

**MADAWASKA MALISEET  
FIRST NATION NEW BRUNSWICK**

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**CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2019**

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## Management's report

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

The accompanying consolidated financial statements of Madawaska Maliseet First Nation New Brunswick are the responsibility of management and have been approved by the 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 Chartered Professional Accountants of Canada 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 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 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 auditors report.

The external auditor, **Raymond Chabot Grant Thornton LLP**, conduct an independent examination, in accordance with Canadian auditing standards, and express its opinion on the consolidated financial statements. The external auditor have full and free access to financial management of Madawaska Maliseet First Nation New Brunswick and meet when required.

On behalf of Madawaska Maliseet First Nation New Brunswick:



Patricia Bernard  
Chief  
Diane Pelletier  
Councillor



Donna Bourgeault  
Councillor

Edmundston, NB  
February 6, 2023

## **Independent auditor's report**

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To the Chief, Councillors and Band members of  
Madawaska Maliseet First Nation New Brunswick

### **Qualified opinion**

We have audited the consolidated financial statements of Madawaska Maliseet First Nation New Brunswick (hereafter "the Organization"), which comprise the consolidated statement of financial position as at March 31, 2019, and the consolidated statements of operations, changes in net assets (net debt) and cash flows for the year then ended, and notes to financial statements, including a summary of significant accounting policies, and the schedules.

In our opinion, except for the effects of the matter described in the "Basis for qualified opinion" section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization, which include all related businesses under the Band council authority, as at March 31, 2019, and the results of its operations, the change in its net financial assets (net debt) and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### **Basis for qualified opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Canadian public accounting standards require that the Organization compares its actual with its budgeted results by presenting, in the statements of operations and in change in net financial assets (net debt), its budgeted results and changes in net assets (net debt). These disclosures should reflect the budgeted amounts as they were originally planned and that were approved by the appropriate bodies within the Organization, without any changes to reflect subsequent actions and decisions by the entity. While the Organization presents budgeted results in its financial statements, those figures were not prepared in accordance with Canadian public accounting standards.

The consolidated financial statements include an investment in a private corporation, "BeeHigh Vital Elements Inc.", recognized at cost. The Organization has determined that, for this investment, there were indications of impairment resulting in a significant adverse change in the expected timing or amount of future cash flows. However, it has not determined whether a reduction in the carrying amount of the investment should be recognized.

### **Responsibilities of management and those charged with governance for the consolidated financial statements**

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

### **Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also :

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Raymond Chabot Grant Thornton LLP*

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Chartered Professional Accountant

Edmundston, NB  
February 6, 2023

## CONSOLIDATED STATEMENT OF OPERATIONS

For the year ended March 31,	Budget	2019	2018
	\$	\$	\$
	(unaudited)		
<b>Revenues</b>			
Federal government transfers for operating (note 21)	1,891,687	2,912,766	2,263,909
Federal government transfers for capital (note 21)	75,150	(404,340)	636,831
Provincial government transfers for operating (note 21)	142,750	138,728	142,750
Forestry royalties	50,000	75,579	46,167
Other revenues and non-government subsidies	35,000	62,761	237,082
Revenues earned and held in Trust by federal government (note 4)	121,173	134,384	121,175
Interest earned	228,000	244,775	196,027
Commercial and residential rent	173,900	179,080	172,335
Provincial tax rebates	11,400,000	12,583,585	10,069,128
Video lottery terminal and Gaming agreement	2,000,000	2,074,441	1,929,635
Band-owned businesses: Annual operating surplus (pages 41, 42 & 44)	1,098,000	722,331	982,806
	17,215,660	18,724,091	16,797,844
<b>Expenses (note 22)</b>			
Band government (page 25)	1,151,300	1,355,639	1,064,028
Community infrastructure & public works (page 25)	640,800	675,793	682,845
<b>Education</b>			
• Elementary & secondary (page 26)	762,000	779,996	733,126
• Post secondary & student support program (page 26)	450,000	428,347	435,605
• Cultural education, Indian studies & Education Initiative (page 31)	5,000	5,507	14,320
<b>Social services</b>			
• Income assistance & assisted living (page 27)	255,000	224,885	246,258
<b>Economic Development and Employment programs</b>			
• Incentive program for job creation within the Community (page 27)	25,000	34,613	11,806
• Incentive program for new businesses (tenants) at Grey Rock (page 27)	450,000	403,793	491,214
• First Nation and Inuit students summer work experience (page 28)	54,000	27,730	51,847
• Planning, MTSA (page 29)	-	12,050	-
• Aboriginal Skills and Employment Training Strategy program (page 31)	90,000	81,592	89,941
<b>Lands &amp; trust (page 27)</b>			
48,000	48,487	46,665	
<b>Environmental site assessment and Land Management (pages 28 &amp; 31)</b>			
50,000	265,062	136,915	
<b>Prevention projects (page 30)</b>			
12,000	12,849	10,935	
<b>Specific and special claims (page 30)</b>			
-	102,344	212,453	
<b>Child and family services (page 32)</b>			
40,000	162,311	37,640	
<b>Housing</b>			
• Non-subsidized housing expenses (page 32)	620,000	643,872	768,907
• Subsidized expenses under CMHC & RRAP programs (page 33)	102,400	117,666	170,896
<b>Health services</b>			
• Non-subsidized health expenses (page 32)	185,000	192,653	178,315
• Subsidized expenses under Health Canada programs (page 34)	444,000	445,323	433,500
<b>Aboriginal Head Start On Reserve (page 39)</b>			
34,200	38,240	33,270	
<b>Fisheries and oceans (page 40)</b>			
101,500	106,776	97,617	
<b>Amortization (note 12)</b>			
1,704,150	1,704,150	1,692,666	
	7,224,350	7,869,678	7,640,770
<b>Annual surplus before unusual item (note 23) (Segment disclosure (note 24))</b>			
9,991,310	10,854,413	9,157,074	
<b>Unusual item (Snow crab quota allocation (page 40))</b>			
-	-	776,667	
<b>Annual surplus (note 24) (Segment disclosure (note 24))</b>			
9,991,310	10,854,413	9,933,741	
<b>Treaty credit allocated to Band members</b>			
(5,600,000)	(6,118,000)	(4,558,000)	
<b>Accumulated surplus, beginning of year</b>			
43,961,628	43,961,628	38,585,887	
<b>Accumulated surplus, end of year (note 13 &amp; page 4)</b>			
48,352,938	48,698,041	43,961,628	

