

**Deloitte.**

*Consolidated Financial Statements of*

**Miawpukek Band**

*March 31, 2014*

## Miawpukek Band

### Management's Responsibility for Financial Reporting

March 31, 2014

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The accompanying consolidated financial statements for the Miawpukek Band and all the information in this annual report are the responsibility of management and have been approved by the Chief and Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the consolidated financial statements are presented fairly, in all material respects.

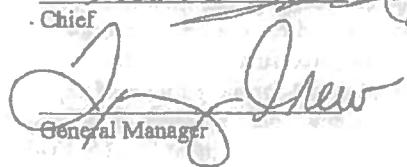
The Miawpukek First Nation maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Band's assets are appropriately accounted for and adequately safeguarded.

The Miawpukek First Nation is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements.

The Miawpukek First Nation 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 annual report, the consolidated financial statements and the external auditor's report.

The consolidated financial statements have been audited by Deloitte LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. Deloitte LLP has full and free access to the Miawpukek First Nation.

  
Chief

  
General Manager

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Deloitte LLP  
10 Factory Lane  
Fort William Building  
St. John's NL A1C 6H5  
Canada

Tel (709) 576-8480  
Fax (709) 576-8460  
[www.deloitte.ca](http://www.deloitte.ca)

## Independent Auditor's Report

To the Members of the  
Miawpukek Band

We have audited the accompanying consolidated financial statements of Miawpukek Band, which comprise the consolidated statement of financial position as at March 31, 2014, and the consolidated statements of operations, accumulated surplus, accumulated surplus – appropriated, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

### *Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 is sufficient and appropriate to provide a basis for our audit opinion.

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*Opinion*

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Miawpukek Band as at March 31, 2014, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*Observation*

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which states that the Band includes certain financial information that is not required by the Canadian public sector accounting standards. This information is presented in order to satisfy Aboriginal Affairs and Northern Development Canada and is presented on page 25.

*Deloitte LLP*

Chartered Accountants  
July 25, 2014

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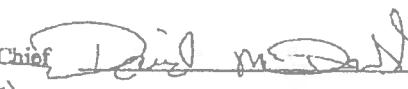
**Miawpukek Band**  
**Consolidated Statement of Financial Position**

As at March 31, 2014

	2014	2013
	\$	\$
<b>Financial assets</b>		
Cash	2,764,783	3,185,693
Receivables (Note 3)	1,132,276	1,472,516
Investments	751,984	542,610
Inventories (Note 4)	650,045	549,105
Restricted funds (Note 5)	930,369	878,909
Loans / Advances to Band Members (Note 6)	841,286	614,228
Trust fund - AANDC	2,501	2,439
	<b>7,073,244</b>	<b>7,245,500</b>
<b>Liabilities</b>		
Payables and accruals (Note 7)	1,074,255	1,377,325
Deferred revenue (Note 8)	375,653	20,000
Demand loans (Note 9)	1,237,633	1,485,672
CMHC replacement reserve (Note 10)	488,584	413,211
Long-term debt (Note 11)	3,260,137	3,511,864
	<b>6,436,262</b>	<b>6,808,072</b>
<b>Net financial assets</b>	<b>636,982</b>	<b>437,428</b>
<b>Non-financial assets</b>		
Tangible capital assets (Note 13)	31,533,549	32,254,652
Fishing licenses	5,927,825	4,577,825
Prepaid expenses	16,806	69,436
	<b>37,478,180</b>	<b>36,901,913</b>
Unappropriated (Page 6)	35,650,099	35,153,279
Appropriated (Page 6)	2,465,063	2,186,062
<b>Accumulated surplus</b>	<b>38,115,162</b>	<b>37,339,341</b>

Contingencies (Note 15)

On behalf of the Band:

  Chief   
 (for)   
 Harvey DREW  
 (Vice-Chief) David McDonald  
 (Councillor) Councillor

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**Miawpukek Band**  
**Consolidated Statement of Operations**  
Year ended March 31, 2014

