

MALISEET NATION AT TOBIQUE
Consolidated Financial Statements
Year Ended March 31, 2017

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 statements of financial position as at March 31, 2017 and the statements of operations and, changes in net debt and cash flows for the year then ended March 31, 2017, 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 2016-2017), 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, 2017 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, 2017

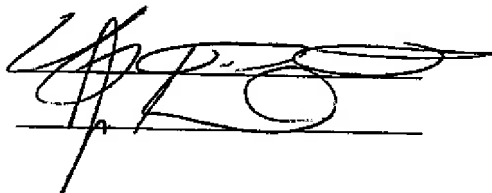
CHARTERED PROFESSIONAL ACCOUNTANTS

MALISEET NATION AT TOBIQUE
Consolidated Statement of Financial Position
Year Ended March 31, 2017

	2017	2016
FINANCIAL ASSETS		
Cash (Note 3)	\$ 1,841,624	\$ 1,916,416
Accounts receivable (Note 6)	1,991,800	1,268,472
Inventory	120,784	145,508
Trust funds held by federal governments (Note 4)	32,963	32,363
Economic Development Trust Funds (Note 19)	6,572,095	-
	<u>10,559,266</u>	<u>3,362,759</u>
LIABILITIES		
Accounts payable (Note 7)	8,222,744	7,919,081
Deferred revenue (Note 8)	301,995	173,127
Long term debt (Note 10)	12,207,830	13,664,090
Deferred contributions related to Economic Development Trust Funds (Note 20)	6,572,095	-
	<u>27,304,664</u>	<u>21,756,298</u>
NET DEBT	<u>(16,745,398)</u>	<u>(18,393,539)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 13)	47,443,988	47,907,784
Prepaid expenses (Note 5)	71,471	92,200
	<u>47,515,459</u>	<u>47,999,984</u>
ACCUMULATED SURPLUS	<u>\$ 30,770,061</u>	<u>\$ 29,606,445</u>

Chief

Councillor



MALISEET NATION AT TOBIQUE
Consolidated Statement of Changes in Net Debt
Year Ended March 31, 2017

	2017	2016
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 1,123,887	\$ (505,029)
Acquisition of tangible capital assets	(1,743,013)	(688,120)
Amortization of tangible capital assets	2,206,809	2,165,409
Change in replacement reserve	39,729	(1,862)
Decrease (Increase) in prepaid expenses	20,729	114,249
DECREASE IN NET DEBT	1,648,141	1,084,647
NET DEBT - BEGINNING OF YEAR		
As previously reported	(17,897,097)	(19,478,186)
Prior period adjustment (<i>Note 16</i>)	(496,442)	-
NET DEBT - BEGINNING OF YEAR - AS RESTATED	(18,393,539)	(19,478,186)
NET DEBT - END OF YEAR	<u>\$ (16,745,398)</u>	<u>\$ (18,393,539)</u>

MALISEET NATION AT TOBIQUE
Consolidated Statement of Operations
Year Ended March 31, 2017

	Budget 2017	Actual 2017	Actual 2016
REVENUE			
Indigenous and Northern Affairs Canada	\$ 12,332,168	\$ 51,074,726	\$ 10,461,099
Canada Mortgage and Housing Corporation (CMHC)	275,096	297,571	158,374
Department of Fisheries and Oceans Canada	-	463,267	348,510
Health Canada	-	3,004,656	2,766,616
Maliseet Gas Bar Ltd.	4,012,500	4,121,669	4,067,776
Other	1,903,323	5,983,844	3,582,429
Province of New Brunswick	494,796	3,158,471	2,542,691
Public Safety Canada	-	69,887	-
Tobique High Stakes V.T.	13,059,000	14,154,103	13,229,756
	<u>32,076,883</u>	<u>82,328,194</u>	<u>37,157,251</u>
EXPENSES			
Band administration	1,169,065	1,191,202	1,146,728
CMHC	-	435,107	251,030
Capital	2,782,976	2,677,335	2,821,842
Education	5,365,288	5,090,012	5,094,120
Health	-	3,454,400	3,137,645
Land claim	-	38,811,297	-
Maliseet Gas Bar Ltd.	3,816,782	4,104,018	3,878,359
Own source	716,703	7,747,817	4,403,775
Social assistance	3,768,971	3,717,497	3,701,170
Tobique High Stakes V.T.	12,404,126	13,975,622	13,227,611
	<u>30,023,911</u>	<u>81,204,307</u>	<u>37,662,280</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>\$ 2,052,972</u>	<u>\$ 1,123,887</u>	<u>\$ (505,029)</u>