The accompanying notes are an integral part of the consolidated financial statements.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at March 31,	2019	2018
	\$	\$
<b>Financial assets</b>		
Cash and cash equivalents		
Unrestricted cash	8,426,296	13,320,146
Trust fund, held by federal government (note 4 a))	10,896	16,137
Reserve fund, Land code (note 4 b))	1,001,939	908,366
Reserve fund, Section 95 Housing (note 4 c))	161,510	137,129
Accounts receivable		
Governments and other governments organizations (note 5 a))	12,289,914	7,269,771
Trade, accrued interests and others (note 5 b))	175,630	169,185
Inventory for resale (note 6)	379,187	374,935
Investment in a private Corporation, «BeeHigh Vital Elements Inc.»	(a) & b)) 1,000,000	-
a) 2,857,143 common shares representing 15,78% of ownership		
b) Licensed producer of medical marijuana		
	23,445,372	22,195,670
<b>Financial liabilities</b>		
Accounts payable		
Governments and other governments organizations (note 8 a))	161,015	11,277
Trade, accrued interests and others (note 8 b))	3,237,724	2,294,402
Deferred revenues (note 9)	1,238,628	890,343
Long-term debt (note 10)	1,105,487	4,355,292
	5,742,854	7,551,314
<b>Net financial assets (net debt) (page 5)</b>	<b>17,702,518</b>	<b>14,644,356</b>
<b>Non-financial assets</b>		
Tangible capital assets (note 12)	30,646,666	29,085,527
Prepaid expenses (note 11)	348,854	231,743
	30,995,521	29,317,270
<b>Accumulated surplus (page 3 &amp; note 13)</b>	<b>48,698,041</b>	<b>43,961,628</b>

The accompanying notes are an integral part of the consolidated financial statements.

On behalf of Madawaska Maliseet First Nation:

   
 Patrick Beaubien Wayne Melcher  
 Chief Councillor Councillor

## CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS (NET DEBT)

For the year ended March 31,	2019	2018
	\$	\$
<b>Annual surplus before Treaty credit allocated to Band members</b>	<b>10,854,413</b>	<b>9,933,741</b>
<b>Treaty credit allocated to Band members</b>	<b>(6,118,000)</b>	<b>(4,558,000)</b>
<b>Annual surplus</b>	<b>4,736,413</b>	<b>5,375,741</b>
 <b>Changes in non-financial assets</b>		
Tangible capital assets		
Acquisition of tangible capital assets (note 12)	(3,277,987)	(934,241)
Disposal of tangible capital assets (note 12)	12,703	-
Amortization of tangible capital assets (note 12)	1,704,150	1,692,666
Other non-financial assets		
Recognition (acquisition) of prepaid expenses	(117,111)	23,535
 <b>Net (increase) decrease in non-financial assets</b>	<b>(1,678,246)</b>	<b>781,960</b>
 <b>Change in net financial assets</b>	<b>3,058,161</b>	<b>6,157,700</b>
<b>Net financial assets, beginning of year</b>	<b>14,644,356</b>	<b>8,486,656</b>
 <b>Net financial assets, end of year (page 4)</b>	<b>17,702,518</b>	<b>14,644,356</b>

The accompanying notes are an integral part of the consolidated financial statements.

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended March 31,	2019	2018
	\$	\$
<b>Operating transactions</b>		
Annual surplus	4,736,413	5,375,741
Items not affecting cash		
Amortization of tangible capital assets	1,704,150	1,692,666
Loss on disposal of tangible capital assets	5,703	-
Change in non-cash charges to operations		
(Increase) decrease in accounts receivable	(5,026,588)	2,938,769
Increase in inventories for resale	(4,252)	(71,101)
Increase (decrease) in prepaid expenses	(117,111)	23,535
Increase (decrease) in accounts payable and accrued liabilities	1,093,060	(250,181)
Increase in deferred revenues	348,285	860,743
Cash provided by (applied to) operating transactions	2,739,660	10,570,171
<b>Capital transactions</b>		
Acquisitions of tangible capital assets	(3,277,987)	(934,241)
Disposal of tangible capital assets	7,000	-
Cash provided by (applied to) capital transactions	(3,270,987)	(934,241)
<b>Investing activities</b>		
Increase in restricted cash and cash equivalents	(112,712)	(109,749)
Investment in a private Corporation	(1,000,000)	-
Cash provided by (applied to) investing activities	(1,112,712)	(109,749)
<b>Financing activities</b>		
Debt repayment	(3,249,805)	(6,203,448)
Cash provided by (applied to) financing activities	(3,249,805)	(6,203,448)
Net increase (decrease) in unrestricted cash	(4,893,850)	3,322,732
Unrestricted cash, beginning of year	13,320,146	9,997,414
Unrestricted cash, end of year	8,426,296	13,320,146
Unrestricted cash	8,426,296	13,320,146

