

Consolidated financial statements of

Miawpukek Band

March 31, 2018

Miawpukek Band

March 31, 2018

Table of Contents

Management's Responsibility for Financial Reporting	1
Independent Auditor's Report	2 - 3
Consolidated statement of financial position	4
Consolidated statement of operations	5
Consolidated statement of accumulated surplus	6
Consolidated statement of accumulated surplus - appropriated	7 - 9
Consolidated statement of change in net assets	10
Consolidated statement of cash flows	11
Notes to consolidated financial statements	12 - 21
Segment disclosures – Schedule 1	22 - 25
Schedule of salaries, honoraria, travel expenses and other remuneration	26

Miawpukek Band

Management's Responsibility for Financial Reporting

March 31, 2018

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.

A stylized map of the Miawpukek First Nation territory, featuring a large central lake labeled 'Mowat Lake' and several smaller lakes and rivers branching off. The map is signed with 'AB' in the bottom right corner. Below the map, the title 'the Miawpukek First Nation.' is written in a bold, sans-serif font. A horizontal line extends from the right side of the map across the page. Below this line, the signature 'Theresa O'Keefe' is written in cursive, with 'General Manager' printed in a smaller, sans-serif font directly beneath it.

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, 2018, 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, 2018, 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 Services Canada and is presented on page 26.

Deloitte LLP

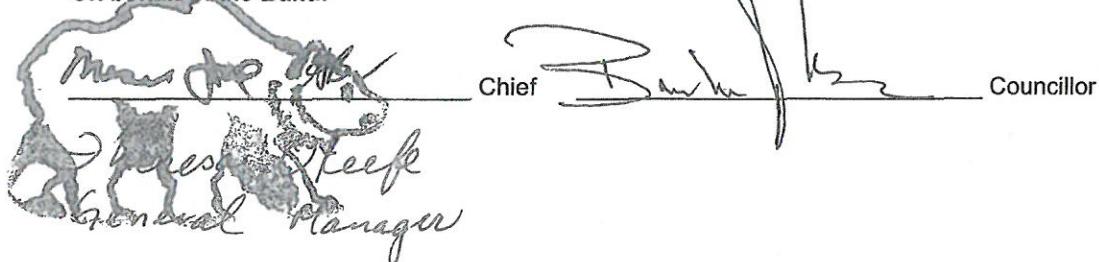
Chartered Professional Accountants
July 25, 2018

Miawpukek Band
Consolidated statement of financial position
as at March 31, 2018

	2018	2017
	\$	\$
Financial assets		
Cash	6,302,723	7,365,638
Receivables (Note 3)	4,426,828	948,648
Investments	2,221,995	2,200,765
Inventories (Note 5)	951,361	898,576
Restricted funds (Note 6)	1,298,351	1,265,825
Loans and advances to band members (Note 7)	660,510	618,232
Trust fund - ISC	52,825	
	15,861,768	13,350,509
Liabilities		
Payables and accruals (Note 8)	2,329,495	2,566,215
Deferred revenue (Note 9)	3,324,859	432,732
Demand loans (Note 10)	4,850,329	5,347,216
CMHC replacement reserve (Note 11)	599,855	605,435
MFN maintenance reserve	76,048	8,900
Long-term debt (Note 12)	2,813,120	2,781,852
	13,993,706	11,742,350
Net financial assets	1,868,062	1,608,159
Non-financial assets		
Tangible capital assets (Note 14)	53,067,827	48,635,577
Fishing licenses	9,037,825	9,037,825
Prepaid expenses	83,148	17,535
	62,188,800	57,690,937
Unappropriated (Page 6)	58,410,051	52,456,223
Appropriated (Page 6)	5,646,811	6,842,873
Accumulated surplus	64,056,862	59,299,096

Contingencies (Note 18)

On behalf of the Band:



