

Consolidated financial statements of

Miawpukek Band

March 31, 2017

Miawpukek Band

March 31, 2017

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Miawpukek Band

Management's Responsibility for Financial Reporting

March 31, 2017

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.

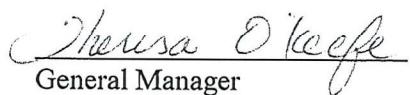
The Miawpukek First Nation is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements.

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.



Vice Chief



Theresa O'Keefe
General Manager

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, 2017, and the consolidated statements of operations, accumulated surplus, accumulated surplus – appropriated, change in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Miawpukek Band as at March 31, 2017, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other matter

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which states that the Band reports certain financial information that is not required by Canadian public sector accounting standards. This information is presented in order to satisfy Indigenous and Northern Affairs and is presented on page 27.

Deloitte LLP

Chartered Professional Accountants
July 21, 2017

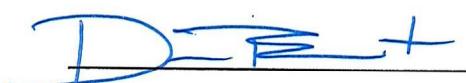
Miawpukek Band

Consolidated statement of financial position as at March 31, 2017

	2017	2016
	\$	\$
Financial assets		
Cash	7,365,638	3,167,462
Receivables (Note 3)	948,648	501,352
Investments	2,200,765	6,185,411
Inventories (Note 5)	898,576	941,499
Restricted funds (Note 6)	1,265,825	1,136,979
Loans and advances to band members (Note 7)	618,232	900,322
Trust fund - INAC	52,825	2,626
	13,350,509	12,835,651
Liabilities		
Payables and accruals (Note 8)	2,566,215	2,008,454
Deferred revenue (Note 9)	432,732	500
Demand loans (Note 10)	5,347,216	4,351,855
CMHC replacement reserve (Note 11)	605,435	582,718
MFN maintenance reserve	8,900	-
Long-term debt (Note 12)	2,781,852	2,843,278
	11,742,350	9,786,805
Net financial assets	1,608,159	3,048,846
Non-financial assets		
Tangible capital assets (Note 14)	48,635,577	35,496,823
Fishing licenses	9,037,825	7,037,825
Prepaid expenses	17,535	22,923
	57,690,937	42,557,571
Unappropriated (Page 6)	52,456,223	38,672,264
Appropriated (Page 6)	6,842,873	6,934,153
Accumulated surplus	59,299,096	45,606,417

Contingencies (Note 18)

On behalf of the Band:

 Vice Chief

 Councillor

Miawpukek Band

Consolidated statement of operations year ended March 31, 2017

	Budget	2017	2016
	\$	\$	\$
	(Unaudited)		
Revenue (Note 15)			
Federal government operating transfers	30,443,647	31,554,650	22,089,548
Federal government capital transfers	123,893	614,418	939,388
Other revenue	6,460,835	2,277,243	3,059,144
Provincial government operating transfers	-	196,992	173,007
Economic activities	3,135,802	8,968,538	7,262,535
	40,164,177	43,611,841	33,523,622
Expenses			
Amortization	-	2,001,374	1,975,508
Band government	2,684,687	3,037,163	3,303,117
Commercial fisheries	123,893	-	-
Community services	2,783,907	3,026,824	3,012,094
Economic development	7,563,045	8,161,812	6,963,717
Education	2,197,407	3,549,216	3,140,626
Employment programs	1,100,304	996,182	942,880
Health	6,247,737	4,946,309	4,701,711
Housing	14,542,702	1,278,275	977,338
Land claims (Natural Resource)	891,777	960,630	908,182
MAMKA	359,835	354,809	377,599
Public works	1,588,768	1,606,568	1,686,591
	40,084,062	29,919,162	27,989,363
Excess of revenue over expenditures before appropriations			
Transfers from appropriated equity during the year	80,115	13,692,679	5,534,259
Transfers to appropriated equity during the year	-	2,652,771	500,851
Excess of revenue over expenditures after appropriations	-	(2,561,491)	(4,664,944)
	80,115	13,783,959	1,370,166

This report is the property of the Miawpukek Band Council and cannot be copied or distributed without the consent of the Miawpukek Band Council.