MALISEET NATION AT TOBIQUE
Consolidated Statement of Cash Flows
Year Ended March 31, 2017

	2017	2016
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	\$ 1,123,887	\$ (505,029)
Amortization	<u>2,206,809</u>	<u>2,165,409</u>
	<u>3,330,696</u>	<u>1,660,380</u>
Changes in non-cash working capital:		
Accounts receivable	(723,328)	134,770
Inventory	24,724	(35,451)
Accounts payable	303,661	715,190
Deferred revenue	128,868	4,565
Prepaid expenses	<u>20,729</u>	<u>114,249</u>
	<u>(245,346)</u>	<u>933,323</u>
	<u>3,085,350</u>	<u>2,593,703</u>
INVESTING ACTIVITIES		
Purchase of property and equipment	(1,743,013)	(688,120)
Trust funds held by federal governments	(600)	(336)
Change in replacement reserve	<u>39,729</u>	<u>(1,862)</u>
	<u>(1,703,884)</u>	<u>(690,318)</u>
FINANCING ACTIVITY		
Repayment of long term debt	<u>(1,456,258)</u>	<u>(913,675)</u>
INCREASE (DECREASE) IN CASH	(74,792)	989,710
CASH - BEGINNING OF YEAR	<u>1,916,416</u>	<u>926,706</u>
CASH - END OF YEAR	<u>\$ 1,841,624</u>	<u>\$ 1,916,416</u>

MALISEET NATION AT TOBIQUE
Notes to Consolidated Financial Statements
Year Ended March 31, 2017

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 and principals of consolidation

The consolidated financial statements include the accounts of the Maliseet Nation at Tobique government, and its wholly-owned subsidiaries, Maliseet Gar Bar Ltd. and Tobique High Stakes V.T. Interdivisional and inter-organizational balances and transactions are eliminated on consolidation.

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.

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MALISEET NATION AT TOBIQUE
Notes to Consolidated Financial Statements
Year Ended March 31, 2017

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

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.

Income taxes

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

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.

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MALISEET NATION AT TOBIQUE
Notes to Consolidated Financial Statements
Year Ended March 31, 2017

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).

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

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.

3. CASH

Cash is comprised of the following:

	<u>2017</u>	<u>2016</u>
Externally restricted		
CMHC - Replacement reserve (Note 11)	\$ 179,676	\$ 140,397
Unrestricted		
Operating	<u>1,661,948</u>	<u>1,776,019</u>
	<u>\$ 1,841,624</u>	<u>\$ 1,916,416</u>

4. TRUST FUNDS HELD BY FEDERAL GOVERNMENT

	<u>March 31, 2016</u>	<u>Additions</u>	<u>Withdrawals</u>	<u>March 31, 2017</u>
Revenue	\$ 26,938	\$ 600	\$ -	\$ 27,538
Capital	<u>5,425</u>	<u>-</u>	<u>-</u>	<u>5,425</u>
	<u>\$ 32,363</u>	<u>\$ 600</u>	<u>\$ -</u>	<u>\$ 32,963</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.