	Budget	2014	2013
	\$	\$	\$
	(Unaudited)		
<b>Revenues</b>			
Federal government operating transfers (Schedule 1)	12,816,903	16,193,418	16,496,095
Federal government capital transfers (Schedule 1)	68,640	1,387,393	1,873,859
Provincial government operating transfers (Schedule 1)	15,700	182,580	233,164
Economic activities (Schedule 1)	6,704,790	7,262,332	6,913,614
Other revenue (Schedule 1)	913,776	1,938,866	4,255,182
	<b>20,519,809</b>	<b>26,964,589</b>	<b>29,771,914</b>
<b>Expenses</b>			
Amortization	-	1,419,530	1,371,707
Band government	2,267,786	3,535,324	2,373,800
Commercial fisheries	-	-	26,000
Community services	3,821,972	4,879,784	4,741,546
Economic development	4,169,454	4,659,622	4,284,899
Education	3,058,314	2,493,650	2,916,241
Employment programs	1,537,614	909,333	1,015,518
Health	4,212,038	4,440,705	4,136,091
Housing	1,862,208	1,255,795	1,183,342
Land claims (Natural Resource)	777,427	801,184	749,894
MAMKA	285,643	312,781	367,987
Public works	1,379,796	1,481,060	1,534,495
	<b>23,372,252</b>	<b>26,188,768</b>	<b>24,701,520</b>
<b>Excess of revenue over expenditures</b>			
before appropriations	(2,852,443)	775,821	5,070,394
Transfers from appropriated equity during the year	-	267,099	364,216
Transfers to appropriated equity during the year	-	(546,100)	(720,423)
<b>Excess of revenue over expenditures</b>			
after adjustments to equity	<b>(2,852,443)</b>	<b>496,820</b>	<b>4,714,187</b>

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# Miawpukek Band

## Consolidated Statement of Accumulated Surplus

Year Ended March 31, 2014

	2014	2013
	\$	\$
<b>Accumulated surplus - unappropriated, beginning of year</b>	<b>35,153,279</b>	<b>30,439,092</b>
Excess of revenue over expenditures	496,820	4,714,187
<b>Accumulated surplus - unappropriated, end of year</b>	<b>35,650,099</b>	<b>35,153,279</b>
 <b>Accumulated surplus - appropriated, beginning of year</b>	 <b>2,186,062</b>	 <b>1,829,855</b>
Transfers to equity	546,100	720,423
Allocated to operations	(267,099)	(364,216)
	279,001	356,207
<b>Accumulated surplus - appropriated, end of year</b>	<b>2,465,063</b>	<b>2,186,062</b>
 <b>Total accumulated surplus</b>	 <b>38,115,162</b>	 <b>37,339,341</b>

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**Miawpukek Band**  
**Consolidated Statement of Accumulated Surplus - Appropriated**  
Year Ended March 31, 2014

	Accumulated Surplus - Appropriated Mar 31/12	Transfers from Equity	Transfers to Operations	Accumulated Surplus - Appropriated Mar 31/13	Transfers from Equity	Transfers to Operations	Accumulated Surplus - Appropriated Mar. 31/14
	\$	\$	\$	\$	\$	\$	\$
<b>Natural Resources</b>							
Christmas trees	-	6,501	-	6,501	6,324	-	12,825
Salmon enhancement	-	3,500	-	3,500	-	555	2,945
Silviculture	-	-	-	-	7,646	-	7,646
	-	10,001	-	10,001	13,970	555	23,416
<b>Public Works</b>							
Public works and safety depot	74,000	-	74,000	-	-	-	-
Water system maintenance	50,000	-	32,926	17,074	-	12,208	4,866
Public works sewer maintenance	23,300	-	23,300	-	-	-	-
Water treatment plant repairs	-	-	-	-	-	-	-
Water system maintenance	7,000	-	-	7,000	-	-	7,000
	154,300	-	130,226	24,074	-	12,208	11,866
<b>Economic Development and Training</b>							
Conne River Gas Bar	8,130	103,700	-	111,830	142,845	82,514	172,161
Miawpukek Human Resources - ASETS	63,636	-	8,209	55,427	-	-	55,427
Off reserve housing	251	-	-	251	-	-	251
Off reserve post secondary	80,181	-	8,200	71,981	50,197	-	122,178
On reserve post secondary	51,213	-	-	51,213	35,120	-	86,333
Student employment	8,736	-	4,370	4,366	-	-	4,366
	212,147	103,700	20,779	295,068	228,162	82,514	440,716
<b>Capital Lands and Housing</b>							
Land and environmental	144,072	35,265	104,535	74,802	11,181	-	85,983
Land management	-	-	-	-	26,069	-	26,069
Subsidized housing	36,722	-	-	36,722	1,422	-	38,144
Administration	18,836	41,378	-	60,214	8,128	-	68,342
Housing-special	415,000	-	-	415,000	-	-	415,000
Housing construction	104,456	-	-	104,456	-	1,952	102,504
Lot development	15,465	-	15,465	-	-	-	-
Veteran's monument	-	-	-	-	10,000	-	10,000
	734,551	76,643	120,000	691,194	56,800	1,952	746,042
<b>Miscellaneous</b>							
Fuel storage	-	11,423	-	11,423	-	-	11,423
MAMKA ASFAR	-	24,340	-	24,340	-	-	24,340
Miawpukek Harbour Authority	1,239	-	-	1,239	-	-	1,239
Ocean management	85,470	18,741	74,676	29,535	35,073	13,896	50,712
Equity fund	-	166,310	-	166,310	57,684	-	223,994
Shrimp revenue fund	2,996	-	-	2,996	-	-	2,996
	89,705	220,814	74,676	235,843	92,757	13,896	314,704
<b>Education</b>							
Education	30,080	75,463	18,535	87,008	56,367	44,173	99,202
	30,080	75,463	18,535	87,008	56,367	44,173	99,202
<b>Conne River Health and Social Services</b>							
Social services	-	66,801	-	66,801	-	66,801	-
Brighter futures	28,447	-	-	28,447	-	-	28,447
Child and family services	-	-	-	-	-	-	-
Family violence initiative	16,081	-	-	16,081	-	-	16,081
	44,528	66,801	-	111,329	-	66,801	44,528