The accompanying notes are an integral part of the consolidated financial statements.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****As at March 31, 2019****1. Governing statutes and nature of operations**

Madawaska Maliseet First Nation New Brunswick is regulated under Indian Law without being incorporated. Such as a local government, the activities are governed by a Council which is composed of a Chief and two councillors with a goal to administrate the equity of the First Nation with the best interest of the community.

Health services is operated within Madawaska Maliseet First Nation operations. Its objective is to provide adequate health care to the community.

Section 95 Housing Project is operated within Madawaska Maliseet First Nation operations. Its objective is to provide adequate housing to low income families.

Most of the revenues are generated from government funding, tax rebates, gaming agreement, sales of tobacco, gas and general merchandises and rental income.

**2. Summary of significant accounting policies****Principles of consolidation**

All commercial enterprises which meet the definition of government business enterprise are included in the consolidated financial statements on a modified equity basis.

**Basis of accounting**

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 CPA Canada.

**Reporting Entity**

The Madawaska Maliseet First Nation New Brunswick reporting entity includes the Madawaska Maliseet First Nation New Brunswick government and it's commercial enterprises St. John Valley Gas Bar, Smoke Signal and Madawaska Maliseet Economic Development Corporation.

**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.

**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.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at March 31, 20192. Summary of significant accounting policies [... continuation]Revenue Recognition [... continuation]

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 performed.

Commercial and residential rent are recognized in the period in which the transactions or events occurred that gave rise to the revenues. Commercial and residential rent are recorded on an accrual basis.

Investment transactions are recognized at the transaction date and the resulting revenues are recognized in earnings using the accrual basis of accounting. Interest income is recognized on a time proportion basis whereas dividend income is recognized when the Company's right to receive payment is established. Revenues from investment funds are recognized upon distribution. Changes in fair value are recognized when they occur. Gains or losses on the disposal of investments measured at cost are determined using the average cost method.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks net of bank overdrafts and term deposits having a maturity of three months or less at acquisition which are held for the purpose of meeting short-term cash commitments.

Inventories for resale

Inventories of supplies and goods available for resale are recorded at the lower of cost and net realizable value. The cost is determined as per the «first in first out» (FIFO) method.

Tangible capital assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

Leases that transfer substantially all the benefits and risks of ownership to the lessee are recorded as capital leases. Accordingly, at the inception of the leases, the tangible capital asset and related lease obligations are recorded at an amount equal to the present value of future lease payments discounted at the lower of the interest rate inherent in the lease contracts and Madawaska Maliseet First Nation New Brunswick incremental cost of borrowing.

Amortization is provided annually at rates calculated to write off the assets over their useful lives using the declining balance method as follows:

Paving & land improvements	5%	Fishing traps & gear	20%
Buildings, improvements & fishing facilities on-shore	5%	Material & equipment	20%
Housing	5%	Signs	20%
Residential lots	5%	Vehicles	30%
Roads & commercial lots	5%	Computers & softwares	30%
Sidewalks	5%	Amusement park	20%
Water systems & underground networks	5%	Household appliances	20%
Fishing vessels	10%	Security system	20%

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at March 31, 20192. Summary of significant accounting policies [... continuation]Tangible capital assets [... continuation]

Tangible capital assets are written down when conditions indicate that they no longer contribute to Madawaska Maliseet First Nation New Brunswick's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the consolidated statement of operations.

Contributed capital assets are recorded into revenues at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.

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.

Investment

The Organization recognizes its portfolio investment in a private Corporation at cost.

Employee benefit obligations

Madawaska Maliseet First Nation provides defined contribution plan for eligible members of its staff. Members are required to contribute 5.5% of their salary up to a maximum of 9.0% of their basic salary. The First Nation contributes 5.5% which contributions are directed to the member's contribution account. The amount of retirement benefit to be received by the employees will be the amount of retirement annuity that could be purchased based on the member's share of the pension plan at the time of the member's withdrawal from the plan.

Measurement uncertainty

In preparing the consolidated financial statements for the government of Madawaska Maliseet First Nation, the Council is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenue and expenses during the period. These estimates are based on Council's best knowledge of current events and actions that Madawaska Maliseet First Nation may undertake in the future. Actual results could differ from these estimates.

Financial instruments

The financial instruments consist of cash, accounts receivable & payable and mortgages. Unless otherwise noted, it is the management opinion that the organization is not exposed to significant interest and credit risks arising from these financial instruments and not at all exposed to currency exchange risk. The fair value of the short-term financial instruments approximates their carrying values, unless otherwise noted. Furthermore, the fair value of the mortgages is not readily obtainable. However, the overall interest rates bearing on the mortgages are representative of the actual market rates and, therefore, the fair value of the mortgages approximates its carrying value.

3. Interest on long-term debt	2019	2018
	\$	\$
Interest on long-term debt	140,387	313,228

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at March 31, 2019

**4. Trust fund, Reserve fund (Land code) and Reserve funds (Section 95 housing)**

The Ottawa Trust Accounts 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 and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Section 63 to 69 of the Indian Act.