MALISEET NATION AT TOBIQUE
Notes to Consolidated Financial Statements
Year Ended March 31, 2017

5. PREPAID EXPENSES

	2017	2016
Insurance	\$ 21,754	\$ 6,818
Payroll	-	15,783
Other	49,717	69,599
	<u>\$ 71,471</u>	<u>\$ 92,200</u>

6. ACCOUNTS RECEIVABLE

Accounts receivable consists of the following:

	2017	2016
Due from members:		
Employee advances	\$ 8,568	\$ 12,178
Due from others:		
Indigenous and Northern Affairs Canada (2016-2017)	538,866	384,834
HST receivable	2,360	-
Department of Fisheries and Oceans	186,600	-
Canada Mortgage and Housing Corporation	69,850	40,307
Health Canada	64,259	61,687
Province of New Brunswick	274,412	151,035
Department of Public Safety	4,439	-
Other	842,446	618,431
	<u>\$ 1,991,800</u>	<u>\$ 1,268,472</u>

7. ACCOUNTS PAYABLE

	2017	2016
Indigenous and Northern Affairs Canada	\$ 50,632	\$ 145,527
Suppliers	301,830	466,755
Accrued salaries	104,243	30,585
HST	1,178,931	1,006,046
Payroll deductions	6,057,219	5,617,980
Other accrued liabilities	529,889	652,188
	<u>\$ 8,222,744</u>	<u>\$ 7,919,081</u>

MALISEET NATION AT TOBIQUE
Notes to Consolidated Financial Statements
Year Ended March 31, 2017

8. DEFERRED REVENUE

	2017	2016
Health Canada	\$ 100,000	\$ 105,500
Province of New Brunswick	40,406	-
Other	161,589	67,627
	<u>\$ 301,995</u>	<u>\$ 173,127</u>

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

	2017	2016
INAC Funding per Consolidated Financial Statements	\$ 51,074,726	\$ 10,461,099
Add: Prior year advanced loan funding	443,853	-
Less: Current year adjustments	(28,750)	(245,939)
Funding per INAC revenue confirmation	<u>\$ 51,489,829</u>	<u>\$ 10,215,160</u>

10. LONG TERM DEBT

	2017	2016
Indigenous and Northern Affairs Canada loan repayable in monthly blended payments of \$11,200.	\$ 3,165,058	\$ 3,405,058
Indigenous and Northern Affairs Canada loan bearing interest at various rates, repayable in monthly blended payments of \$34,000. The loan matures on May 1, 2023.	2,163,406	2,564,135
Peace Hills Trust loan bearing interest at 3.95% per annum, repayable in monthly blended payments of \$6,282. The loan matures on February 1, 2020 and is secured by a general security agreement.	660,835	708,192
CMHC mortgage bearing interest at 1.67% per annum, repayable in monthly blended payments of \$370. The loan matures on May 1, 2017 and is secured by a Ministerial Guarantee and first mortgage on buildings.	41,143	47,139
CMHC loan bearing interest at 1.71% per annum, repayable in monthly blended payments of \$1,041. The loan matures on September 1, 2017 and is secured by a Ministerial Guarantee and first mortgage on buildings.	119,149	137,227
CMHC loan 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.	157,955	184,988

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MALISEET NATION AT TOBIQUE
Notes to Consolidated Financial Statements
Year Ended March 31, 2017

10. LONG TERM DEBT *(continued)*

	2017	2016
CMHC loan 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.	129,720	153,115
Peace Hills Trust loan bearing interest at 3.75% per annum, repayable in monthly blended payments of \$4,500. The loan matures on December 1, 2017 and is secured by a general security agreement.	513,678	556,143
Peace Hills Trust loan bearing interest at 3.75% per annum, repayable in monthly blended payments of \$40,000. The loan matures on November 27, 2017 and is secured by a general security agreement.	3,184,780	3,567,093
Peace Hills Trust loan bearing interest at 3.75% per annum, repayable in monthly blended payments of \$500. The loan matures on November 1, 2017 and is secured by a general security agreement.	78,084	82,084
Ford Credit loan bearing interest at 5.69% per annum, repayable in monthly blended payments of \$856. The loan matures on July 1, 2026, scheduled to be renewed on November 17, 2018 and is secured by a vehicle with a net book value of \$13,009.	15,705	24,629
Ulnooweg Development Group Inc. loan bearing interest at 12.75% per annum with no specified repayment terms currently in place.	88,008	90,079
CMHC loan bearing interest at 1.39% per annum, repayable in monthly blended payments of \$2,027. The loan matures on June 1, 2020, scheduled to be renewed on June 1, 2020 and is secured by a Ministerial Guarantee and first mortgage on buildings.	249,814	284,263
Peace Hills Trust loan bearing interest at 4.5% per annum, repayable in monthly blended payments of \$3,915. The loan matures on August 1, 2019 and is secured by a Ministerial Guarantee and first mortgage on buildings.	413,673	438,257
Ulnooweg Development Group Inc. loan bearing interest at 12.75% per annum with no specified repayment terms currently in place.	165,802	185,905
Ulnooweg Development Group Inc. loan bearing interest at 5.75% per annum with no specified repayment terms currently in place.	59,182	60,089
Peace Hills Trust loan bearing interest at 4.5% per annum repayable in monthly blended payments of \$2,900. The loan matures on September 1, 2019, and is secured by a Ministerial Guarantee and first mortgage on buildings.	85,122	107,150
Ulnooweg Development Group Inc. loan bearing interest at 6.25% per annum with no specified repayment terms currently in place.	115,330	132,154