Miawpukek Band

Consolidated statement of accumulated surplus
year ended March 31, 2017

	2017	2016
	\$	\$
Accumulated surplus - unappropriated, beginning of year	38,672,264	37,302,098
Excess of revenue over expenditures	13,783,959	1,370,166
Accumulated surplus - unappropriated, end of year	52,456,223	38,672,264
 Accumulated surplus - appropriated, beginning of year	 6,934,153	 2,770,060
Transfers to appropriated equity during the year	2,561,491	4,664,944
Transfers from appropriated equity during the year	(2,652,771)	(500,851)
	(91,280)	4,164,093
	6,842,873	6,934,153
 Total accumulated surplus	 59,299,096	 45,606,417

Miawpukek Band

Consolidated statement of accumulated surplus - appropriated
year ended March 31, 2017

	Accumulated Surplus - Appropriated Mar. 31/15	Transfers from Equity	Transfers to Operations	Accumulated Surplus - Appropriated Mar. 31/16	Transfers from Equity	Transfers to Operations	Accumulated Surplus - Appropriated Mar. 31/17
Natural Resources							
Christmas trees	4,644	-	4,644	-	-	-	-
Salmon enhancement	2,945	-	1,537	1,408	-	-	1,408
Silviculture	201	-	-	201	20,000	-	20,201
	7,790	-	6,181	1,609	20,000	-	21,609
Public Works							
Sewer Maintenance	-	-	-	-	871,506	-	871,506
Waterline repairs- laterals	-	-	-	-	111,943	-	111,943
	-	-	-	-	983,449	-	983,449
Economic Development and Training							
Canoe construction	-	-	43,383	118,146	30,005	-	30,005
Conne River Gas Bar	161,529	-	-	55,427	82,732	-	118,146
Miawpukek Human Resources - ASETS	55,427	-	-	50,175	74,892	-	138,159
Off reserve post secondary	125,067	-	-	-	-	1,670	73,222
Outfitters	-	-	-	-	26,000	-	26,000
On reserve post secondary	86,333	-	-	86,333	103,776	-	190,109
Student employment	4,366	-	-	4,366	-	-	4,366
	432,722	-	93,558	339,164	242,513	1,670	580,007

Miawpuket Band

Consolidated statement of accumulated surplus - appropriated
year ended March 31, 2017

	Accumulated Surplus - Appropriated Mar. 31/15	Transfers from Equity	Transfers to Operations	Accumulated Surplus - Appropriated Mar. 31/16	Transfers from Equity	Transfers to Operations	Accumulated Surplus - Appropriated Mar. 31/17
Capital Lands and Housing							
Arena fund	-	11,796	-	11,796	3,184	-	14,980
Elder's program	-	8,752	-	8,752	-	3,591	5,161
Land and environmental	85,983	10,948	-	96,931	25,000	-	121,931
Land management	26,069	-	-	26,069	9,885	-	35,954
School construction	-	4,202,585	-	4,202,585	-	2,540,418	1,662,167
Subsidized housing	38,144	-	-	38,144	-	-	38,144
Administration	11,402	-	-	11,402	-	-	11,402
Housing-special	415,000	-	-	415,000	-	-	415,000
Housing construction	102,504	-	8,096	94,408	-	-	94,408
Veteran's monument	6,676	-	-	6,676	-	-	6,676
	685,778	4,234,081	8,096	4,911,763	38,069	2,544,009	2,405,823
Miscellaneous							
Fuel storage	11,423	-	11,423	-	-	-	-
MAMKA ASFAR	24,340	-	11,662	12,678	-	4,369	8,309
Ocean management	13,436	-	13,436	-	-	-	-
Equity fund	269,648	44,867	8,176	306,339	35,690	-	342,029
	318,847	44,867	44,697	319,017	35,690	4,369	350,338

This report is the property of the Miawpuket Band Council and cannot be copied or distributed without the consent of the Miawpuket Band Council.

Miauwpukek Band

Consolidated statement of accumulated surplus - appropriated
year ended March 31, 2017