Chief *B. John* Councillor
John John
General Manager

Miawpukek Band

Consolidated statement of operations year ended March 31, 2018

	Budget	2018	2017
	\$	\$	\$
	(Unaudited)		
Revenue (Note 15)			
Federal government operating transfers	18,192,581	23,340,900	31,554,650
Federal government capital transfers	284,640	904,176	614,418
Other revenue	1,514,717	1,843,184	2,277,243
Provincial government operating transfers	-	744,085	196,992
Economic activities	8,514,353	10,949,042	8,968,538
	28,506,291	37,781,387	43,611,841
Expenses			
Amortization	-	2,831,159	2,001,374
Band government	2,190,162	2,403,896	3,037,163
Commercial fisheries	284,640	37,127	-
Community services	971,281	3,265,944	3,026,834
Economic development	8,883,796	9,347,244	8,161,812
Education	2,197,407	3,656,510	3,549,216
Employment programs	1,100,304	1,195,169	996,182
Health	6,247,737	4,961,722	4,946,309
Housing	2,390,926	1,857,485	1,278,275
Land claims (Natural Resource)	886,295	998,224	960,630
MAMKA	662,835	421,554	354,809
Public works	1,996,938	2,047,587	1,606,568
	27,812,321	33,023,621	29,919,162
Excess of revenue over expenditures before appropriations			
Transfers from appropriated equity during the year	693,970	4,757,766	13,692,679
Transfers to appropriated equity during the year	-	2,111,461	2,652,771
	-	(915,399)	(2,561,491)
Excess of revenue over expenditures after appropriations			
	693,970	5,953,828	13,783,959

Miawpukek Band

Consolidated statement of accumulated surplus year ended March 31, 2018

	2018	2017
	\$	\$
Accumulated surplus - unappropriated, beginning of year	52,456,223	38,672,264
Excess of revenue over expenditures	5,953,828	13,783,959
Accumulated surplus - unappropriated, end of year	58,410,051	52,456,223
 Accumulated surplus - appropriated, beginning of year	 6,842,873	 6,934,153
Transfers to appropriated equity during the year	915,399	2,561,491
Transfers from appropriated equity during the year	(2,111,461)	(2,652,771)
	(1,196,062)	(91,280)
	5,646,811	6,842,873
 Total accumulated surplus	 64,056,862	 59,299,096

Miawpukek Band

Consolidated statement of accumulated surplus - appropriated
year ended March 31, 2018

	Accumulated Surplus - Appropriated Mar. 31/16	Transfers from Equity	Transfers to Operations	Accumulated Surplus - Appropriated Mar. 31/17	Transfers from Equity	Transfers to Operations	Accumulated Surplus - Appropriated Mar. 31/18
	\$	\$	\$	\$	\$	\$	\$
Natural Resources							
Salmon enhancement	1,408	-	-	1,408	-	1,408	-
Silviculture	201	20,000	-	20,201	-	20,201	-
	1,609	20,000	-	21,609	-	21,609	-
Public Works							
Sewer Maintenance	-	871,506	-	871,506	-	-	871,506
Waterline repairs- laterals	-	111,943	-	111,943	-	53,548	58,395
	-	983,449	-	983,449	-	53,548	929,901
Economic Development and Training							
Canoe construction	-	30,005	-	30,005	26,875	-	56,880
Conne River Gas Bar	118,146	-	-	118,146	-	-	118,146
Miawpukek Human Resources - ASETS	55,427	82,732	-	138,159	-	-	138,159
Off reserve post secondary	74,892	-	1,670	73,222	67,026	-	140,248
Outfilters	-	26,000	-	26,000	208,000	-	234,000
On reserve post secondary	86,333	103,776	-	190,109	134,353	-	324,462
Student employment	4,366	-	-	4,366	-	-	4,366
On reserve post secondary student support	-	-	-	-	39,247	-	39,247
	339,164	242,513	1,670	580,007	475,501	-	1,055,508

Miawpukek Band

Consolidated statement of accumulated surplus - appropriated
year ended March 31, 2018