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MALISEET NATION AT TOBIQUE
Notes to Consolidated Financial Statements
Year Ended March 31, 2017

10. LONG TERM DEBT *(continued)*

	<u>2017</u>	<u>2016</u>
CMHC loan 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.	106,807	123,712
Peace Hills Trust loan bearing interest at 3.95% per annum repayable in monthly blended payments of \$700. The loan matures on March 1, 2020, and is secured by a Ministerial Guarantee and first mortgage on buildings.	42,583	48,398
Peace Hills Trust loan bearing interest at 3.95% per annum repayable in monthly blended payments of \$1,135. The loan matures on March 1, 2020, and is secured by a Ministerial Guarantee and first mortgage on buildings.	68,991	78,465
Ulnooweg Development Group Inc. loan bearing interest at 6% per annum, repayable in weekly blended payments of \$360. The loan is secured by a general security agreement.	105,844	126,626
Peace Hills Trust loan bearing interest at 3.95% per annum repayable in monthly blended payments of \$2,361. The loan matures on March 1, 2020, and is secured by a Ministerial Guarantee and first mortgage on buildings.	143,498	163,204
Ulnooweg Development Group Inc. loan bearing interest at 12.75% per annum, repayable in weekly blended payments of \$730. The loan is secured by a general security agreement.	187,922	230,818
Ulnooweg Development Group Inc. loan bearing interest at 5.75% per annum with no specified repayment terms currently in place.	10,544	10,705
Ulnooweg Development Group Inc. loan bearing interest at 6% per annum with no specified repayment terms currently in place.	<u>135,197</u>	<u>154,462</u>
	12,207,830	13,664,090
Amounts payable within one year	<u>(5,056,650)</u>	<u>(1,998,536)</u>
	<u>\$ 7,151,180</u>	<u>\$ 11,665,554</u>

Principal repayment terms are approximately:

2018	\$ 5,056,650
2019	719,323
2020	1,231,468
2021	677,936
2022	705,141
Thereafter	<u>3,817,312</u>
	<u>\$ 12,207,830</u>

MALISEET NATION AT TOBIQUE
Notes to Consolidated Financial Statements
Year Ended March 31, 2017

11. 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.

	2017	2016
Balance, beginning of year	\$ 140,397	\$ 142,259
Contributions	39,279	39,279
Withdrawals	-	(41,141)
Balance, end of year	<u>\$ 179,676</u>	<u>\$ 140,397</u>

As at March 31, 2017 the cash related to the replacement reserve was not held in a segregated bank account. These funds are combined with the bank accounts of the Band which are under third party management with Indigenous and Northern Affairs Canada.