**Miawpukek Band**  
**Consolidated Statement of Accumulated Surplus - Appropriated**  
**Year Ended March 31, 2014**

	Accumulated Surplus - Appropriated Mar 31/12	Transfers from Equity	Transfers to Operations	Accumulated Surplus - Appropriated Mar 31/13	Transfers from Equity	Transfers to Operations	Accumulated Surplus - Appropriated Mar. 31/14
	\$	\$	\$	\$	\$	\$	\$
<b>Governance</b>							
Finance	180,000	105,001	-	285,001	2,483	-	287,484
Heritage fund	316,282	62,000	-	378,282	95,561	-	473,843
Intergovernmental Secretariat	45,500	-	-	45,500	-	45,000	500
Self government	22,762	-	-	22,762	-	-	22,762
	564,544	167,001	-	731,545	98,044	45,000	784,589
	1,829,855	720,423	364,216	2,186,062	546,100	267,099	2,465,063

# Miawpukek Band

## Consolidated Statement of Change in Net Financial Assets

Year ended March 31, 2014

	2014	2013
	\$	\$
Excess of revenue over expenditures	775,821	5,070,394
<b>Changes in tangible capital assets</b>		
Acquisition of tangible capital assets	(933,245)	(1,379,589)
Proceeds from disposal of tangible capital assets	3,440	2,000
(Gain) loss on disposal of tangible capital assets	(3,440)	708
Amortization of tangible capital assets	1,654,348	1,506,614
Decrease in tangible capital assets	1,496,924	5,200,127
<b>Change in other non-financial assets</b>		
Acquisition of fishing licenses	(1,350,000)	(690,670)
Net change in prepaid expenses	52,630	(48,874)
Increase in other non-financial assets	(1,297,370)	(739,544)
(Increase) decrease in net financial assets	199,554	4,460,583
Net financial assets (debt), beginning of year	437,428	(4,023,155)
<b>Net financial assets, end of year</b>	<b>636,982</b>	<b>437,428</b>

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**Miawpukek Band**  
**Consolidated Statement of Cash Flows**  
**Year Ended March 31, 2014**