	Accumulated Surplus - Appropriated Mar. 31/16	Transfers from Equity	Transfers to Operations	Accumulated Surplus - Appropriated Mar. 31/17	Transfers from Equity	Transfers to Operations	Accumulated Surplus - Appropriated Mar. 31/18
	\$	\$	\$	\$	\$	\$	\$
Capital Lands and Housing							
Arena fund	11,796	3,184	-	14,980	-	-	14,980
Elder's program	8,752	-	3,591	5,161	1,566	-	6,727
Land and environmental	96,931	25,000	-	121,931	-	-	121,931
Land management	26,069	9,885	-	35,954	-	12,850	23,104
MFN land management act	-	-	-	-	101,079	-	101,079
School construction	4,202,585	-	2,540,418	1,662,167	-	982,031	680,136
Subsidized housing	38,144	-	-	38,144	-	-	38,144
Administration	11,402	-	-	11,402	271,577	-	282,979
Housing-special	415,000	-	-	415,000	-	-	415,000
Housing construction	94,408	-	-	94,408	-	-	94,408
Veteran's monument	6,676	-	-	6,676	-	-	6,676
	4,911,763	38,069	2,544,009	2,405,823	374,222	994,881	1,785,164
Miscellaneous							
Healing and sentencing	-	-	-	-	28,936	-	28,936
MAMKA ASFAR	12,678	-	4,369	8,309	-	-	8,309
Equity fund	306,339	35,690	-	342,029	36,290	20,572	357,747
	319,017	35,690	4,369	350,338	65,226	20,572	394,992
Education							
Education	90,820	-	-	90,820	-	-	90,820
	90,820	-	-	90,820	-	-	90,820
Conne River Health and Social Services							
Capital investment	-	563,059	-	563,059	-	563,059	-
Moveable capital assets	-	5,915	-	5,915	-	-	5,915
Brighter futures	28,447	-	-	28,447	-	-	28,447
Family violence initiative	16,081	-	-	16,081	-	-	16,081
Health transfer agreement	-	10,564	-	10,564	-	-	10,564
Employment services	415,925	200,000	-	615,925	-	-	615,925
	460,453	779,538	-	1,239,991	-	563,059	676,932

Miawpukek Band

Consolidated statement of accumulated surplus - appropriated
year ended March 31, 2018

	Accumulated Surplus - Appropriated Mar. 31/16	Transfers from Equity	Transfers to Operations	Accumulated Surplus - Appropriated Mar. 31/17	Transfers from Equity	Transfers to Operations	Accumulated Surplus - Appropriated Mar. 31/18
	\$	\$	\$	\$	\$	\$	\$
Governance							
Finance	287,484	-	-	287,484	-	-	287,484
Heritage fund	523,843	-	102,723	421,120	-	-	421,120
Hurricane Matthew	-	454,132	-	454,132	-	454,132	-
Repatriation	-	5,500	-	5,500	-	3,660	1,840
Emergency relief	-	2,600	-	2,600	450	-	3,050
	811,327	462,232	102,723	1,170,836	450	457,792	713,494
	6,934,153	2,561,491	2,652,771	6,842,873	915,399	2,111,461	5,646,811

Miawpukek Band

Consolidated statement of change in net assets year ended March 31, 2018

	2018	2017
	\$	\$
Excess of revenue over expenditures	4,757,766	13,692,679
Changes in tangible capital assets		
Acquisition of tangible capital assets	(7,427,691)	(15,147,957)
Proceeds from disposal of tangible capital assets	387,039	10,000
Gain on disposal of tangible capital assets	(222,757)	(2,171)
Amortization of tangible capital assets	2,831,159	2,001,374
Acquisition of fishing licenses	-	(2,000,000)
Increase in tangible capital assets	(4,432,250)	(15,138,754)
	325,516	(1,446,075)
Change in other non-financial assets		
Net change in prepaid expenses	(65,613)	5,388
Increase (decrease) in net financial assets	259,903	(1,440,687)
Net financial assets, beginning of year	1,608,159	3,048,846
Net financial assets, end of year	1,868,062	1,608,159

Miawpukek Band

Consolidated statement of cash flows year ended March 31, 2018

	2018	2017
	\$	\$
Operating transactions		
Excess of revenue over expenditures before appropriations	4,757,766	13,692,679
Items not affecting cash		
Amortization of tangible capital assets	2,831,159	2,001,374
Gain on disposal of tangible capital assets	(222,757)	(2,171)
	7,366,168	15,691,882
Change in other		
Receivables	(3,478,180)	(447,296)
Inventories	(52,785)	42,923
Prepaid expenses	(65,613)	5,388
Payables and accruals	(236,720)	557,761
Deferred revenue	2,892,127	432,232
	6,424,997	16,282,890
Capital transactions		
Acquisition of tangible capital assets	(7,427,691)	(15,147,957)
Proceeds from disposal of tangible capital assets	387,039	10,000
Acquisition of fishing licenses	-	(2,000,000)
	(7,040,652)	(17,137,957)
Financing transactions		
Repayment of demand loans	(551,374)	(635,112)
Proceeds from demand loans	54,487	1,630,473
Repayment of long-term debt	(231,370)	(232,930)
Proceeds from long-term debt	262,638	171,504
	(465,619)	933,935
Investing transactions		
Purchase of investments	(21,230)	-
Disposal of investments	-	3,984,646
(Decrease) increase in CMHC replacement reserve	(5,580)	22,717
Increase in MFN maintenance reserve	67,148	8,900
Decrease (increase) in Trust fund - ISC	52,825	(50,199)
(Increase) decrease in advances to band members	(42,278)	282,090
Increase in restricted funds	(32,526)	(128,846)
	18,359	4,119,308
Net (decrease) increase in cash	(1,062,915)	4,198,176
Cash, beginning of the year	7,365,638	3,167,462
Cash, end of the year	6,302,723	7,365,638