12. EXPENSES BY OBJECT

	2017	2016
Amortization	\$ 2,206,809	\$ 2,165,408
Consulting fees	971,347	791,536
Distributions to Band members	23,167,440	-
INAC recovery	38,792	108,116
Insurance	181,597	206,193
Interest and bank charges	559,805	363,646
Interest on long term debt	124,345	564,176
Office	271,296	185,307
Other	22,926,889	20,932,554
Professional fees	1,961,790	412,615
Repairs and maintenance	899,039	450,584
Salaries and wages	9,486,371	8,233,208
Supplies	434,147	247,910
Transfers to Trusts	14,982,595	-
Travel and vehicle	287,269	175,888
Tuition	2,113,176	2,293,231
Utilities and telephone	591,600	531,908
	<u>\$ 81,204,307</u>	<u>\$ 37,662,280</u>

MALISEET NATION AT TOBIQUE
Notes to Consolidated Financial Statements
Year Ended March 31, 2017

13. 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
Tangible Capital Assets										
Commercial buildings	\$ 25,317,380	\$ 14,196	\$ -	\$ -	\$ 25,331,576	\$ 8,429,620	\$ 675,223	\$ -	\$ 9,104,843	\$ 16,226,733
Residential land	50,954	-	-	-	50,954	-	-	-	-	50,954
Residential buildings	25,069,653	-	-	-	25,069,653	6,000	603,820	-	8,791,531	16,881,942
Boats	6,000	-	-	-	6,000	-	-	-	-	-
Vehicles	990,822	35,428	-	-	986,250	780,451	56,425	-	836,876	1,703,371
Shoreline erosion	5,008,621	438,650	-	-	\$,447,272	371,891	130,699	-	502,590	4,944,682
Computer equipment	34,095	11,094	-	-	45,189	23,110	9,093	-	32,203	12,986
Other equipment	2,379,495	268,454	-	-	2,647,929	1,471,760	190,863	-	1,662,623	907,735
Roads	5,884,480	469,917	-	-	6,354,397	878,409	209,869	-	1,088,278	5,006,071
Infrastructure	5,503,615	-	-	-	5,503,615	2,148,379	330,817	-	2,479,196	3,335,236
Assets under construction	-	505,293	-	-	505,293	-	-	-	-	505,293
Total	\$ 70,206,119	\$ 1,743,013	\$ -	\$ -	\$ 71,948,128	\$ 22,297,331	\$ 2,206,809	\$ -	\$ 24,504,140	\$ 47,443,988
										\$ 47,907,784

MALISEET NATION AT TOBIQUE
Notes to Consolidated Financial Statements
Year Ended March 31, 2017

14. GOVERNMENT TRANSFERS

	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

	Operating	Capital	2016
Indigenous and Northern Affairs Canada	\$ 9,879,542	\$ 581,557	\$ 10,461,099
Health Canada	2,766,616	-	2,766,616
Canada Mortgage and Housing Corporation	158,374	-	158,374
Department of Fisheries and Oceans Canada	348,510	-	348,510
Federal government transfers	\$ 13,153,042	\$ 581,557	\$ 13,734,599
Provincial government transfers	1,508,691	\$ 1,034,000	\$ 2,542,691
Total government transfers	\$ 14,661,733	\$ 1,615,557	\$ 16,277,290

15. 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.

16. PRIOR PERIOD ADJUSTMENT

The prior period adjustment represents a previously unrecorded liability to the Canada Revenue Agency for payroll deductions.

MALISEET NATION AT TOBIQUE
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17. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISES

The commercial enterprises are included in the First Nation reporting entity, as described in note 2 - Reporting Entity and of Consolidation includes:

- Maliseet Gas Bar Ltd.
- Tobique High Stakes V.T.

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

	Maliseet Gas Bar Ltd.	Tobique High Stakes V.T.	2017	2016
Cash	\$ 20,180	\$ 376,171	\$ 396,351	\$ 442,640
Accounts receivable	846,570	483,748	1,330,318	838,121
Inventory	120,784		120,784	145,508
Tangible capital assets	617,395	1,551,103	2,168,498	2,266,571
Other assets	4,004		4,004	4,539
Total assets	\$ 1,608,933	\$ 2,411,022	\$ 4,019,955	\$ 3,697,379
Accounts payable	\$ 1,146,116	\$ 1,658,406	\$ 2,804,522	\$ 2,605,476
Long term debt	293,766	15,705	309,471	382,073
Total liabilities	\$ 1,439,882	\$ 1,674,111	\$ 3,113,993	\$ 2,987,549
Accumulated Surplus	\$ 169,051	\$ 736,911	\$ 905,962	\$ 709,830
Revenue	\$ 4,121,669	\$ 14,154,103	\$ 18,275,772	\$ 17,297,532
Expenses	4,082,782	13,974,271	18,057,053	16,773,144
Debt servicing	21,236	1,351	22,587	35,351
Total Expenses	\$ 4,104,018	\$ 13,975,622	\$ 18,079,640	\$ 16,808,495
Net Income (loss)	\$ 17,651	\$ 178,481	\$ 196,132	\$ 489,037