	Accumulated Surplus - Appropriated Mar. 31/15	Transfers from Equity	Transfers to Operations	Accumulated Surplus - Appropriated Mar. 31/16	Transfers from Equity	Transfers to Operations	Accumulated Surplus - Appropriated Mar. 31/17
Education							
Education	99,202	-	8,382	90,820	-	-	90,820
	99,202	-	8,382	90,820	-	-	90,820
Conne River Health and Social Services							
Capital investment	-	-	-	-	563,059	-	563,059
Moveable capital assets	-	-	-	-	5,915	-	5,915
Brighter futures	28,447	-	-	28,447	-	-	28,447
Family violence initiative	16,081	-	-	16,081	-	-	16,081
Health service integration fund	20,855	-	20,855	-	-	-	-
Health transfer agreement	-	-	-	-	10,564	-	10,564
Employment services	398,511	335,996	318,582	415,925	200,000	-	615,925
	463,894	335,996	339,437	460,453	779,538	-	1,239,991
Governance							
Finance	287,484	-	-	287,484	-	-	287,484
Heritage fund	473,843	50,000	-	523,843	-	102,723	421,120
Intergovernmental Secretariat	500	-	500	-	-	-	-
Hurricane Matthew	-	-	-	-	454,132	-	454,132
Repartition	-	-	-	-	5,500	-	5,500
Emergency relief	-	-	-	-	2,600	-	2,600
	761,827	50,000	500	811,327	462,332	102,723	1,170,836
	2,770,060	4,664,944	500,851	6,934,153	2,561,491	2,652,771	6,842,873

Miawpukek Band

Consolidated statement of change in net assets
year ended March 31, 2017

	2017	2016
	\$	\$
Excess of revenue over expenditures	13,692,679	5,534,259
Changes in tangible capital assets		
Acquisition of tangible capital assets	(15,147,957)	(4,208,479)
Proceeds from disposal of tangible capital assets	10,000	-
Gain on disposal of tangible capital assets	(2,171)	-
Amortization of tangible capital assets	2,001,374	1,975,508
Acquisition of fishing licenses	(2,000,000)	-
Decrease in tangible capital assets	(1,446,075)	3,301,288
Change in other non-financial assets		
Net change in prepaid expenses	5,388	(6,419)
Change in other non-financial assets	5,388	(6,419)
Increase in net financial assets	(1,440,687)	3,294,869
Net financial assets (debt), beginning of year	3,048,846	(246,023)
Net financial assets, end of year	1,608,159	3,048,846

Miawpukek Band

Consolidated statement of cash flows year ended March 31, 2017

	2017	2016
	\$	\$
Operating transactions		
Excess of revenue over expenditures before appropriations	13,692,679	5,534,259
Items not affecting cash		
Amortization of tangible capital assets	2,001,374	1,975,508
Gain on disposal of tangible capital assets	(2,171)	-
	15,691,882	7,509,767
Change in other		
Receivables	(447,296)	551,648
Inventories	42,923	(280,228)
Prepaid expenses	5,388	(6,419)
Payables and accruals	557,761	571,246
Deferred revenue	432,232	(4,500)
	16,282,890	8,341,514
Capital transactions		
Acquisition of tangible capital assets	(15,147,957)	(4,208,479)
Proceeds from disposal of tangible capital assets	10,000	-
Acquisition of fishing licenses	(2,000,000)	-
	(17,137,957)	(4,208,479)
Financing transactions		
Repayment of demand loans	(635,112)	-
Proceeds from demand loans	1,630,473	2,338,286
Repayment of long-term debt	(232,930)	(249,912)
Proceeds from long-term debt	171,504	-
	933,935	2,088,374
Investing transactions		
Purchase of investments	-	(5,221,427)
Disposal of investments	3,984,646	-
Increase in CMHC replacement reserve	22,717	46,798
Increase in MFN maintenance reserve	8,900	-
Increase in Trust fund - INAC	(50,199)	(27)
Decrease (increase) in advances to band members	282,090	(119,705)
Increase in restricted funds	(128,846)	(103,104)
	4,119,308	(5,397,465)
Net increase in cash	4,198,176	823,944
Cash, beginning of the year	3,167,462	2,343,518
Cash, end of the year	7,365,638	3,167,462

Miawpukek Band

Notes to consolidated financial statements

March 31, 2017

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 Professional Accountants ("CPA") and reflect the following significant accounting policies:

Certain schedules in these financial statements are not required by PSAS but are presented in order to satisfy Indigenous and Northern Affairs Canada ("INAC"). These schedules can be found on pages 146 - 148 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.

Fishing licenses

Fishing licenses represent intangible assets acquired and which 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.

Miawpukek Band

Notes to consolidated financial statements

March 31, 2017

1. Basis of presentation and significant accounting policies (continued)

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 the 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 comprised of guaranteed investment certificates and 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. Key components of the financial statements requiring management to make estimates include the cost and net realizable value of inventories, the useful lives of long-lived assets, accrued liabilities and collectability of accounts receivable. Actual results could differ materially from those estimates.