	Budget	2019	2018
	\$	\$	\$
(unaudited)			
<b>a) Trust fund, held by federal government</b>			
Balance, beginning of year:	16,137	16,137	841,329
Revenues:			
NB Power transmission line	-	-	6,900
Twin Rivers Pipeline Right of Way	-	-	14,946
Head lease lot	-	-	76,327
Interest earned	-	-	23,001
Expenditures:			
Funeral assistance	-	-	(14,000)
Housing	-	-	(16,000)
Release of fund as per FNLM agreement	(5,241)	(5,241)	(916,366)
Balance, end of year	10,896	10,896	16,137
<b>b) Reserve fund, Land code</b>			
Balance, beginning of year:	908,366	908,366	-
Revenues:			
NB Power transmission line	6,900	6,900	-
Twin Rivers Pipeline Right of Way	14,946	29,893	-
Head lease lot	76,327	76,223	-
Interest earned	23,000	21,368	-
Release of Trust fund, held by federal government	5,241	5,241	916,366
Expenditures:			
HST collected	(14,726)	(16,952)	-
Funeral assistance	(14,000)	(21,100)	-
Housing	(8,000)	(8,000)	(8,000)
Balance, end of year	998,054	1,001,939	908,366
<b>c) Reserve funds, Section 95 housing</b>			

Under the terms of the agreement with CMHC, the **replacement reserve** account is to be credited for an amount of \$1,000 annually for each unit. These funds, along with accumulated interest, must be held in a separate bank account and/or invested in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC. The funds in the account may only be used as approved by CMHC. Withdrawals are credited to interest first and then to principal.

	Pre-1997	Post-1996	2019	2018
	\$	\$	\$	\$
<b>Replacement Reserve, beginning of year</b>	7,812	125,746	133,558	109,555
Annual allotment	830	23,000	23,830	23,830
Interest earned	32	519	551	173
<b>Replacement Reserve, end of year</b>	8,674	149,265	157,939	133,558

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at March 31, 2019

c) Reserve funds, Section 95 housing [...continuation]

Under the terms of the agreement with CMHC, a portion of accumulated surplus is to be retained in an **operating reserve** fund. These funds, along with accumulated interest, must be held in a separate bank account and/or invested in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC. The funds in the account may only be used to fund any future deficit. Withdrawals are credited to interest first and then to principal.

	2019	2018
	\$	\$
<b>Operating Reserve, beginning of year</b>	2,571	-
Contribution as requested by CMHC	-	2,571
<b>Operating Reserve (including interests), end of year</b>	<b>2,571</b>	<b>2,571</b>

Under the terms of the agreement with CMHC, excess federal assistance payments received must be retained in a **subsidy reserve** up to a maximum of \$ 500 per unit, plus interest. The reserve is to be comprised of monies deposited 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. The funds in this account may only be used to meet future subsidy requirements of income-tested occupants over and above the maximum federal assistance. Withdrawals are credited to interest first and then to principal. When the fund has attained the maximum of \$ 500 per unit, up to 10% of the excess assistance during a year may be transferred to the other projects owned by the borrower requiring additional assistance if they are within the same municipality or are assisted under the same program.

	2019	2018
	\$	\$
<b>Subsidy Surplus Reserve, beginning of year</b>	1,000	1,000
Contributions	-	-
<b>Subsidy Surplus Reserve, end of year</b>	<b>1,000</b>	<b>1,000</b>
<b>Total reserve fund</b>	<b>161,510</b>	<b>137,129</b>

5. Accounts receivable	2019	2018
	\$	\$
<b>a) Governments and other governments organizations</b>		
Aboriginal Affairs and Northern Development Canada	801,641	1,140,035
Health Canada	59,460	-
CMHC, RRAP, HASI & Retrofit	59,221	69,102
Harmonized Sales Tax	45,980	17,942
Fisheries and Oceans Canada	203,814	55,376
Province of New Brunswick	11,119,798	5,987,316
	<b>12,289,914</b>	<b>7,269,771</b>
<b>b) Trade, accrued interests and others</b>		
Trade and others	125,292	148,197
Accrued interests revenues	18,256	19,795
Tenants, section 95	32,081	1,193
	<b>175,630</b>	<b>169,185</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at March 31, 2019

	2019	2018
	\$	\$
6. <u>Inventory for resale</u>		
Tobacco	158,903	211,888
General merchandise	130,974	88,842
Gas, fuel and diesel	61,367	58,906
Loto	27,943	15,299
	<hr/> 379,187	<hr/> 374,935
7. <u>Line of credit</u>		
Authorized line of credit of 500,000 \$, Royal Bank of Canada, bearing interest at prime plus 0.70% per annum payable monthly, secured by general security.		
8. <u>Accounts payable</u>	2019	2018
	\$	\$
a) <b>Governments and other governments organizations</b>		
Aboriginal Affairs and Northern Development Canada	142,500	-
Payroll remittances	18,515	11,277
	<hr/> 161,015	<hr/> 11,277
b) <b>Trade, accrued interests and others</b>		
Trade and accruals	3,214,851	2,263,023
Salaries	22,873	18,638
Accrued interests charge	-	12,741
	<hr/> 3,237,724	<hr/> 2,294,402
9. <u>Deferred revenues</u>	2019	2018
	\$	\$
Aboriginal Affairs and Northern Development Canada (pages 24 & 29)		
Stream diversion	800,000	800,000
Other mitigation	101,641	-
FNLM operational support	160,439	-
Business Plan Development	50,000	-
Administration and support, Estates	8,722	-
Planning, MTSA	-	12,050
Roads and bridges	-	44,818
Health Canada		
Operational funding for fiscal year ending on March 31, 2020	82,501	-
	<hr/> 1,203,303	<hr/> 856,868
Trade and others	35,325	33,475
	<hr/> 1,238,628	<hr/> 890,343

