

Consolidated financial statements of

Miawpukek Band

March 31, 2019

Independent Auditor's Report

To the Members of the
Miawpukek Band

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the consolidated financial statements of Miawpukek Band, (the "Band"), which comprise the consolidated statement of financial position as at March 31, 2019, and the consolidated statements of operations, accumulated surplus, accumulated surplus – appropriated, change in net assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, except for the effect of the matter described in the Basis for Qualified Opinion paragraph, the consolidated financial statements present fairly, in all material respects, the financial position of the Band as at March 31, 2019 and the results of its financial performance, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards ("PSAS").

Basis for Qualified Opinion

The Band's fishing licenses are carried in the statement of financial position at \$9,037,825 (\$9,037,825 – 2018). Management has not expensed these licenses but has capitalized them at cost which constitutes a departure from Canadian public sector accounting standards. This is the result of a decision taken by Management in the past. The Band's records indicated that, had management expensed the fishing licenses at cost, an amount of \$9,037,825 would have been expensed in the past. Accordingly, at March 31, 2019 both assets and opening surplus are overstated by \$9,037,825.

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

Other matter

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 24.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PSAS, 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Deloitte LLP

Chartered Professional Accountants
July 22, 2019

Miawpukek Band
Consolidated statement of financial position
as at March 31, 2019

	2019	2018
	\$	\$
Financial assets		
Cash	4,375,213	6,302,723
Receivables (Note 3)	8,563,003	4,426,828
Investments	2,569,593	2,221,995
Inventories (Note 5)	1,071,913	951,361
Restricted funds (Note 6)	1,432,761	1,298,351
Loans and advances to band members (Note 7)	733,982	660,510
	18,746,465	15,861,768
Liabilities		
Payables and accruals (Note 8)	2,873,477	2,329,495
Deferred revenue (Note 9)	3,874,287	3,324,859
Demand loans (Note 10)	4,312,704	4,850,329
CMHC replacement reserve (Note 11)	619,859	599,855
MFN maintenance reserve	88,048	76,048
Long-term debt (Note 12)	2,551,601	2,813,120
	14,319,976	13,993,706
Net financial assets	4,426,489	1,868,062
Non-financial assets		
Tangible capital assets (Note 14)	54,107,010	53,067,827
Fishing licenses	9,037,825	9,037,825
Prepaid expenses	61,593	83,148
	63,206,428	62,188,800
Unappropriated (Page 6)	60,067,260	58,410,051
Appropriated (Page 6)	7,565,657	5,646,811
Accumulated surplus	67,632,917	64,056,862

Contingencies (Note 18)

On behalf of the Band:



Chief



Councillor

Miawpukek Band

Consolidated statement of operations year ended March 31, 2019

	Budget	2019	2018
	\$	\$	\$
	(unaudited)		
Revenue (Note 15)			
Federal government operating transfers	15,349,199	22,574,892	23,340,900
Federal government capital transfers	278,491	1,688,322	904,176
Other revenue	1,447,876	2,447,450	1,843,184
Provincial government operating transfers	-	803,188	744,085
Economic activities	8,845,959	11,005,839	10,949,042
	25,921,525	38,519,691	37,781,387
Expenses			
Amortization	-	3,096,004	2,831,159
Band government	2,377,723	2,788,072	2,403,896
Commercial fisheries	278,491	11,477	37,127
Community services	2,360,687	3,262,318	3,265,944
Economic development	8,554,245	9,662,568	9,347,244
Education	1,206,052	3,770,316	3,656,510
Employment programs	1,545,342	1,074,596	1,195,169
Health	4,569,847	5,725,932	4,961,722
Housing	2,287,498	1,330,801	1,857,485
Land claims (Natural Resource)	947,706	1,185,552	998,224
MAMKA	340,835	619,254	421,554
Public works	2,469,995	2,416,746	2,047,587
	26,938,421	34,943,636	33,023,621
Excess of revenue over expenditures before appropriations			
Transfers from appropriated equity during the year	(1,016,896)	3,576,055	4,757,766
Transfers to appropriated equity during the year	-	416,651	2,111,461
	(1,016,896)	(2,335,497)	(915,399)
Excess of revenue over expenditures (expenditures over revenue) after appropriations			
	(1,016,896)	1,657,209	5,953,828