	<b>2014</b>	<b>2013</b>
	\$	\$
<b>Operating transactions</b>		
Excess of revenue over expenditures	775,821	5,070,394
Items not affecting cash		
Amortization of tangible capital assets	1,654,348	1,506,614
(Gain) Loss on disposal of tangible capital assets	(3,440)	708
Government grants	-	(3,809,760)
	<b>2,426,729</b>	<b>2,767,956</b>
Change in other		
Receivables	340,240	(49,172)
Inventories	(100,940)	(80,874)
Prepaid expenses	52,630	(48,874)
Payables and accruals	(303,070)	(755,200)
Deferred revenue	355,653	20,000
	<b>2,771,242</b>	<b>1,853,836</b>
<b>Capital transactions</b>		
Acquisition of tangible capital assets	(933,245)	(1,379,589)
Acquisition of fishing licenses	(1,350,000)	(690,670)
Proceeds from disposal of tangible capital assets	3,440	2,000
	<b>(2,279,805)</b>	<b>(2,068,259)</b>
<b>Financing transactions</b>		
(Repayment) proceeds from of demand loans	(248,039)	549,236
Repayment of long-term debt	(339,851)	(236,660)
Proceeds from long-term debt	88,124	91,000
	<b>(499,766)</b>	<b>403,576</b>
<b>Investing transactions</b>		
Purchase of investments	(209,374)	(115,100)
Increase in CMHC replacement reserve	75,373	60,167
Increase in Trust fund - AANDC	(62)	(58)
(Increase) decrease in Advances to Band Members	(227,058)	186,523
Increase in restricted funds	(51,460)	(196,540)
	<b>(412,581)</b>	<b>(65,008)</b>
Net (decrease) increase in cash	(420,910)	124,145
Cash, beginning of the year	3,185,693	3,061,548
<b>Cash, end of the year</b>	<b>2,764,783</b>	<b>3,185,693</b>

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# Miawpukek Band

## Notes to Consolidated Financial Statements

March 31, 2014

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### 1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards ("PSAS") as recommended by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants ("CICA") and reflect the following significant accounting policies.

The Schedule of Salaries, Honoraria, Travel Expenses and Other Remuneration Elected or Appointed Officials in these financial statements is not required by PSAS but is presented in order to satisfy Aboriginal Affairs and Northern Development Canada. This schedule can be found on page 25 of the financial statements.

#### *Reporting entity and principles of financial reporting*

The Miawpukek Band (the "Band") reporting entity includes the Miawpukek Band government and all related entities which are either owned or controlled by the Miawpukek Band.

These financial statements consolidate the assets, liabilities and results of operations for the following reporting entities.

- Miawpukek Band
- Taqamkuk Development Corporation
- Netukulimk Fisheries Ltd.
- Harbour Authority

All inter-entity balances have been eliminated on consolidation, except in order to present the results of operations for each specific program, in which case transactions amongst funds have not necessarily been eliminated on the individual schedules.

#### *Tangible capital assets*

Tangible capital assets are recorded at cost. Amortization of tangible capital assets is calculated on a declining balance basis at rates which will reduce cost to estimated residual value over the useful lives of the assets.

#### *Impairment of long-lived assets*

Long-lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value.

#### *Inventory*

Inventory consists of finished goods and is recorded at the lower of cost and net realizable value. Cost is determined on a weighted average basis. Net realizable value is the estimated selling price less the estimated cost of completion and the estimated costs necessary to make the sale.

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# Miawpukek Band

## Notes to Consolidated Financial Statements

March 31, 2014

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### 1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### *Fishing licenses*

Fishing licenses represent intangible assets acquired and they are recorded at their fair value at the date of acquisition. Licenses have indefinite lives, are not amortized and are tested for impairment annually, or more frequently, if events or changes in circumstances indicate that the asset might be impaired. The impairment test compares the carrying amount of the licenses with their fair value. When an impairment loss exists, it is recognized and disclosed in the statement of operations.

#### *Revenue recognition*

Revenue is recognized as it becomes receivable under the terms of the applicable funding agreement. Funding received under the funding arrangements which relates to a subsequent fiscal period is reflected as appropriated equity in the year of receipt and classified as such on the statement of financial position.

Government grants and transfers are recognized in the period in which events give rise to the transfer occurring, provided the transfers are authorized, any eligibility criteria has been met, including performance and return requirements, and reasonable estimates of the amount can be determined.

Other revenues are recognized as earned provided collection is reasonably assured.

Revenues from the sale of goods and services are recognized as earned where price is fixed or determinable and when collection is reasonably assured.

Revenue received for a future period is deferred until that period and is recorded as deferred revenue.

#### *Investments*

Investments are recorded at cost which approximates fair value.

#### *Use of estimates*

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ materially from those estimates.

# Miawpukek Band

## Notes to Consolidated Financial Statements

March 31, 2014

### 2. ECONOMIC DEPENDENCE

The Miawpukek Band receives a major portion of its revenues pursuant to funding arrangements with Aboriginal Affairs and Northern Development Canada and Health Canada.