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at March 31, 2019

10. <u>Long-term debt</u>	2019	2018
	\$	\$
Loan payable, Royal Bank of Canada, interest at 4.60%, repaid during the year.	-	3,159,159
Mortgage (Section 95), Canada Mortgage and Housing Corporation, repayable in monthly installments of 294 \$, including principal and interest at 1.83%, maturing in December 2021, renewable on December 1, 2019, secured by the Minister of Aboriginal Affairs and Northern Development Canada.	9,465	12,792
Mortgage (Section 95), Canada Mortgage and Housing Corporation, repayable in monthly installments of 283 \$, including principal and interest at 1.83%, maturing in December 2024, renewable on December 01, 2019, secured by the Minister of Aboriginal Affairs and Northern Development Canada.	17,528	20,580
Mortgage (Section 95), Canada Mortgage and Housing Corporation, repayable in monthly installments of 374 \$, including principal and interest at 1.21%, maturing in March 2026, renewable on May 01, 2021, secured by the Minister of Aboriginal Affairs and Northern Development Canada.	30,093	34,187
Mortgage (Section 95), Canada Mortgage and Housing Corporation, repayable in monthly installments of 404 \$, including principal and interest at 2.14%, maturing in November 2023, secured by the Minister of Aboriginal Affairs and Northern Development Canada.	21,710	24,102
Mortgage (Section 95), Royal Bank of Canada, repayable in monthly installments of 389\$, including principal and interest at 2.94%, maturing in April 2024, renewable on April 15, 2019, secured by the Minister of Aboriginal Affairs and Northern Development Canada.	21,984	25,937
Mortgage (Section 95), Canada Mortgage and Housing Corporation, repayable in monthly installments of 371 \$, including principal and interest at 1.83%, maturing in December 2024, renewable on December 1, 2019, secured by the Minister of Aboriginal Affairs and Northern Development Canada.	24,285	28,255
Mortgage (Section 95), Canada Mortgage and Housing Corporation, repayable in monthly installments of 373 \$, including principal and interest at 1.48%, maturing in January 2027, renewable on January 01, 2022, secured by the Minister of Aboriginal Affairs and Northern Development Canada.	33,194	37,148
Mortgage (Section 95), Canada Mortgage and Housing Corporation, repayable in monthly installments of 373 \$, including principal and interest at 1.48%, maturing in January 2027, renewable on January 01, 2022, secured by the Minister of Aboriginal Affairs and Northern Development Canada.	33,194	37,148

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at March 31, 2019

10. Long-term debt [...continuation]	2019	2018
	\$	\$
Mortgage (Section 95), Canada Mortgage and Housing Corporation, repayable in monthly installments of 373 \$, including principal and interest at 1.48%, maturing in January 2027, renewable on January 01, 2022, secured by the Minister of Aboriginal Affairs and Northern Development Canada.	33,194	37,148
Mortgage (Section 95), Canada Mortgage and Housing Corporation, repayable in monthly installments of 373 \$, including principal and interest at 1.48%, maturing in January 2027, renewable on January 01, 2022, secured by the Minister of Aboriginal Affairs and Northern Development Canada.	33,194	37,148
Mortgage (Section 95), Canada Mortgage and Housing Corporation, repayable in monthly installments of 377 \$, including principal and interest at 1.48%, maturing in January 2027, renewable on January 01, 2022, secured by the Minister of Aboriginal Affairs and Northern Development Canada.	33,518	37,511
Mortgage (Section 95), Canada Mortgage and Housing Corporation, repayable in monthly installments of 1,214 \$, including principal and interest at 2.39%, maturing in January 2028, renewable on February 1, 2023, secured by the Minister of Aboriginal Affairs and Northern Development Canada.	115,989	127,653
Mortgage (Section 95), Canada Mortgage and Housing Corporation, repayable in monthly installments of 406 \$, including principal and interest at 2.39%, maturing in January 2028, renewable on February 1, 2023, secured by the Minister of Aboriginal Affairs and Northern Development Canada.	38,813	42,713
Mortgage (Section 95), Royal Bank of Canada, repayable in monthly installments of 405\$, including principal and interest at 3.01%, maturing in March 2029, renewable on March 1, 2019, secured by the Minister of Aboriginal Affairs and Northern Development Canada.	41,942	45,483
Mortgage (Section 95), Canada Mortgage and Housing Corporation, repayable in monthly installments of 297 \$, including principal and interest at 0.98%, maturing in March 2035, renewable on March 1, 2020, secured by the Minister of Aboriginal Affairs and Northern Development Canada.	52,789	55,822
Mortgage (Section 95), Canada Mortgage and Housing Corporation, repayable in monthly installments of 373 \$, including principal and interest at 1.14%, maturing in June 2033, renewable on June 1, 2021, secured by the Minister of Aboriginal Affairs and Northern Development Canada.	58,842	62,625
Mortgage (Section 95), Canada Mortgage and Housing Corporation, repayable in monthly installments of 399 \$, including principal and interest at 1.13%, maturing in July 2035, renewable on July 1, 2021, secured by the Minister of Aboriginal Affairs and Northern Development Canada.	71,407	75,367
Mortgage (Section 95), Canada Mortgage and Housing Corporation, repayable in monthly installments of 392 \$, including principal and interest at 1.13%, maturing in July 2035, renewable on July 1, 2021, secured by the Minister of Aboriginal Affairs and Northern Development Canada.	70,171	74,062