Miawpukek Band

Consolidated statement of change in net assets year ended March 31, 2019

	2019	2018
	\$	\$
Excess of revenue over expenditures	3,576,055	4,757,766
Changes in tangible capital assets		
Acquisition of tangible capital assets	(4,135,187)	(7,427,691)
Proceeds from disposal of tangible capital assets	-	387,039
Gain on disposal of tangible capital assets	-	(222,757)
Amortization of tangible capital assets	3,096,004	2,831,159
Increase in tangible capital assets	(1,039,183)	(4,432,250)
	2,536,872	325,516
Change in other non-financial assets		
Net change in prepaid expenses	21,555	(65,613)
Increase in net financial assets	2,558,427	259,903
Net financial assets, beginning of year	1,868,062	1,608,159
Net financial assets, end of year	4,426,489	1,868,062

Miawpukek Band

Consolidated statement of cash flows year ended March 31, 2019

	2019	2018
	\$	\$
Operating transactions		
Excess of revenue over expenditures before appropriations	3,576,055	4,757,766
Items not affecting cash		
Amortization of tangible capital assets	3,096,004	2,831,159
Gain on disposal of tangible capital assets	-	(222,757)
	6,672,059	7,366,168
Change in other		
Receivables	(4,136,175)	(3,478,180)
Inventories	(120,552)	(52,785)
Prepaid expenses	21,555	(65,613)
Payables and accruals	543,982	(236,720)
Deferred revenue	549,428	2,892,127
	3,530,297	6,424,997
Capital transactions		
Acquisition of tangible capital assets	(4,135,187)	(7,427,691)
Proceeds from disposal of tangible capital assets	-	387,039
	(4,135,187)	(7,040,652)
Financing transactions		
Repayment of demand loans	(595,894)	(551,374)
Proceeds from demand loans	58,269	54,487
Repayment of long-term debt	(261,519)	(231,370)
Proceeds from long-term debt	-	262,638
	(799,144)	(465,619)
Investing transactions		
Purchase of investments	(347,598)	(21,230)
Increase (decrease) in CMHC replacement reserve	20,004	(5,580)
Increase in MFN maintenance reserve	12,000	67,148
Decrease in Trust fund - ISC	-	52,825
Increase in loans and advances to band members	(73,472)	(42,278)
Increase in restricted funds	(134,410)	(32,526)
	(523,476)	18,359
Net decrease in cash	(1,927,510)	(1,062,915)
Cash, beginning of the year	6,302,723	7,365,638
Cash, end of the year	4,375,213	6,302,723

Miawpukek Band

Notes to consolidated financial statements

March 31, 2019

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:

A certain schedule in these financial statements is not required by PSAS but has been presented in order to satisfy Indigenous Services Canada ("ISC"). This schedule can be found on page 24 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.

Cash

Cash includes cash on hand and cash held on deposit at chartered Canadian banks.

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.

Miawpukek Band

Notes to consolidated financial statements

March 31, 2019

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

Fishing licenses

Fishing licenses acquired are capitalized as intangible assets and are recorded at their fair value at the date of acquisition, which is a departure from PSAS. 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 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, 2019

3. Receivables

	2019	2018
	\$	\$
ACOA	22,500	61,131
Bell Canada	5,985	-
Bell Mobility Inc.	4,417	-
Canada Revenue Agency	64,487	-
CMHC	28,625	127,632
Coast of Bays Contracting	5,860	-
Department of Fisheries and Oceans	1,117,958	419,510
Department of Innovation, Business and Rural Development	-	24,222
Environment Canada	201,050	24,600
Federation of Newfoundland Indians	206,951	212,385
Forest Products	10,000	-
ISC (Note 4)	6,439,323	3,138,745
ISC - interchange	-	37,884
Gray's Aquaculture	6,061	6,061
HST receivable	110,112	61,861
John Equipment	1,908	1,908
Justice Canada	69,544	174,294
Miscellaneous	752,058	555,623
NSF cheques	585	920
Quinlan Brothers	16,837	-
Sit Down Pond Camp Inc.	10,890	10,891
	9,075,151	4,857,667
Less: Allowance for doubtful accounts	(512,148)	(430,839)
	8,563,003	4,426,828

4. Reconciliation of ISC receivable

	2019	2018
	\$	\$
Balance as confirmed by ISC March 31	3,174,086	3,106,403
Adjustments:		
Deficit - child and family foster homes	-	32,342
Funds received subsequent to year end	265,237	-
Prior year amounts not received - NTFW Flexible	1,100,000	-
Prior year amounts not received - NTFX Flexible	1,750,000	-
Prior year amounts not received - NT17 Flexible	150,000	-
Ending balance	6,439,323	3,138,745

Miawpukek Band

Notes to consolidated financial statements

March 31, 2019

5. Inventories

	2019	2018
	\$	\$
Cannabis	81,272	-
Conne River Building Supplies	579,561	544,859
Conne River Garage	10,786	11,512
Conne River Gas Bar	249,055	269,897
Miawpukek Wholesalers	100,436	81,117
Micmac Air Charter	13,176	-
Micmac Arts and Crafts	37,627	43,976
	1,071,913	951,361

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 by 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.