As explained in Note 15, under the terms of the agreement, funding from the arrangement with Aboriginal Affairs and Northern Development Canada can be suspended if the terms of the funding agreement are not complied with by the Miawpukek Band.

### 3. RECEIVABLES

	2014	2013
	\$	\$
ACOA	-	29,700
CMHC	-	13,932
Coast of Bays Contracting	6,869	16,929
Conne River Forest Products	4,114	4,509
Department of Fisheries and Oceans	528,214	896,934
Federation of Newfoundland Indians	66,240	74,280
First Nation Trust	9,622	9,622
Fortune Bay Aquaculture	-	2,825
Funding - AANDC	166,221	293,108
Gray's Aquaculture	10,691	43,683
Health Canada	-	86,500
HST receivable	61,612	59,841
John Equipment	1,908	1,908
John N. Jeddore environmental cleanup	345,580	-
Justice Canada	7,500	4,762
M'kmaq Diving Services	88,629	100,063
Miscellaneous	668,209	618,734
NSF cheques	4,268	7,276
Sit Down Pond Camp Inc.	10,891	10,891
	1,980,568	2,275,497
Less: Allowance for doubtful accounts	(848,292)	(802,981)
	1,132,276	1,472,516

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**Miawpukek Band**  
**Notes to Consolidated Financial Statements**  
**March 31, 2014**

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**4. INVENTORIES**

	2014	2013
	\$	\$
Conne River Buildings Supplies	501,843	418,155
Conne River Garage	14,222	14,350
Conne River Gas Bar	35,069	58,251
Marina	15,825	-
Micmac Arts and Crafts	45,179	46,673
<b>Miawpukek Wholesalers</b>	<b>37,907</b>	<b>11,676</b>
	<b>650,045</b>	<b>549,105</b>

**5. RESTRICTED FUNDS**

Restricted funds represent segregated cash balances that have been externally restricted by third parties for future purposes. The restricted fund balance has been segregated to meet obligations with the Canada Mortgage and Housing Corporation ("CMHC"), further disclosed in Note 10, as well as obligations as a result of guaranteeing certain Band member loans as disclosed in Note 15(c).

**6. LOANS AND ADVANCES TO BAND MEMBERS**

Advances to Band Members represent advances which are loaned based on assessments performed on a case by case basis, as well as long-term housing loans guaranteed to Band Members. The advances are repaid through payroll deductions when the Band members are employed under the Band's programs and operations. Long-term housing loans are paid based on terms agreed upon by the parties.

	2014	2013
	\$	\$
Loans and advances to Band members	998,986	749,988
Less: Allowance for doubtful accounts	(157,700)	(135,760)
	<b>841,286</b>	<b>614,228</b>

**Miawpukek Band**  
**Notes to Consolidated Financial Statements**  
March 31, 2014

**7. PAYABLES AND ACCRUALS**

	2014	2013
	\$	\$
Trade payables	515,280	929,557
Accrued salaries and benefits payable	22,960	170,481
Other accrued liabilities	512,330	277,287
Severance payable	23,685	-
	<b>1,074,255</b>	<b>1,377,325</b>

**8. DEFERRED REVENUE**

	Balance March 31, 2013	Funding Received 2014	Revenue Recognized 2014	Balance March 31, 2014
	\$	\$	\$	\$
Federal Government				
Other	15,000	370,653	15,000	<b>370,653</b>
Other				
Other	5,000	-	-	<b>5,000</b>
	20,000	370,653	15,000	<b>375,653</b>

**9. DEMAND LOANS**

The Band has demand loans with Canadian Imperial Bank of Commerce at varying rates of interest and repayable amounts, which are secured by properties situated in Conne River, Newfoundland and Labrador, a general security agreement and borrowing resolutions from the Band.

**10. CMHC REPLACEMENT RESERVE**

Under the terms of the agreement with CMHC, the replacement reserve account is to be credited in the amount of \$300 to \$1,000 per unit annually. These funds, along with accumulated interest, must be held in a separate bank account or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC. Withdrawals are credited to interest first and then to principal. The funds in the account may only be used as approved by the CMHC. At year end, the funds in the reserve consisted of cash of \$488,584 (\$412,025 post-1997 program, \$76,559 pre-1996 program) (2013 - \$413,211).