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at March 31, 2019

10. Long-term debt [...continuation]	2019	2018
	\$	\$
Mortgage (Section 95), Canada Mortgage and Housing Corporation, repayable in monthly installments of 289 \$, including principal and interest at 1.14%, maturing in June 2036, renewable on June 01, 2021, secured by the Minister of Aboriginal Affairs and Northern Development Canada.	54,338	57,173
Mortgage (Section 95), Canada Mortgage and Housing Corporation, repayable in monthly installments of 416 \$, including principal and interest at 1.86%, maturing in August 2036, renewable on August 1, 2022, secured by the Minister of Aboriginal Affairs and Northern Development Canada.	74,254	77,833
Mortgage (Section 95), Canada Mortgage and Housing Corporation, repayable in monthly installments of 418 \$, including principal and interest at 1.86%, maturing in September 2036, renewable on August 1, 2022, secured by the Minister of Aboriginal Affairs and Northern Development Canada.	74,923	78,509
Mortgage (Section 95), Canada Mortgage and Housing Corporation, repayable in monthly installments of 440 \$, including principal and interest at 2.39%, maturing in February 2037, renewable on February 1, 2023, secured by the Minister of Aboriginal Affairs and Northern Development Canada.	76,944	80,339
Mortgage (Section 95), Royal Bank of Canada, repayable in monthly installments of 444\$, including principal and interest at 2.87%, maturing in February 2040, renewable on February 1, 2020, secured by the Minister of Aboriginal Affairs and Northern Development Canada.	83,716	86,598
	1,105,487	4,355,292

The aggregate amount of payments required over the next five years on the above indebtedness is as follows:

2020 - 94 299 \$	2021 - 96 061 \$	2022 - 96 975 \$	2023 - 96 117 \$	2024 - 94 824 \$
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11. Prepaid expenses	2019	2018
	\$	\$
Insurance	53,338	48,459
Fire protection services	100,266	-
Others	17,041	22,830
Students allowances	25,924	22,380
Tuition fees	119,599	102,988
Commercial lease	32,686	35,086
	348,854	231,743

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at March 31, 2019

12. Tangible capital assets

Cost	2018	Acquisitions	Disposals	2019
	\$	\$	\$	\$
<b>Administration and municipal-type services</b>				
Land	467,011	-	-	467,011
Paving & land improvements	748,065	19,905	-	767,970
Buildings & improvements	6,013,786	1,941,600	-	7,955,386
Fishing facilities on-shore	277,813	-	-	277,813
Housing	174,703	-	-	174,703
Residential lots	2,495,634	-	-	2,495,634
Roads & commercial lots	1,689,023	618,174	-	2,307,197
Sidewalks	1,094,026	-	-	1,094,026
Water systems & underground networks	1,112,415	-	-	1,112,415
Fishing vessels	812,887	98,386	-	911,273
Fishing traps & gear	260,486	73,260	-	333,746
Material, equipment & signs	589,206	102,754	-	691,960
Vehicles	427,979	-	30,500	397,479
Computers & softwares	96,756	-	-	96,756
<b>Health Services</b>				
Building, paving & land improvements	129,193	3,825	-	133,018
Equipment, learning material & amusement park	165,720	-	-	165,720
<b>Section 95</b>				
Land	5,000	-	-	5,000
Paving & land improvements	1,465	-	-	1,465
Housing	2,687,984	153,093	-	2,841,077
Household appliances	53,759	2,000	-	55,759
<b>Smoke Signal</b>				
Leasehold improvements	223,416	-	-	223,416
Material, equipment & signs	19,848	-	-	19,848
<b>Saint John Valley Gas Bar</b>				
Land	112,905	-	-	112,905
Building	846,514	-	-	846,514
Paving & land improvements	113,400	-	-	113,400
Material, equipment & signs	39,652	186,786	-	226,438
Computers & softwares	3,410	-	-	3,410
Security system	19,422	-	-	19,422
<b>Madawaska Maliseet Economic Development Corp.</b>				
Land improvements, roads, underground network	13,818,405	70,711	-	13,889,115
Strip mall	6,669,854	-	-	6,669,854
Vehicles, material & equipment	77,079	7,495	-	84,574
Signs	422,754	-	-	422,754
	41,669,569	3,277,987	30,500	44,917,057