	2019	2018
	\$	\$
Loans and advances to Band members	1,194,877	1,234,265
Less: Allowance for doubtful accounts	(460,895)	(573,755)
	733,982	660,510

8. Payables and accruals

	2019	2018
	\$	\$
Accrued salaries and benefits payable	48,356	239,439
Other accrued liabilities	546,889	500,358
Severance payable	605,661	759,312
Trade payables	1,672,571	830,386
	2,873,477	2,329,495

Included in other accrued liabilities is an amount payable to ISC of \$Nil (2018 - \$31,138) 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, 2019

9. Deferred revenue

	Balance March 31, 2018	Funding Received 2019	Revenue Recognized 2019	Balance March 31, 2019
	\$	\$	\$	\$
Other	3,324,859	3,574,287	3,024,859	3,874,287

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% 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 \$619,859 (\$557,130 post-1997 program, \$51,393 pre-1996 program, \$11,336 reserve overfunded) (2018 - \$599,855).

12. Long-term debt

	2019	2018
	\$	\$
Canada Mortgage and Housing Corporation		
1.92% mortgage repayable in monthly instalments of \$833 including interest, maturing March 1, 2024 (#17478132005)	47,606	56,593
1.62% mortgage, repayable in monthly instalments of \$1,708 including interest, maturing January 1, 2023 (#17478132003)	76,425	95,241
1.92% mortgage, repayable in monthly instalments of \$1,958 including interest, maturing March 1, 2024 (#17478132006)	111,929	133,059
1.43% mortgage, repayable in monthly instalments of \$1,511 including interest, maturing April 1, 2022 (#17478132004)	54,672	71,893

Miawpukek Band

Notes to consolidated financial statements
March 31, 2019

12. Long-term debt (continued)

	2019	2018
	\$	\$
Canada Mortgage and Housing Corporation		
4.31% mortgage, repayable in monthly instalments of \$1,724 including interest, maturing April 1, 2022 (#1904294401)	63,415	74,107
1.14% mortgage, repayable in monthly instalments of \$884 including interest, maturing March 1, 2026 (#1904294403)	71,308	81,039
1.39% mortgage, repayable in monthly instalments of \$644 including interest, maturing May 1, 2030 (#19042944007)	79,895	86,466
1.67% mortgage, repayable in monthly instalments of \$353 including interest, maturing April 1, 2033 (#19042944011)	53,255	56,427
2.39% mortgage, repayable in monthly instalments of \$3,394 including interest, maturing March 1, 2033 (#19042944010)	485,035	513,891
1.67% mortgage, repayable in monthly instalments of \$951 including interest, maturing April 1, 2028 (#19042944005)	96,463	105,916
1.92% mortgage, repayable in monthly instalments of \$593 including interest, maturing May 1, 2029 (#19042944006)	65,730	71,532
1.05% mortgage, repayable in monthly instalments of \$965 including interest, maturing January 1, 2025 (#19042944002)	65,497	76,329
1.30% mortgage, repayable in monthly instalments of \$616 including interest, maturing May 1, 2027 (#19042944004)	57,210	63,808
1.08% mortgage, repayable in monthly instalments of \$338 including interest, maturing February 1, 2020 (#17478132002)	3,702	7,700
1.05% mortgage, repayable in monthly instalments of \$637 including interest, maturing July 1, 2031 (#19042944008)	88,449	95,132
1.30% mortgage, repayable in monthly instalments of \$1,273 including interest, maturing May 1, 2032 (#19042944009)	184,878	197,673