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**Miawpukek Band**  
**Notes to Consolidated Financial Statements**  
March 31, 2014

**11. LONG-TERM DEBT**

	2014	2013
	\$	\$
<b>Canada Mortgage and Housing Corporation</b>		
1.81% mortgage repayable in monthly instalments of \$828 including interest, maturing March 1, 2024	91,428	99,647
1.67% mortgage repayable in monthly instalments of \$2,180 including interest, maturing February 1, 2017	76,743	101,441
3.9% mortgage, repayable in monthly instalments of \$1,900 including interest, maturing January 1, 2023	170,414	188,032
1.81% mortgage, repayable in monthly instalments of \$1,947 including interest, maturing March 1, 2024	213,628	232,952
4.31% mortgage, repayable in monthly instalments of \$1,724 including interest, maturing April 1, 2022	139,365	155,171
2.57% mortgage, repayable in monthly instalments of \$1,032 including interest, maturing October 1, 2024	115,195	124,514
2.84% mortgage, repayable in monthly instalments of \$1,050 including interest, maturing January 1, 2025	117,891	127,032
2.76% mortgage, repayable in monthly instalments of \$709 including interest, maturing May 1, 2030	111,290	116,673
3.47% mortgage, repayable in monthly instalments of \$415 including interest, maturing April 1, 2033	69,398	72,317
3.9% mortgage, repayable in monthly instalments of \$3,957 including interest, maturing March 1, 2033	631,177	659,336
3.16% mortgage, repayable in monthly instalments of \$1,055 including interest, maturing April 1, 2028	143,682	152,384
1.81% mortgage, repayable in monthly instalments of \$588 including interest, maturing May 1, 2029	93,919	99,241
1.67% mortgage, repayable in monthly instalments of \$948 including interest, maturing March 1, 2026	116,982	125,179

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**Miawpukek Band**  
**Notes to Consolidated Financial Statements**  
**March 31, 2014**

**11. LONG-TERM DEBT (Continued)**

	<b>2014</b>	<b>2013</b>
	\$	\$
<b>Canada Mortgage and Housing Corporation</b>		
4.55% mortgage, repayable in monthly instalments of \$763 including interest, maturing May 1, 2027	89,098	95,095
2.65% mortgage, repayable in monthly instalments of \$344 including interest, maturing February 1, 2020	22,950	26,481
2.26% mortgage, repayable in monthly instalments of \$695 including interest, maturing July 1, 2031	120,104	125,683
4.45% mortgage, repayable in monthly instalments of \$1,674 including interest, maturing May 1, 2032	246,924	258,447
2.86% mortgage, repayable in monthly instalments of \$932 including interest, maturing July 1, 2034	172,589	178,773
Non-interest bearing loan, forgiveable at a rate of one-fifteenth of the original principal amount for each year that the Band continues to own and use the funded asset in accordance with the agreement between parties	52,576	57,833
2.69% mortgage, repayable in monthly instalments of \$1,242 including interest, maturing August 1, 2035	242,884	251,173
1.68% mortgage, repayable in monthly instalments of \$371 including interest, maturing April 1, 2038	88,316	91,000
1.68% mortgage, repayable in monthly instalments of \$371 including interest, maturing April 1, 2038	88,124	
<b>Ulnooweg Development Corporation</b>		
6.25% loan, repayable in quarterly instalments of \$3,229 including interest, maturing June 30, 2015	12,393	24,072
6.25% loan, repayable in quarterly instalments of \$3,363 including interest, maturing June 30, 2015	12,789	24,962

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**Miawpukek Band**  
**Notes to Consolidated Financial Statements**  
March 31, 2014

**11. LONG-TERM DEBT (Continued)**

	2014	2013
	\$	\$
<b>Ally Credit Canada Limited</b>		
6.84% vehicle loan, repayable in monthly instalments of \$448 including interest, maturing March 23, 2016	10,029	14,553
6.84% vehicle loan, repayable in monthly instalments of \$458 including interest, maturing March 23, 2016	10,249	14,873
<b>Non-interest bearing loan with no set repayment term</b>		
Dream catcher	95,000	
	<u>3,260,137</u>	<u>3,511,864</u>

CMHC mortgages are secured by properties in Conne River, Newfoundland and Labrador.

Equipment finance contracts and vehicle loans are secured by specific equipment and vehicles.