2. Economic dependence

The Miawpukek Band receives a major portion of its revenues pursuant to funding arrangements with Indigenous and Northern Affairs Canada (“INAC”).

As explained in Note 18, under the terms of the agreement, funding from the arrangement with Indigenous and Northern Affairs Canada can be suspended if the terms of the funding agreement are not complied with by the Miawpukek Band.

Miawpukek Band

Notes to consolidated financial statements
March 31, 2017

3. Receivables

	2017	2016
	\$	\$
ACOA	-	14,383
Birds Construction	31,724	-
CMHC	9,000	40,939
Coast of Bays Contracting	9,967	302
Department of Fisheries and Oceans	302,529	108,000
Federation of Newfoundland Indians	57,240	64,440
INAC (Note 4)	101,231	73,408
INAC - interchange	126,860	-
Gray's Aquaculture	6,061	5,981
HST receivable	56,676	65,183
John Equipment	1,908	1,908
John N. Jeddore environmental cleanup	299,806	313,806
Justice Canada	69,544	72,644
Mi'kmaq Diving Services	88,629	88,629
Miscellaneous	501,687	114,472
NSF cheques	-	1,289
Sit Down Pond Camp Inc.	10,891	10,891
	1,673,753	976,275
Less: Allowance for doubtful accounts	(725,105)	(474,923)
	948,648	501,352

4. Reconciliation of INAC receivable

	2017	2016
	\$	\$
Balance as confirmed by INAC March 31	111,306	140,134
Adjustments:		
Funds received subsequent to year end	37,000	5,878
Unspent funds - post secondary (Note 15)	(5,825)	(22,604)
Unspent funds - child and family foster homes (Note 15)	(41,250)	(50,000)
Ending balance	101,231	73,408

Subsequent to year end, on April 6, the Band received \$37,000 (2016 - \$5,878) in funding from INAC relating to the 2017 fiscal year, therefore this balance is included in receivables at March 31, 2017.

Miawpukek Band

Notes to consolidated financial statements
March 31, 2017

5. Inventories

	2017	2016
	\$	\$
Conne River Building Supplies	534,801	587,744
Conne River Garage	9,326	4,357
Conne River Gas Bar	250,203	241,703
Marina	-	4,543
Miawpukek Wholesalers	56,878	44,287
Micmac Arts and Crafts	47,368	58,865
	898,576	941,499

6. 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 11, as well as obligations as a result of guaranteeing certain Band member loans as disclosed in Note 18(c).

7. 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.

	2017	2016
	\$	\$
Loans and advances to Band members	1,193,163	1,257,770
Less: Allowance for doubtful accounts	(574,931)	(357,448)
	618,232	900,322

8. Payables and accruals

	2017	2016
	\$	\$
Accrued salaries and benefits payable	205,083	97,437
Other accrued liabilities	640,087	847,309
Severance payable	197,895	43,000
Trade payables	1,523,150	1,020,708
	2,566,215	2,008,454

Included in other accrued liabilities is an amount payable to INAC of \$117,250 (2016 - \$14,908) relating to unspent funds in the Band's post secondary program- mushuau. Refer to Note 15 for further details.

Miawpukek Band

Notes to consolidated financial statements
March 31, 2017

9. Deferred revenue

	Balance March 31, 2016	Funding Received 2017	Revenue Recognized 2017	Balance March 31, 2017
	\$	\$	\$	\$
Other	500	432,732	500	432,732

10. Demand loans

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

In addition, the Band has issued demand promissory notes to K.L. Malone Mackeral Ltd. (\$175,000) and Yarmouth Sea Products Limited (\$1,425,000) which are secured by fishing licences and due on termination of commercial fishing agreement by either party. Interest only accrues in the event of agreement termination and is payable at 19% per annum.

11. 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 \$605,435 (\$505,805 post-1997 program, \$88,294 pre-1996 program, \$11,336 reserve overfunded) (2016 - \$582,718).