Miawpukek Band

Notes to consolidated financial statements March 31, 2018

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 Services Canada ("ISC"). This schedule can be found on page 26 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, 2018

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 Services Canada ("ISC").

As explained in Note 18, under the terms of the agreement, funding from the arrangement with ISC 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, 2018

3. Receivables

	2018	2017
	\$	\$
ACOA	61,131	-
Birds Construction	-	31,724
CMHC	127,632	9,000
Coast of Bays Contracting	-	9,967
Department of Fisheries and Oceans	419,510	302,529
Department of Innovation, Business and Rural Development	24,222	-
Environment Canada	24,600	-
Federation of Newfoundland Indians	212,385	57,240
ISC (Note 4)	3,138,745	101,231
ISC - interchange	37,884	126,860
Gray's Aquaculture	6,061	6,061
HST receivable	61,861	56,676
John Equipment	1,908	1,908
John N. Jeddore environmental cleanup	295,806	299,806
Justice Canada	174,294	69,544
Mi'kmaq Diving Services	88,629	88,629
Miscellaneous	746,035	501,687
NSF cheques	920	-
Sit Down Pond Camp Inc.	10,891	10,891
	5,432,514	1,673,753
Less: Allowance for doubtful accounts	(1,005,686)	(725,105)
	4,426,828	948,648

4. Reconciliation of ISC receivable

	2018	2017
	\$	\$
Balance as confirmed by ISC March 31	3,106,403	111,306
Adjustments:		
Deficit - child and family foster homes	32,342	-
Funds received subsequent to year end	-	37,000
Unspent funds - post secondary	-	(5,825)
Unspent funds - child and family foster homes	-	(41,250)
Ending balance	3,138,745	101,231

Included in ISC receivables at March 31, 2018 is \$32,342 to cover the deficit in the child and family foster home program.

Miawpukek Band

Notes to consolidated financial statements
March 31, 2018

5. Inventories

	2018	2017
	\$	\$
Conne River Building Supplies	544,859	534,801
Conne River Garage	11,512	9,326
Conne River Gas Bar	269,897	250,203
Miawpukek Wholesalers	81,117	56,878
Micmac Arts and Crafts	43,976	47,368
	951,361	898,576

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.

	2018	2017
	\$	\$
Loans and advances to Band members	1,234,265	1,193,163
Less: Allowance for doubtful accounts	(573,755)	(574,931)
	660,510	618,232

8. Payables and accruals

	2018	2017
	\$	\$
Accrued salaries and benefits payable	239,439	205,083
Other accrued liabilities	500,358	640,087
Severance payable	759,312	197,895
Trade payables	830,386	1,523,150
	2,329,495	2,566,215

Included in other accrued liabilities is an amount payable to ISC of \$31,138 (2017 - \$123,075) 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, 2018

9. Deferred revenue

	Balance March 31, 2017	Funding Received 2018	Revenue Recognized 2018	Balance March 31, 2018
	\$	\$	\$	\$
Other	432,732	3,324,859	432,732	3,324,859

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 demand promissory notes with 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 \$599,855 (\$530,571 post-1997 program, \$58,853 pre-1996 program, \$10,431 reserve overfunded) (2017 - \$605,435).

12. Long-term debt

	2018	2017
	\$	\$
Canada Mortgage and Housing Corporation		
1.92% mortgage repayable in monthly instalments of \$833 including interest, maturing March 1, 2024 (#17478132005)	56,593	65,410
1.62% mortgage, repayable in monthly instalments of \$1,708 including interest, maturing January 1, 2023 (#17478132003)	95,241	114,034
1.92% mortgage, repayable in monthly instalments of \$1,958 including interest, maturing March 1, 2024 (#17478132006)	133,059	153,789
1.43% mortgage, repayable in monthly instalments of \$1,511 including interest, maturing April 1, 2022 (#17478132004)	71,893	88,862