18. COMPARATIVE FIGURES

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

19. ECONOMIC DEVELOPMENT TRUST FUNDS

During the year 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.

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
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19. 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	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
REVENUE										
Federal Government	\$ 4,956,863	\$ 4,544,873	\$ 3,114,543	\$ 2,816,616	\$ -	\$ -	\$ 187,571	\$ 92,094	\$ 2,508,873	\$ 1,205,900
Provincial Government	426,992	302,327	105,000	105,000	-	-	-	-	-	-
Economic Activities	-	-	-	-	18,275,772	17,297,531	220,639	228,579	-	-
Other Revenue	-	17,709	88,117	138,995	-	-	-	-	20,791	15,280
	5,383,855	4,864,909	3,307,660	3,060,611	18,275,772	17,297,531	408,210	320,673	2,529,664	1,221,180
EXPENSES										
Salaries and benefits	1,872,966	1,588,079	1,591,360	1,596,731	1,930,591	1,858,844	-	-	364,308	399,690
Amortization	259,224	254,891	236,980	233,761	185,443	199,748	207,462	109,474	1,137,483	1,212,012
Debt Servicing	2,957,823	3,251,150	1,626,060	1,307,153	(11,327)	35,351	50,985	61,566	(15,333)	281,757
Other Expenses	5,090,013	5,084,120	3,454,400	3,137,645	15,974,929	15,012,024	176,660	79,990	1,190,877	928,383
	293,842	(229,211)	(146,740)	(77,034)	196,136	191,564	(26,897)	69,643	(147,671)	(1,600,662)
SURPLUS (DEFICIT)										
	\$ 3,707,624	\$ 3,685,904	\$ 1,140,370	\$ 1,690,701	\$ 39,294,262	\$ 348,510	\$ 54,910,107	\$ 13,734,599	\$ 2,364,992	\$ 1,821,842
REVENUE										
Federal Government	\$ 3,707,624	\$ 3,685,904	\$ 1,140,370	\$ 1,690,701	\$ 39,294,262	\$ 348,510	\$ 54,910,107	\$ 13,734,599	\$ 2,364,992	\$ 1,821,842
Provincial Government	-	-	-	-	2,626,478	2,135,364	3,158,471	2,542,691	-	-
Economic Activities	-	-	52,582	60,136	2,208,362	1,467,771	20,704,773	18,993,881	-	-
Other Revenue	-	-	-	-	3,393,553	1,653,960	3,554,843	1,886,080	-	-
	3,707,624	3,685,904	1,192,952	1,100,837	47,322,455	5,605,605	82,328,194	37,157,251	-	-
EXPENSES										
Salaries and benefits	433,155	381,376	368,620	399,050	2,925,371	2,009,438	9,486,371	8,233,208	-	-
Amortization	20,085	20,085	14,356	14,356	145,776	121,081	2,206,809	2,165,408	-	-
Debt Servicing	3,264,256	3,299,709	808,227	733,322	100,020	185,502	124,345	564,176	-	-
Other Expenses	3,717,496	3,701,170	1,191,203	1,146,728	43,387,948	2,087,757	69,386,782	26,699,488	-	-
	(9,872)	(15,266)	1,749	(45,891)	46,559,115	4,403,778	81,204,307	37,662,280	-	-
SURPLUS (DEFICIT)										
	\$ (9,872)	\$ (15,266)	\$ 1,749	\$ (45,891)	\$ 963,340	\$ 1,201,827	\$ 1,123,887	\$ (305,029)	\$ -	\$ -