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at March 31, 2019

12. Tangible capital assets [...continuation]

Accumulated amortization	2018	Amortization	Disposals	2019
	\$	\$	\$	\$
<b>Administration and municipal-type services</b>				
Paving & land improvements	132,606	31,271	-	163,877
Buildings & improvements	2,932,766	202,593	-	3,135,359
Fishing facilities on-shore	50,705	11,357	-	62,062
Housing	84,949	4,489	-	89,438
Residential lots	683,349	90,614	-	773,963
Roads & commercial lots	676,016	66,105	-	742,121
Sidewalks	328,824	38,260	-	367,084
Water systems & underground networks	606,755	25,283	-	632,038
Fishing vessels	397,154	46,493	-	443,647
Fishing traps & gear	155,641	28,295	-	183,936
Material, equipment & signs	369,749	54,168	-	423,917
Vehicles	264,313	45,289	17,797	291,805
Computers & softwares	39,345	17,223	-	56,568
<b>Health Services</b>				
Building, paving & land improvements	55,520	3,780	-	59,300
Equipment, learning material & amusement park	137,013	6,091	-	143,104
<b>Section 95</b>				
Paving & land improvements	686	39	-	725
Housing	1,032,098	86,621	-	1,118,719
Household appliances	46,318	1,888	-	48,206
<b>Smoke Signal</b>				
Leasehold improvements	7,670	9,519	-	17,189
Material, equipment & signs	1,985	3,739	-	5,724
<b>Saint John Valley Gas Bar</b>				
Building	415,845	21,334	-	437,179
Paving & land improvements	54,470	2,947	-	57,417
Material, equipment & signs	17,669	25,175	-	42,844
Computers & softwares	2,190	415	-	2,605
Security system	16,899	505	-	17,404
<b>Madawaska Maliseet Economic Development Corp.</b>				
Land improvements, roads, underground network	2,987,479	543,314	-	3,530,793
Strip mall	800,488	293,469	-	1,093,957
Vehicles, material & equipment	26,625	11,106	-	37,731
Signs	258,913	32,768	-	291,681
	12,584,042	1,704,150	17,797	14,270,391
<b>Unamortized balance</b>	<b>29,085,527</b>			<b>30,646,666</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at March 31, 2019

	2019	2018
	\$	\$
Accumulated surplus consists of:		
Restricted cash (notes 4 a), b) & c))	1,174,345	1,061,634
Invested in tangible capital assets (note 14)	29,541,179	24,730,236
Unrestricted surplus (note 15)	<u>17,982,517</u>	<u>18,169,759</u>
	<u>48,698,041</u>	<u>43,961,628</u>
14. Invested in tangible capital assets		
	\$	\$
Tangible capital assets (note 12)	30,646,666	29,085,527
Loans related to investment in tangible capital assets		
Long-term debt (note 10)	<u>(1,105,487)</u>	<u>(4,355,292)</u>
Invested in tangible capital assets	<u>29,541,179</u>	<u>24,730,236</u>
15. Unrestricted surplus		
	\$	\$
Unrestricted surplus, beginning of year	18,169,759	18,348,789
Annual surplus (page 3)	10,854,413	9,933,741
Treaty credit allocated to Band members	(6,118,000)	(4,558,000)
Annual surplus invested in tangible capital assets	(4,810,944)	(5,445,023)
Annual surplus invested in restricted cash	<u>(112,712)</u>	<u>(109,748)</u>
Unrestricted surplus, end of year	<u>17,982,517</u>	<u>18,169,759</u>

## 16. Contingencies

Bank guarantee

The Madawaska Maliseet First Nation is contingently liable for mortgage loans for a total amount of 2,347,407 \$ as at April 16, 2020, for Band members which is secured by a promissory note co-signed by the Madawaska Maliseet First Nation and the Minister of Aboriginal Affairs and Northern Development Canada. In the opinion of management, it is unlikely that this guarantee will be exercised and, accordingly, no liability has been recorded in the consolidated financial statements in this respect.

Contribution agreements

The Madawaska Maliseet First Nation 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.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****As at March 31, 2019**

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**17. Obligation under pension plan agreement**

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Madawaska Maliseet First Nation provides defined contribution plan for its employees which are required to contribute 5.5% of their salary up to a maximum of 9.0% of their basic salary. The First Nation contributes 5.5% which contributions are directed to the member's contribution account. The amount of retirement benefit to be received by the employees will be the amount of retirement annuity that could be purchased based on the member's share of the pension plan at the time of the member's withdrawal from the plan. Madawaska Maliseet contribution to the pension plan during the year 81,726 \$ (45,404 \$ in 2018).

**18. Economic dependence**

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The government of Madawaska Maliseet First Nation receives a major portion of its revenue from Aboriginal Affairs and Northern Development Canada, Health Canada, tax rebates and gaming agreement with the province of New Brunswick. The nature and extent of these revenues is of such significance that the First Nation is economically dependent on these source of revenues.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at March 31, 2019