Miawpukek Band

Notes to consolidated financial statements March 31, 2018

12. Long-term debt (continued)

	2018	2017
	\$	\$
Canada Mortgage and Housing Corporation		
4.31% mortgage, repayable in monthly instalments of \$1,724 including interest, maturing April 1, 2022 (#1904294401)	74,107	84,607
1.14% mortgage, repayable in monthly instalments of \$884 including interest, maturing March 1, 2026 (#1904294403)	81,039	90,661
1.39% mortgage, repayable in monthly instalments of \$644 including interest, maturing May 1, 2030 (#19042944007)	86,466	92,945
1.67% mortgage, repayable in monthly instalments of \$353 including interest, maturing April 1, 2033 (#19042944011)	56,427	59,691
2.39% mortgage, repayable in monthly instalments of \$3,394 including interest, maturing March 1, 2033 (#19042944010)	513,891	543,926
1.67% mortgage, repayable in monthly instalments of \$951 including interest, maturing April 1, 2028 (#19042944005)	105,916	115,484
1.92% mortgage, repayable in monthly instalments of \$593 including interest, maturing May 1, 2029 (#1904294406)	71,532	77,224
1.05% mortgage, repayable in monthly instalments of \$965 including interest, maturing January 1, 2025 (#19042944002)	76,329	87,047
1.30% mortgage, repayable in monthly instalments of \$616 including interest, maturing May 1, 2027 (#19042944004)	63,808	70,292
1.08% mortgage, repayable in monthly instalments of \$338 including interest, maturing February 1, 2020 (#17478132002)	7,700	11,655
1.05% mortgage, repayable in monthly instalments of \$637 including interest, maturing July 1, 2031 (#19042944008)	95,132	101,746
1.30% mortgage, repayable in monthly instalments of \$1,273 including interest, maturing May 1, 2032 (#19042944009)	197,673	210,216

Miawpukek Band

Notes to consolidated financial statements
March 31, 2018

12. Long-term debt (continued)

	2018	2017
	\$	\$
Canada Mortgage and Housing Corporation		
1.85% mortgage, repayable in monthly instalments of \$850 including interest, maturing July 1, 2034 (#19042944012)	143,764	151,239
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	31,545	36,803
1.08% mortgage, repayable in monthly instalments of \$1,069 including interest, maturing August 1, 2035 (#19042944013)	203,583	214,152
1.68% mortgage, repayable in monthly instalments of \$371 including interest, maturing April 1, 2038 (#19042944014)	75,931	79,088
2.00% mortgage, repayable in monthly instalments of \$382 including interest, maturing Nov 1, 2038 (#19042944015)	77,610	80,617
1.82% mortgage, repayable in monthly instalments of \$365 including interest, maturing September 1, 2039 (#19042944016)	77,923	80,860
1.13% mortgage, repayable in monthly instalments of \$364 including interest, maturing July 1, 2041 (#19042944017)	89,463	92,796
1.84% mortgage, repayable in monthly instalments of \$443 including interest, maturing September 1, 2042 (#19042944019)	104,805	-
	2,591,430	2,703,144
8.00 % loan with Ulnooweg Development Group Inc., repayable in annual payments of \$15,555 including interest, maturing May 25, 2021.	63,857	78,708
8.00 % loan with Ulnooweg Development Group Inc., repayable in semi-annual payments of \$12,254 including interest, maturing May 31, 2022.	157,833	-
	2,813,120	2,781,852

Miawpukek Band

Notes to consolidated financial statements March 31, 2018

12. Long-term debt (continued)

CMHC mortgages are secured by properties in Conne River, Newfoundland and Labrador. Annual principal repayments in each of the next five years are as follows:

	\$
2019	220,711
2020	226,022
2021	225,200
2022	234,925
2023	243,576
Thereafter	1,662,686

13. Credit facility

The Band has an available credit facility in the amount of \$350,000 (2017 - \$350,000), of which \$350,000 remained unused at March 31, 2018 (2017 - \$350,000). 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