12. Long-term debt

	2017	2016
	\$	\$
Canada Mortgage and Housing Corporation		
1.92% mortgage repayable in monthly instalments of \$833 including interest, maturing March 1, 2024	65,410	74,063
1.62% mortgage, repayable in monthly instalments of \$1,708 including interest, maturing January 1, 2023	114,034	132,530
1.92% mortgage, repayable in monthly instalments of \$1,958 including interest, maturing March 1, 2024	153,789	174,134

Miawpukek Band

Notes to consolidated financial statements March 31, 2017

12. Long-term debt (continued)

	2017	2016
	\$	\$
Canada Mortgage and Housing Corporation		
4.31% mortgage, repayable in monthly instalments of \$1,724 including interest, maturing April 1, 2022	88,862	105,479
2.57% mortgage, repayable in monthly instalments of \$1,032 including interest, maturing October 1, 2024	84,607	94,921
1.14% mortgage, repayable in monthly instalments of \$884 including interest, maturing January 1, 2025	90,661	100,001
1.39% mortgage, repayable in monthly instalments of \$644 including interest, maturing May 1, 2030	92,945	99,339
1.67% mortgage, repayable in monthly instalments of \$353 including interest, maturing April 1, 2033	59,691	62,904
1.62% mortgage, repayable in monthly instalments of \$3,216 including interest, maturing March 1, 2033	543,926	573,501
1.67% mortgage, repayable in monthly instalments of \$951 including interest, maturing April 1, 2028	115,484	124,899
1.92% mortgage, repayable in monthly instalments of \$593 including interest, maturing May 1, 2029	77,224	82,812
1.05% mortgage, repayable in monthly instalments of \$965 including interest, maturing March 1, 2026	87,047	97,657
1.65% mortgage, repayable in monthly instalments of \$626 including interest, maturing May 1, 2027	70,292	76,598
1.08% mortgage, repayable in monthly instalments of \$338 including interest, maturing February 1, 2020	11,655	15,558
1.05% mortgage, repayable in monthly instalments of \$637 including interest, maturing July 1, 2031	101,746	108,044
1.65% mortgage, repayable in monthly instalments of \$1,306 including interest, maturing May 1, 2032	210,216	222,330

Miawpukek Band

Notes to consolidated financial statements
March 31, 2017

12. Long-term debt (continued)

	2017	2016
	\$	\$
Canada Mortgage and Housing Corporation		
2.86% mortgage, repayable in monthly instalments of \$932 including interest, maturing July 1, 2034	151,239	158,585
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	36,803	42,011
1.08% mortgage, repayable in monthly instalments of \$1,069 including interest, maturing August 1, 2035	214,152	224,614
1.68% mortgage, repayable in monthly instalments of \$371 including interest, maturing April 1, 2038	79,088	82,196
2.00% mortgage, repayable in monthly instalments of \$382 including interest, maturing April 1, 2038	80,617	83,569
1.82% mortgage, repayable in monthly instalments of \$365 including interest, maturing September 1, 2039	80,860	83,749
1.13% mortgage, repayable in monthly instalments of \$364 including interest, maturing September 1, 2039	92,796	-
1.67% mortgage repaid during the year	-	23,784
	2,703,144	2,843,278
 8.00 % loan with Ulnooweg Development Group Inc., repayable in annual payments of \$12,963 including interest, maturing May 25, 2021.	 78,708	 -
	2,781,852	2,843,278

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

Miawpukek Band

Notes to consolidated financial statements
March 31, 2017

12. Long-term debt (continued)

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

	\$
2018	214,902
2019	220,711
2020	226,022
2021	225,200
2022	234,925
Thereafter	1,660,092

13. Credit facility

The Band has an available credit facility in the amount of \$350,000 (2016 - \$100,000), of which \$350,000 remained unused at March 31, 2017 (2016 - \$100,000). The facility bears interest at a rate of prime plus 3% and is secured by a guarantee of the Miawpukek Band.

14. Tangible capital assets

	Amortization Rate	2017			2016	
		Cost %	Accumulated Amortization \$	Net Book Value \$	Cost \$	Net Book Value \$
Buildings	4	35,143,330	15,006,293	20,137,037	34,365,357	20,218,915
Equipment	20	10,590,496	8,676,304	1,914,192	10,079,599	2,075,821
Motor vehicles	30	2,774,874	2,388,763	386,111	2,207,010	108,567
Roads	2.5	5,742,207	2,032,192	3,710,015	5,718,710	3,783,508
Sports facilities	4	176,895	100,181	76,714	176,895	79,910
Subdivision	2.5	1,285,569	248,643	1,036,926	1,285,569	1,063,514
Vessel	15	3,862,723	2,670,425	1,192,298	3,822,330	1,359,196
Water and sewer	2.5	8,928,852	3,135,612	5,793,240	8,757,715	5,770,647
Work-in-progress		14,389,044	-	14,389,044	1,036,745	1,036,745
		82,893,990	34,258,413	48,635,577	67,449,930	35,496,823

