3,739,782	2,529,664
<b>EXPENSES</b>										
Salaries and benefits	1,968,346	1,872,966	1,874,727	1,591,360	2,072,937	1,930,591	-	-	603,194	364,308
Amortization	285,152	259,224	237,219	236,980	179,138	185,443	165,823	207,462	1,145,435	1,137,483
Debt Servicing	6,350	-	-	-	1,450	(11,327)	43,758	50,985	-	(15,333)
Other Expenses	3,292,765	2,957,823	1,300,325	1,626,060	13,391,995	15,974,929	102,178	176,660	993,486	1,190,877
	5,552,613	5,090,013	3,412,271	3,454,400	15,645,520	18,079,636	311,760	435,107	2,742,115	2,677,335
<b>SURPLUS (DEFICIT)</b>	<b>\$ (157,549)</b>	<b>\$ 293,842</b>	<b>\$ 636,409</b>	<b>\$ (146,740)</b>	<b>\$ 324,082</b>	<b>\$ 196,136</b>	<b>\$ 13,764</b>	<b>\$ (26,897)</b>	<b>\$ 997,667</b>	<b>\$ (147,671)</b>

	Social Services		Band Government		Other		Consolidated Total	
	2018	2017	2018	2017	2018	2017	2018	2017
<b>REVENUE</b>								
Federal Government	\$ 3,618,336	\$ 3,707,624	\$ 1,251,934	\$ 1,140,370	\$ 560,855	\$ 39,294,262	\$ 17,982,802	\$ 54,910,107
Provincial Government	-	-	1,157,766	-	1,655,731	2,626,478	3,217,064	3,158,471
Economic Activities	-	-	-	-	2,089,212	2,208,362	18,066,650	20,484,134
Net loss from investment in John W. Jamer Ltd.	-	-	-	-	-	-	(7,836)	-
Other Revenue	-	-	200,306	52,582	4,024,401	3,393,353	4,778,516	3,775,482
	3,618,336	3,707,624	2,610,007	1,192,952	8,330,199	47,522,455	44,037,195	82,328,194
<b>EXPENSES</b>								
Salaries and benefits	400,950	433,155	1,691,419	368,620	2,506,560	2,925,371	11,118,133	9,486,371
Amortization	20,085	20,085	179,341	14,356	-	145,776	2,212,193	2,206,809
Debt Servicing	-	-	-	-	271,679	100,020	323,238	124,345
Other Expenses	2,943,966	3,264,256	925,940	808,227	3,245,531	43,387,948	26,196,189	69,386,782
	3,365,002	3,717,496	2,796,700	1,191,203	6,023,771	46,559,115	39,849,753	81,204,307
<b>SURPLUS (DEFICIT)</b>	<b>\$ 253,335</b>	<b>\$ (9,872)</b>	<b>\$ (186,693)</b>	<b>\$ 1,749</b>	<b>\$ 2,306,428</b>	<b>\$ 963,340</b>	<b>\$ 4,187,442</b>	<b>\$ 1,123,887</b>



## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Community members of the Maliseet Nation at Tobique

We have reviewed the schedule of salaries, honoraria and travel paid to Chief and Council of Maliseet Nation at Tobique for the year ended March 31, 2018. This schedule was prepared in accordance with the instructions in the Indigenous and Northern Affairs Canada Year End Financial Reporting Handbook, 2017-2018.

### Management's Responsibility for the Schedule

Management is responsible for the preparation and fair presentation of the schedule in accordance with with the instructions in the Indigenous and Northern Affairs Canada Year End Financial Reporting Handbook, 2017-2018, and for such internal control as management determines is necessary to enable the preparation of the schedule that is free from material misstatement, whether due to fraud or error.

### Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying schedule based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of the schedule in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the First Nation, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on the schedule.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that this schedule has not been prepared, in all material respects, in accordance with the instructions in the handbook described above.

This schedule, which has not been, and was not intended to be, prepared in accordance with Canadian generally accepted accounting principles, is solely for the information and use of members of Maliseet Nation at Tobique and Indigenous and Northern Affairs Canada for the purpose of complying with the Indigenous and Northern Affairs Canada Year End Financial Reporting Handbook, 2017-2018. This schedule was not intended to be and should not be used by anyone other than the specified users or for any other purpose.



CHARTERED PROFESSIONAL ACCOUNTANTS

Fredericton, New Brunswick  
September 14, 2018

# MALISEET NATION AT TOBIQUE

## Unaudited Schedule of Salaries, Allowances and Travel Expenses Paid to Elected Officials

Year Ended March 31, 2018

	Number of Months	Salary	Other Remuneration	Expenses	Honoraria	Total
Chief:						
Ross Perley	12	\$ 66,739	\$ -	\$ 10,828	\$ 11,450	\$ 89,017
Councillors:						
Edwin Bernard	12	36,400	-	12,127	1,650	50,177
Kim Perley	12	36,400	-	3,010	1,850	41,260
Leonard Nicholas	12	36,400	-	10,291	1,850	48,541
Richard Moulton	12	36,400	-	3,328	1,700	41,428
Tina Martin	12	-	-	3,451	14,000	17,451
James Bernard	12	38,297	-	3,474	14,000	55,771
Shawn Deveau	12	25,300	-	2,940	7,083	35,323
Julian Moulton	12	31,200	-	2,607	18,250	52,057
Ryan Moulton	12	36,400	-	2,121	2,200	40,721
Shane Perley-Dutcher	12	-	-	1,891	12,850	14,741
Jasmine Pirie	12	53,043	-	10,919	11,650	75,612
Brad Sappier	12	36,400	-	3,572	1,800	41,772
		366,240	-	59,731	88,883	514,854
		\$ 432,979	\$ -	\$ 70,559	\$ 100,333	\$ 603,871