The Ulnooweg Development Corporation loans, issued to the Band, are secured by a Miawpukek First Nation resolution guaranteeing the loans and a general security agreement on a 185 Cessna float plane, a bulldozer and 33-foot pleasure vessel owned by the Band and a general security agreement over assets of the Miawpukek Gas Bar and accounts receivable.

Annual principal repayments in each of the next five years are as follows:

	\$
2015	237,957
2016	220,493
2017	214,037
2018	196,523
2019	191,366
Thereafter	2,199,761

**12. CREDIT FACILITY**

The Band has an available credit facility in the amount of \$150,000 (2013 - \$100,000), of which \$44,554 remained unused at March 31, 2014 (2013 - \$72,888). The facility bears interest at a rate of prime plus 3% and is secured by a guarantee of the Miawpukek Band.

**Miawpukek Band**  
**Notes to Consolidated Financial Statements**  
**March 31, 2014**

**13. TANGIBLE CAPITAL ASSETS**

	2014			2013		
	Amortization		Accumulated	Net Book	Cost	Net Book
	Rate	Cost	Amortization	Value	\$	\$
	%	\$	\$	\$	\$	\$
Buildings	4	32,589,213	12,587,822	20,001,391	32,025,096	20,292,108
Equipment	20	9,043,767	7,642,141	1,401,626	8,787,009	1,511,050
Motor vehicles	30	2,268,683	2,119,782	148,901	2,221,183	165,216
Roads	2.5	5,023,563	1,740,211	3,283,352	5,008,546	3,354,092
Sports facilities	4	176,895	90,187	86,708	176,895	90,321
Subdivision	2.5	500,127	177,171	322,956	500,127	331,237
Vessel	15	2,860,740	2,099,466	761,274	2,810,740	843,851
Work-in-progress		89,330	-	89,330	89,330	89,330
Water and sewer	2.5	8,140,995	2,702,984	5,438,011	8,140,995	5,577,447
		60,693,313	29,159,764	31,533,549	59,759,921	32,254,652

There is no amortization taken on work-in-progress assets until the asset is available for use.

**14. FEDERAL ASSISTANCE PAYMENTS**

The CMHC projects have received federal assistance through Canada Mortgage and Housing Corporation pursuant to Section 56.1 of the National Housing Act to reduce mortgage interest expense to 2% to enable the Band to provide housing to low income individuals. The amount of the assistance received through March 31, 2014 was \$131,161 (\$22,376 post-1997 program, \$108,785 pre-1996 program) (2013 - \$143,208).

**15. CONTINGENCIES**

- a) The Band has entered into a funding arrangement with Aboriginal Affairs and Northern Development Canada for ten years effective April 1, 2013. The Band has entered into a five-year funding arrangement with Health Canada, effective April 1, 2014. These funds may be repayable if minimum program requirements are not met.
- b) The Band has entered into contribution agreements with various government departments. Funding received under these contribution agreements are subject to repayment if the Band fails to comply with the terms and conditions of the agreements.
- c) The Band has provided guarantees for band members for loans totaling \$20,180 which are secured by restricted funds in this amount.

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**Miawpukek Band**  
**Notes to Consolidated Financial Statements**  
**March 31, 2014**

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**15. CONTINGENCIES (Continued)**

- d) The Band has provided ministerial guarantee mortgages of \$1,514,709 for Band members which are secured by the specific property mortgaged. These mortgages are not recorded as liabilities of the Band.
- e) The Band has provided letters of credit for \$440,000.
- f) The Band supports the recognition of the employees' years of service to the Band. A general provision for severance pay has not been recognized in the consolidated financial statements as the employees must apply to the Band for this compensation and it is subject to budgetary concerns of the Band.

**16. DEFINED CONTRIBUTION PENSION PLAN**

The Band has established a defined contribution pension plan registered in the name of the Miawpukek First Nation. The assets of the plan are held separately from those of the Band in an independently administered fund. Contributions paid by the Band for the year ended March 31, 2014 amounted to \$264,448 (2013 - \$261,356).

**17. STATUTORY REMITTANCES**

As at March 31, 2014, the Band has submitted all required remittances under the Income Tax Act.

**18. SEGMENT DISCLOSURES**

The Band provides a range of services to its members. For management reporting purposes, operations and activities are organized and reported by department. Schedule 1 presents each segment reported, the segment revenue and expenses that are directly attributable to the segment and amounts that are allocated on a reasonable basis.