	2018			2017		
	Amortization Rate	Cost	Accumulated Amortization	Net Book Value	Cost	Net Book Value
	%	\$	\$	\$	\$	\$
Buildings	4	55,696,170	16,828,924	38,867,246	35,143,330	20,137,037
Equipment	20	11,208,619	9,038,692	2,169,927	10,590,496	1,914,192
Motor vehicles	30	2,883,592	2,532,712	350,880	2,774,874	386,111
Roads	2.5	5,747,677	2,127,245	3,620,432	5,742,207	3,710,015
Sports facilities	4	176,895	103,249	73,646	176,895	76,714
Subdivision	2.5	1,285,569	274,566	1,011,003	1,285,569	1,036,926
Vessel	15	3,290,609	2,055,792	1,234,817	3,862,723	1,192,298
Water and sewer	2.5	9,022,665	3,282,789	5,739,876	8,928,852	5,793,240
Work-in-progress	-	-	-	-	14,389,044	14,389,044
	89,311,796	36,243,969	53,067,827	82,893,990	48,635,577	

During the year, work-in-progress assets were completed and transferred to buildings at which point amortization commenced.

Miawpukek Band

Notes to consolidated financial statements
March 31, 2018

15. Revenue

	2018	2017
	\$	\$
Indigenous Services Canada		
Grant	11,062,889	10,845,970
Block	817,304	767,834
Set	186,350	1,614,568
Flexible	7,783,060	11,247,097
Fixed	2,283,395	993,697
	<hr/> 22,132,998	25,469,166
Adjustments (fixed)	(31,138)	-
Adjustments (set)	-	(164,325)
Net funding for fiscal year	22,101,860	25,304,841
Health Canada		
Block	1,587,420	1,555,365
Set	760,213	658,307
Flexible	395,765	1,775,741
	<hr/> 2,743,398	3,989,413
Adjustments	(30,500)	(4,561)
Net funding for fiscal year	2,712,898	3,984,852
CMHC	613,562	349,859
Other	12,353,067	13,972,289
	<hr/> 37,781,387	43,611,841

During the year, the Band had a surplus in their post secondary student support program NP5A of \$31,138 (2017- post secondary program of \$123,075 and in child and family foster homes program of \$41,250). This program is under the fixed funding agreement, and as such, any unspent funds are repayable to ISC. Refer to Note 8 for further details.

During the year, the Band had a surplus in their child and maintenance foster home of \$30,500. Health Canada has approved the deferral of this revenue for use in 2018/2019 and as such, the balance has been removed from revenue and included in deferred revenue.

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, 2018 was \$124,169 (\$113,133 post-1997 program, \$11,036 pre-1996 program) (2017 - \$130,858).

Miawpukek Band

Notes to consolidated financial statements March 31, 2018

17. Reconciliation of Service Canada funding

	2018
	\$
CRF:	
Carry forward from previous year	82,732
Used in current year	(82,732)
Surplus CRF regular funding	11,299
Unexpended balance forward to 2018/2019	11,299

18. Contingencies

- a) The Band has entered into a funding arrangement with Indigenous Services 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 \$8,912 (2017 - \$14,546) which are secured by restricted funds in this amount.
- d) The Band has provided ministerial guarantees on mortgages of \$1,411,206 (2017 - \$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 (2017 - \$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, 2018 amounted to \$237,932 (2017 - \$241,896).

20. Statutory remittances

As at March 31, 2018, 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

	Natural Resources			Commercial Fisheries			MAMKA			Public Works		
	Budget 2018	2018	2017	Budget 2018	2018	2017	Budget 2018	2018	2017	Budget 2018	2018	2017
Revenues												
Federal government operating transfers	696,295	950,818	974,478	-	-	-	640,435	336,556	312,289	1,605,461	1,299,636	2,593,119
Federal government capital transfers	-	-	-	284,640	284,640	123,693	-	-	-	-	500,000	397,000
Provincial government operating transfers	-	40,000	34,873	-	-	-	-	23,000	-	-	-	-
Provincial government capital transfers	-	-	-	-	-	-	-	115,000	-	-	-	-
Economic activities	-	-	705	-	-	-	-	15,000	23,349	-	181,764	109,865
Income from investments in government	-	-	-	-	-	-	-	-	-	-	-	-
Other	190,000	-	(10,333)	-	-	-	22,400	(108,521)	24,400	378,477	36,250	36,306
Total revenue	886,295	990,818	999,723	284,640	284,640	123,693	662,835	381,035	360,038	1,983,938	2,017,150	3,136,700
Expenses												
Salaries and benefits	763,419	783,232	782,270	-	-	-	189,352	197,171	176,118	1,025,746	941,149	836,057
Financing payments	-	613	-	-	-	-	-	-	-	-	3,881	5,685
Interest	-	-	-	-	-	-	-	-	-	-	-	-
Supplies and services	34,011	106,037	75,596	284,640	37,127	-	53,750	35,353	51,924	370,650	677,749	362,387
Site development	3,535	3,674	3,530	-	-	-	3,000	3,000	3,000	7,217	5,988	1,240
Travel	13,500	46,371	27,303	-	-	-	36,001	40,417	38,263	54,616	14,616	7,517
Utilities	25,655	32,829	30,620	-	-	-	6,000	-	-	177,227	59,330	51,367
Programs	22,000	-	1,376	-	-	-	92,250	83,900	82,014	125,220	9,917	8,157
Repairs and maintenance	9,554	-	-	-	-	-	9,000	48,238	-	157,418	361,761	329,464
Amortization	-	-	-	-	-	-	142,222	-	-	-	-	-
Other	8,522	20,469	29,812	-	-	-	132,250	16,377	3,490	123,844	(21,914)	4,794
Total expenses	886,295	998,224	950,297	284,640	37,127	-	662,835	421,554	354,800	1,986,938	2,047,587	1,606,660
Annual surplus (deficit)	-	(7,406)	49,426	-	247,513	123,693	-	(40,519)	5,229	(13,000)	(30,437)	1,529,622