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

Miawpukek Band

Notes to consolidated financial statements
March 31, 2017

15. Revenue – Federal Government operating transfers

	2017	2016
	\$	\$
Indigenous and Northern Affairs Canada		
Grant	10,845,970	10,633,304
Block	767,834	713,550
Set	1,614,568	1,431,988
Flexible	11,247,097	901,741
Fixed	993,697	5,292,600
	25,469,166	18,973,183
Adjustments (set)	(164,325)	(87,512)
Net funding for fiscal year	25,304,841	18,885,671
Health Canada		
Block	1,555,365	1,466,205
Set	658,307	875,186
Flexible	1,775,741	253,047
	3,989,413	2,594,438
Adjustments	(4,561)	27,244
Net funding for fiscal year	3,984,852	2,621,682
CMHC	349,859	168,493
Other	13,972,289	11,847,776
	43,611,841	33,523,622

During the year, the Band had surpluses in their post secondary program of \$123,075 and in child and family foster homes program of \$41,250. These programs are under the set funding agreement, and as such, any unspent funds are repayable to INAC. Included in the post secondary program surplus above, \$117,250 of funds have been received from INAC, therefore there has been a reduction to revenue of \$117,250, and an increase to accrued liabilities of \$117,250. The remaining surplus balance in the post secondary program of \$5,825 and the surplus in child and family foster homes program of \$41,250, has not been received from INAC, therefore a reduction in revenue and in accounts receivable has been recorded. Refer to Notes 4 and 8 for further details.

16. 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 assistance received through March 31, 2017 was \$130,858 (\$109,362 post-1997 program, \$21,496 pre-1996 program) (2016 - \$132,116).

Miawpukek Band

Notes to consolidated financial statements
March 31, 2017

17. Reconciliation of Service Canada funding

	2017
	\$
El:	
Carry over from previous year	8,912
Used in current year	(8,912)
Unexpended balance forward to 2017/2018	-
 CRF:	
Carry forward from previous year	-
Surplus youth at risk	74,985
Surplus CRF regular funding	7,747
Unexpended balance forward to 2017/2018	82,732

18. Contingencies

- a) The Band has entered into a funding arrangement with Indigenous and Northern Affairs 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 \$11,729 (2016 - \$14,546) which are secured by restricted funds in this amount.
- d) The Band has provided ministerial guarantees on mortgages of \$1,531,708 (2016 - \$1,531,708) 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 (2016 - \$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.

19. 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, 2017 amounted to \$241,896 (2016 - \$225,561).

Miawpukek Band

Notes to consolidated financial statements
March 31, 2017

20. Statutory remittances

As at March 31, 2017, the Band has submitted all required remittances under the Income Tax Act.

21. 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.

Miawpukek Band
 Segment disclosures - Schedule 1
 Year ended March 31, 2017

	Natural Resources		Commercial Fisheries		Manufacturing		Public Works		\$	\$	\$	\$
	Budget 2017	2017	Budget 2017	2017	Budget 2017	2017	Budget 2017	2017				
Revenues												
Federal government operating transfers	836,205	974,478	925,717	925,717	-	-	219,659	312,289	354,581	1,394,044	2,593,119	1,298,874
Federal government capital transfers	-	-	34,873	37,500	123,893	123,893	-	-	-	-	397,000	845,863
Provincial government operating transfers	-	-	-	-	-	-	-	-	-	-	-	-
Provincial government capital transfers	-	-	705	2,880	-	-	-	-	-	-	-	-
Economic activities	-	-	-	-	-	-	-	23,349	-	-	109,865	94,551
Income from investments in government	-	-	-	-	-	-	-	-	-	-	-	-
Other	55,432	-	11,771	-	-	-	140,176	24,400	-	206,554	36,306	95,983
Total revenue	891,777	1,010,056	977,878	123,893	123,893	123,893	359,835	360,058	354,581	1,063,588	3,136,290	2,336,277
Expenses												
Salaries and benefits	777,608	782,270	785,131	-	-	-	167,588	176,118	208,266	876,794	836,057	874,109
Financing payments	-	-	392	-	-	-	-	-	-	-	5,685	1,601
Interest	-	-	-	-	-	-	-	-	-	-	-	-
Supplies and services	11,912	75,596	68,339	-	-	-	51,924	77,621	127,730	362,287	385,988	-
Staff development	5,000	3,520	4,924	-	-	-	3,000	3,000	5,000	7,217	1,240	3,772
Travel	15,385	27,303	23,776	-	-	-	27,901	38,263	28,316	7,517	5,451	65,454
Utilities	43,099	30,620	22,337	-	-	-	-	-	-	166,967	51,387	-
Programs	-	1,376	1,109	-	-	-	30,000	82,014	58,000	-	8,157	8,680
Repairs and maintenance	7,372	-	-	-	-	-	15,051	-	-	145,788	329,464	331,234
Amortization	-	31,401	39,945	2,174	123,893	-	116,295	3,460	-	254,656	4,704	10,792
Total expenses	891,777	960,630	98,182	123,893	-	-	359,835	354,819	377,599	1,388,768	1,616,568	1,686,191
Annual surplus (deficit)	-	49,426	89,696	-	123,893	-	-	5,229	(23,019)	14,830	1,529,722	649,980