21. Government transfers		2019			2018		
		Operating	Capital	Total	Operating	Capital	Total
		\$	\$	\$	\$	\$	\$
<b>Federal government transfers</b>							
AANDC		1,727,779	192,142	1,919,922	2,241,411	668,649	2,910,060
• Unexpended funding (note 9)							
(+ ) Beginning of year		812,050	44,818	856,868	-	-	-
(- ) End of year		(320,802)	(800,000)	(1,120,802)	(812,050)	(44,818)	(856,868)
• Funding recovered		-	-	-	(9,498)	-	(9,498)
AANDC (net)		2,219,027	(563,040)	1,655,987	1,419,863	623,831	2,043,694
Health Canada		361,695	-	361,695	367,851	-	367,851
CMHC, RRAP, HASI & Retrofit		131,475	-	131,475	189,380	-	189,380
Department of Fisheries & Oceans		91,014	158,700	249,714	83,176	13,000	96,176
Aboriginal Head Start On Reserve		26,709	-	26,709	31,709	-	31,709
FN Land Management Ressource		-	-	-	53,750	-	53,750
Canadian Environmental Agency		-	-	-	15,713	-	15,713
FN Education Initiative		1,253	-	1,253	12,527	-	12,527
ASETS program		81,592	-	81,592	89,941	-	89,941
		2,912,766	(404,340)	2,508,426	2,263,909	636,831	2,900,740
<b>Provincial government transfers</b>							
Department of Education		88,728	-	88,728	92,750	-	92,750
Department of Natural Resources		50,000	-	50,000	50,000	-	50,000
		138,728	-	138,728	142,750	-	142,750
<b>Total government transfers</b>		<b>3,051,493</b>	<b>(404,340)</b>	<b>2,647,153</b>	<b>2,406,659</b>	<b>636,831</b>	<b>3,043,490</b>
22. Expenses by object					2019	2018	
					\$	\$	
Salaries and fringe benefits					2,526,116	2,407,937	
Honoraria chief and councillors					90,000	90,000	
Pension plan					81,726	45,404	
Interest on long-term debt					140,387	313,228	
Professional services					343,752	288,713	
Water, sewage and electricity					331,588	321,292	
Other					2,651,959	2,481,530	
Amortization					1,704,150	1,692,666	
					7,869,678	7,640,770	
23. Annual surplus net of capital related revenues and amortization					2019	2018	
					\$	\$	
Annual surplus					10,854,413	9,933,741	
Capital related revenues included in annual surplus:							
Federal government transfers for capital (note 21)					404,340	(636,831)	
					404,340	(636,831)	
Amortization expense included in annual surplus					1,704,150	1,692,666	
Annual surplus net of capital related revenues and amortization					12,962,903	10,989,576	

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at March 31, 2019

## 24. Segment Disclosure

Madawaska Maliseet First Nation provides a range of services to its members. For management reporting purposes, operations and activities are organized and reported by services provided. For each segment separately reported, the segment revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. 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 segment results for the period are as follows:

	Health Services			Band Government			Infrastructure & Public Works		
	Budget \$ (unaudited)	2019 \$	2018 \$	Budget \$ (unaudited)	2019 \$	2018 \$	Budget \$ (unaudited)	2019 \$	2018 \$
<b>Revenues</b>									
Federal government operating transfers	361,695	361,695	367,851	236,942	236,942	235,762	74,460	74,460	74,089
Federal government capital transfers	-	-	-	-	-	-	-	-	-
Provincial government operating transfers	-	-	-	-	-	-	-	-	-
Provincial government capital transfers	-	-	-	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	361,695	361,695	367,851	236,942	236,942	235,762	74,460	74,460	74,089
<b>Expenses</b>									
Salaries and fringe benefits	307,000	283,798	301,702	525,000	565,434	485,604	180,000	163,841	239,253
Other expenses	322,000	354,178	310,114	487,300	670,291	420,724	460,800	511,952	443,592
Debt servicing (interest)	-	-	-	139,000	119,914	157,701	-	-	-
Amortization	9,871	9,871	11,198	-	-	40,080	229,105	229,105	192,339
<b>Total Expenses</b>	638,871	647,846	623,014	1,151,300	1,355,639	1,104,108	869,905	904,898	875,184
<b>Annual deficit</b>	(277,176)	(286,151)	(255,163)	(914,358)	(1,118,697)	(868,346)	(795,445)	(830,438)	(801,095)

MADAWASKA MALISEET FIRST NATION NEW BRUNSWICK

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at March 31, 2019

## 24. Segment Disclosure (... continuation)

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at March 31, 2019

## 24. Segment Disclosure (..continuation)

		Other subsidized programs				Provincial tax rebates / VLT / BOB (a)				Total	
		Budget	2019	2018	Budget	2019	2018	Budget	2019	2018	
		\$	\$	\$	\$	\$	\$	\$	\$	\$	
<b>Revenues</b>											
Federal government operating transfers	238,218	1,170,520	452,544	-	-	-	-	1,960,735	2,912,766	2,263,909	
Federal government capital transfers	75,150	(404,340)	636,831	-	-	-	-	75,150	(404,340)	636,831	
Provincial government operating transfers	-	50,000	50,000	-	-	-	-	75,000	138,728	142,750	
Provincial government capital transfers	-	-	-	-	-	-	-	-	-	-	
Other revenues	509,773	595,451	674,833	20,375,000	21,378,265	19,569,608	20,983,073	22,074,845	20,342,394		
<b>Total Revenues</b>	823,141	1,411,632	1,814,208	20,375,000	21,378,265	19,569,608	23,093,958	24,721,999	23,385,884		
<b>Expenses</b>											
Salaries and fringe benefits	554,410	512,345	432,267	726,000	762,514	698,696	2,547,910	2,526,116	2,407,937		
Other expenses	362,290	783,502	788,036	5,151,000	5,235,393	4,985,355	8,700,290	9,496,928	9,038,312		
Debt servicing (interest)	-	-	-	-	-	127,321	161,000	140,387	313,228		
Amortization	337,232	337,232	229,519	944,291	944,291	993,238	1,704,150	1,704,150	1,692,666		
<b>Total Expenses</b>	1,253,932	1,633,079	1,449,822	6,821,291	6,942,198	6,804,611	13,113,350	13,867,581	13,452,142		
<b>Annual surplus (deficit)</b>	(430,791)	(221,447)	364,386	13,553,709	14,436,067	12,764,997	9,980,608	10,854,413	9,933,741		

(a) *VLT: «Video Lottery Terminal»*  
*BOB: «Band-Owned Businesses»*