Miawpukek Band
 Segment disclosures - Schedule 1
 year ended March 31

Schedule 1 (continued)

	Education			Health and Social Services			Economic Development		
	Budget 2018	2018	2017	Budget 2018	2018	2017	Budget 2018	2018	2017
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues									
Federal government operating transfers	2,166,407	2,963,103	2,791,048	6,241,203	4,674,886	6,607,123	491,042	503,606	525,958
Federal government capital transfers	-	93,525	93,525	-	-	-	-	-	-
Provincial government operating transfers	-	922,275	162,119	-	-	-	-	14,292	-
Provincial government capital transfers	-	-	-	-	-	-	-	-	-
Economic activities	-	-	-	-	-	-	8,514,353	9,553,934	7,743,935
Income from investments in government	-	-	-	-	-	-	-	-	-
Other	31,000	284,315	527,242	6,534	20,610	-	-	198,439	245,638
Total revenue	2,197,407	3,863,218	3,571,934	6,247,737	4,703,496	6,607,123	9,005,395	10,279,271	8,515,531
Expenses									
Salaries and benefits	1,994,462	2,411,952	2,478,045	2,893,480	2,911,092	3,200,151	2,236,953	2,264,199	2,054,201
Financing payments	-	-	-	-	-	-	-	41,451	35,765
Interest	-	-	-	-	-	-	292,573	248,556	222,163
Supplies and services	26,675	1,085,208	1,024,652	162,916	1,459,596	1,495,437	3,589,453	1,774,785	1,579,523
Staff development	-	1,483	534	47,750	57,909	32,558	6,200	13,248	12,471
Travel	10,100	21,888	27,267	134,750	89,524	116,444	53,492	53,369	36,508
Utilities	60,450	-	-	62,490	32,564	26,730	1,485,197	68,730	71,139
Programs	7,600	113,876	6,333	387,201	354,596	45,721	129,000	-	-
Repairs and maintenance	-	13,567	9,519	42,550	20,844	29,774	171,993	237,897	172,041
Amortization	-	-	-	-	-	-	273,179	-	-
Other	108,120	8,436	2,866	2,516,500	35,604	(506)	646,148	4,645,009	3,977,998
Total expenses	2,197,407	3,856,510	3,549,216	6,247,737	4,961,722	4,946,309	8,883,796	9,347,244	8,161,812
Annual surplus (deficit)	-	206,708	24,718	-	(258,226)	1,662,814	121,599	923,927	353,719

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
 Segment disclosures - Schedule 1
 year ended March 31

Schedule 1 (continued)