Miawpukek Band
 Segment disclosures - Schedule 1
 Year ended March 31, 2017

Schedule 1 (continued)

	Education			Health and Social Services			Economic Development		
	Budget 2017	\$	\$	Budget 2017	\$	\$	Budget 2017	\$	\$
Revenues									
Federal government operating transfers	2,166,407	2,791,048	2,688,082	6,241,203	6,607,123	4,321,358	4,319,070	525,958	476,053
Federal government capital transfers	-	94,525	93,525	-	-	-	-	-	-
Provincial government operating transfers	-	162,119	130,507	-	-	-	-	-	5,000
Provincial government capital transfers	-	-	-	-	-	-	-	-	-
Economic activities	-	-	-	-	-	-	3,135,802	7,743,905	6,234,615
Income from investments in government	-	-	-	-	-	-	-	-	-
Other	31,000	527,242	230,381	6,534	-	461,333	-	245,638	684,044
Total revenue	2,197,407	3,371,934	3,142,475	6,241,737	6,607,123	4,782,691	7,454,872	8,515,531	7,408,703
Expenses									
Salaries and benefits	1,984,482	2,478,045	2,346,623	2,893,480	3,200,151	3,117,292	1,888,962	2,054,201	2,128,548
Financing payments	-	-	-	-	-	-	-	35,768	22,111
Interest	26,675	1,024,652	631,163	162,916	1,485,437	97,1868	197,304	222,163	182,950
Supplies and services	-	534	1,882	47,750	32,558	33,817	659,011	1,579,523	1,534,690
Staff development	-	-	-	134,750	116,444	68,366	2,500	12,471	10,988
Travel	10,100	27,267	12,043	26,730	60,433	36,508	-	-	40,598
Utilities	60,450	-	-	62,490	41,993	98,855	71,139	-	68,593
Programs	7,600	6,333	6,738	387,301	45,721	6,000	-	-	-
Repairs and maintenance	-	9,519	10,216	42,550	29,774	37,327	140,353	172,041	151,876
Amortization	-	-	-	-	-	273,179	-	-	-
Other	106,120	2,866	131,951	2,516,500	(506)	58,247	4,236,348	3,977,908	2,823,481
Total expenses	2,197,407	3,349,216	3,140,626	6,241,737	4,946,309	4,701,711	7,563,045	8,161,812	6,963,717
Annual surplus (deficit)		24,718	1,849		1,660,814	80,980	(108,173)	353,719	445,892