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Miawpukek Band

Notes to consolidated financial statements March 31, 2019

12. Long-term debt (continued)

	2019	2018
	\$	\$
Canada Mortgage and Housing Corporation		
1.85% mortgage, repayable in monthly instalments of \$850 including interest, maturing July 1, 2034 (#19042944012)	136,150	143,764
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	26,287	31,545
1.08% mortgage, repayable in monthly instalments of \$1,069 including interest, maturing August 1, 2035 (#19042944013)	192,898	203,583
1.68% mortgage, repayable in monthly instalments of \$371 including interest, maturing April 1, 2038 (#19042944014)	72,913	75,931
2.00% mortgage, repayable in monthly instalments of \$382 including interest, maturing Nov 1, 2038 (#19042944015)	74,613	77,610
1.82% mortgage, repayable in monthly instalments of \$365 including interest, maturing September 1, 2039 (#19042944016)	74,931	77,923
1.13% mortgage, repayable in monthly instalments of \$364 including interest, maturing July 1, 2041 (#19042944017)	86,092	89,463
1.84% mortgage, repayable in monthly instalments of \$443 including interest, maturing September 1, 2042 (#19042944019)	101,384	104,805
	2,370,737	2,591,430
8.00 % loan with Ulnooweg Development Group Inc., repayable in annual payments of \$15,555 including interest, maturing May 25, 2021.	52,444	63,857
8.00 % loan with Ulnooweg Development Group Inc., repayable in semi-annual payments of \$12,254 including interest, maturing May 31, 2022.	128,420	157,833
	2,551,601	2,813,120

Miawpukek Band

Notes to consolidated financial statements

March 31, 2019

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:

	\$
2020	250,654
2021	247,951
2022	252,887
2023	232,995
2024	221,783
Thereafter	1,345,331

13. Credit facility

The Band has available credit facilities in the amounts of \$250,000 and \$100,000 (2018 - \$350,000), of which \$250,000 and \$100,000 remained unused at March 31, 2019 (2018 - \$350,000). The facilities bear interest at a rate of prime and prime plus 3%, respectively, and are secured by a guarantee of the Miawpukek Band.

14. Tangible capital assets

	Amortization Rate	2019			2018
		Cost %	Accumulated Amortization \$	Net Book Value \$	Net Book Value \$
Aircraft	25	295,000	73,750	221,250	-
Buildings	4	56,303,726	18,446,188	37,857,538	38,867,246
Equipment	20	11,628,909	9,560,495	2,068,414	2,169,927
Motor vehicles	30	3,121,207	2,606,824	514,383	350,880
Roads	2.5	5,757,662	2,236,363	3,521,299	3,620,432
Sports facilities	4	176,895	106,196	70,699	73,646
Subdivision	2.5	1,285,569	299,841	985,728	1,011,003
Vessel	15	4,570,878	2,432,530	2,138,348	1,234,817
Water and sewer	2.5	10,184,687	3,455,336	6,729,351	5,739,876
		93,324,533	39,217,523	54,107,010	53,067,827

Miawpukek Band

Notes to consolidated financial statements March 31, 2019

15. Revenue

	2019	2018
	\$	\$
Indigenous Services Canada		
Grant	11,284,147	11,062,889
Block	872,073	817,304
Set	-	186,350
Flexible	3,406,567	7,783,060
Fixed	3,239,139	2,283,395
	18,801,926	22,132,998
Adjustments (fixed)	-	(31,138)
Net funding for fiscal year	18,801,926	22,101,860
Health Canada		
Block	1,835,917	1,587,420
Set	773,256	760,213
Flexible	927,182	395,765
	3,536,355	2,743,398
Adjustments	30,500	(30,500)
Net funding for fiscal year	3,566,855	2,712,898
CMHC	128,904	613,562
Other	16,022,006	12,353,067
	38,519,691	37,781,387

During the prior year, the Band had a surplus in their post secondary student support program NP5A of \$31,138. 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 prior year, the Band had a surplus in their child and maintenance foster home of \$30,500. Health Canada approved the deferral of this revenue for use in 2018/2019 and as such, the balance has been added back into revenue above.

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, 2019 was \$128,904 (\$117,494 post-1997 program, \$11,410 pre-1996 program) (2018 - \$124,169).

Miawpukek Band

Notes to consolidated financial statements March 31, 2019

17. Reconciliation of Service Canada funding

	2019
	\$
CRF:	
Carry forward from previous year	11,299
Used in current year	(11,299)
Surplus CRF regular funding	30,278
Disallow from 2014/2015 recognized in current year	(6,438)
Unexpended balance forward to 2019/2020	23,840

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, 2019. 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 \$6,095 (2018 - \$8,912) which are secured by restricted funds in this amount.
- d) The Band has provided ministerial guarantees on mortgages of \$1,096,921 (2018 - \$1,411,206) 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 (2018 - \$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, 2019 amounted to \$237,335 (2018 - \$237,932).

20. Statutory remittances

As at March 31, 2019, 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.