	Government										Capital Land & Housing		Employment Programs		Community Services/ Miscellaneous										
	Budget 2018			2018			2017			Budget 2018			2018			2017			Budget 2018			2018			
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Revenues																									
Federal government operating transfers	1,975,309		2,663,625		2,700,917		1,955,265		6,894,247		11,583,568		1,075,391		1,111,168		967,270		1,345,773		1,943,855		2,478,880		
Federal government capital transfers	-		-		-		-		-		-		-		-		-		-		26,011		-		-
Provincial government operating transfers	-		-		-		-		-		-		-		-		-		-		29,518		-		-
Provincial government capital transfers	-		-		-		-		-		-		-		-		-		-		-		-		-
Economic assistance	-		-		-		-		-		-		-		-		-		-		1,192,344		1,090,884		-
Income from investments in government	-		-		-		-		-		-		-		-		-		-		-		-		-
Other	229,253		808,119		768,363		560,513		359,283		450,143		-		-		29,127		-		96,540		65,991		85,571
Total revenue	2,204,562		3,471,744		3,469,280		2,515,778		7,253,530		12,033,711		1,075,391		1,140,295		987,270		1,442,313		3,263,719		3,655,135		
Expenses																									
Salaries and benefits	1,076,121		1,276,909		1,271,670		1,167,406		908,809		590,461		196,033		133,719		113,195		57,060		554,070		571,974		-
Financing payments	-		-		-		-		33,567		35,781		-		-		-		-		-		-		-
Interest	14,441		60,337		64,376		241,659		-		-		-		-		-		-		-		-		-
Supplies and services	17,044		806,075		815,911		332,274		211,950		305,344		47,850		482,703		410,718		50,621		1,054,020		1,050,503		-
Staff development	25,239		5,426		3,087		26,896		5,296		25,770		125,923		187,775		173,700		16,200		88,983		38,167		-
Travel	47,000		64,249		52,842		37,190		23,849		47,409		63,581		58,268		24,551		33,340		38,758		-		-
Utilities	57,950		53,657		57,914		29,460		17,113		17,494		5,200		-		-		23,945		44,925		9,914		-
Programs	144,340		38,044		37,760		184,664		13,150		5,145		681,689		257,391		239,310		136,400		195,019		117,406		-
Repairs and maintenance	-		-		-		94,088		483,113		62,402		-		-		-		5,280		81,571		103,684		-
Amortization	-		-		-		-		-		-		-		-		-		-		-		-		-
Other	807,848		98,597		734,093		267,791		137,286		212,029		16,200		50,000		761		136,214		1,214,406		1,096,338		-
Total expenses	2,190,562		2,403,896		3,037,163		2,390,926		1,857,485		1,278,275		1,190,304		1,195,169		996,182		971,281		3,265,844		3,026,824		
Annual surplus (deficit)	14,400		1,067,848		432,117		124,852		5,396,045		10,755,438		(24,913)		(54,874)		(8,912)		471,032		(2,225)		628,311		

Miawpukek Band
 Segment disclosures - Schedule 1
 year ended March 31

Schedule 1 (continued)

	Amortization			Interest			Total		
	Budget 2018	2018	2017	Budget 2018	2018	2017	Budget 2018	2018	2017
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues									
Federal government operating transfers	-	-	-	-	-	-	18,192,581	23,340,900	31,554,650
Federal government capital transfers	-	-	-	-	-	-	284,640	904,176	614,418
Provincial government operating transfers	-	-	-	-	-	-	-	629,085	196,092
Provincial government capital transfers	-	-	-	-	-	-	-	115,000	-
Economic activities	-	-	-	-	-	-	-	10,949,145	8,992,538
Other	-	-	-	-	-	-	-	1,943,184	2,277,243
Total revenue	-	-	-	-	141,471	139,580	1,514,717	28,506,291	37,781,387
Expenses									
Salaries and benefits	-	-	-	-	-	-	12,168,031	12,382,302	12,074,111
Financing payments	-	-	-	-	-	-	-	79,812	77,234
Interest	-	-	-	-	-	-	558,252	309,495	286,539
Supplies and services	-	-	-	-	-	-	4,371,994	7,776,603	7,171,986
Staff development	-	-	-	-	-	-	293,000	356,400	294,047
Taxed	-	-	-	-	-	-	413,609	444,556	427,279
Utilities	-	-	-	-	-	-	1,933,574	309,148	365,178
Programs	-	-	-	-	-	-	1,890,972	1,065,087	542,722
Reserve and maintenance	-	-	-	-	-	-	488,981	1,244,889	706,884
Amortization	-	2,831,159	2,001,374	-	-	-	4,151,111	2,331,159	2,317,141
Other	-	-	-	-	-	-	4,763,437	6,264,270	6,071,608
Total expenses	-	2,831,159	2,001,374	-	-	-	27,812,321	33,023,621	29,919,162
Annual surplus (deficit)	-	(2,831,159)	(2,001,374)	-	141,471	139,580	693,970	4,757,766	13,692,679

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