Miawpukek Band
 Segment disclosures - Schedule 1
 Year ended March 31, 2017

	Government						Capital Land & Housing						Employment Programs						Community Services/Miscellaneous						
	Budget 2017	\$	\$	Budget 2017	\$	\$	Budget 2017	\$	\$	Budget 2017	\$	\$	Budget 2017	\$	\$	Budget 2017	\$	\$	Budget 2017	\$	\$	Budget 2017	\$	\$	
Revenues																									
Federal government operating transfers	2,116,084		2,700,917		2,760,487		0,435,300		11,583,568		6,438,810		1,075,391		987,270		877,479		1,640,194		2,478,880		1,949,127		
Federal government capital transfers	-		-		-		-		-		-		-		-		-		-		-		-		
Provincial government operating transfers	-		-		-		-		-		-		-		-		-		-		-		-		
Provincial government capital transfers	-		-		-		-		-		-		-		-		-		-		-		-		
Economic activities	-		-		-		-		-		-		-		-		-		-		-		-		
Income from investments in government	619,387		768,363		762,148		4,125,192		450,143		376,566		6,812,668		1,075,391		987,270		877,479		1,154,527		85,571		
Other	-		-		-		-		-		-		-		-		-		-		-		-		
Total revenue	2,735,471		3,469,280		3,522,635		14,560,492		12,033,711		6,812,668		1,075,391		987,270		877,479		2,794,721		3,655,135		3,173,549		
Expenses																									
Salaries and benefits	1,080,198		1,271,970		1,373,981		787,591		560,480		526,224		186,033		113,165		87,683		635,388		571,974		626,314		
Financing payments	-		-		-		35,781		41,342		-		-		-		-		-		-		-		-
Interest	78,191		64,376		56,255		-		-		-		-		-		-		-		-		-		-
Supplies and services	527,795		815,921		946,912		1,059,199		305,345		135,482		47,850		410,718		465,301		124,858		1,050,583		1,231,678		
Staff development	23,650		30,87		17,734		22,812		25,770		13,881		125,923		173,700		133,437		38,167		42,183		24,030		
Travel	47,000		52,842		60,075		32,500		23,849		28,440		47,409		58,528		44,717		31,739		38,758		23,491		
Utilities	65,450		51,914		66,149		19,430		17,494		21,634		5,200		-		-		23,945		9,914		21,406		
Programs	-		37,260		55,394		12,321		5,145		6,250		661,689		239,310		211,742		28,400		428,360		118,394		
Repairs and maintenance	-		-		-		81,975		62,402		68,146		-		-		-		103,684		-		-		
Amortization	-		867,433		734,093		726,617		12,526,854		212,029		138,839		16,200		761		-		1,494,963		1,096,338		
Total expenses	2,684,637		3,337,163		3,333,117		14,542,702		1,278,275		97,739		1,100,304		996,182		942,980		2,785,907		3,026,824		3,062,894		
Annual surplus (deficit)	50,734		432,117		219,516		17,790		10,755,436		5,839,528		(24,913)		(8,912)		(65,407)		103,14		628,311		110,565		

Schedule 1 (continued)

Community Services/Miscellaneous

Miawpukek Band
 Segment disclosures - Schedule 1
 Year ended March 31, 2017

	Amortization				Interest		Budget 2017		Budget 2016		Schedule 1 (continued)	
	Budget 2017	2017	2016	Budget 2017	2017	2016	Budget 2017	2017	2016	Budget 2017	2016	
Revenues												
Federal government operating transfers	-	-	-	-	-	-	30,443,647	31,554,630	22,089,548			
Federal government capital transfers	-	-	-	-	-	-	614,418	939,388	939,388			
Provincial government operating transfers	-	-	-	-	-	-	196,982	173,007	173,007			
Economic activities	-	-	-	-	-	-	3,135,802	8,968,538	7,262,335			
Other	-	-	-	-	-	-	6,460,825	2,277,243	3,059,144			
Total revenue	-	118,983	139,580	139,580	133,988	133,988	40,154,177	43,611,841	33,523,627			
Expenses												
Salaries and benefits	-	-	-	-	-	-	11,288,074	12,074,111	12,054,171			
Financing payments	-	-	-	-	-	-	77,234	65,446	65,446			
Interest	-	-	-	-	-	-	275,585	286,539	239,205			
Supplies and services	-	-	-	-	-	-	2,747,946	7,171,986	6,468,772			
Staff development	-	-	-	-	-	-	254,052	294,047	287,009			
Travel	-	-	-	-	-	-	416,887	427,279	335,712			
Utilities	-	-	-	-	-	-	545,916	265,178	309,946			
Programs	-	-	-	-	-	-	1,133,311	542,722	838,988			
Repairs and maintenance	-	-	-	-	-	-	861,449	706,884	596,398			
Amortization	-	2,001,374	1,975,508	-	-	-	273,179	2,014,374	1,975,508			
Other	-	2,001,374	1,975,508	-	-	-	22,287,663	6,071,808	4,898,207			
Total expenses	-	(2,001,374)	(1,975,508)	118,983	139,580	133,988	40,084,062	28,919,162	28,039,363			
Annual surplus (deficit)	-	(2,001,374)	(1,975,508)	-	-	-	30,115	13,692,679	5,484,259			