

LISTUGUJ MI'GMAQ GOVERNMENT

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
MARCH 31, 2018



Allen, Paquet & Arseneau LLP
CHARTERED PROFESSIONAL ACCOUNTANTS • COMPTABLES PROFESSIONNELS AGRÉÉS

LISTUGUJ MI'GMAO GOVERNMENT

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FOR THE YEAR ENDED MARCH 31, 2018

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1.

CHIEF AND COUNCIL'S STATEMENT OF RESPONSIBILITY

The accompanying financial statements of the Listuguj Mi'gmaq Government are the responsibility of management and have been approved by the Chief and a Councillor on behalf of Council.

The financial statements have been prepared by management in accordance with the significant accounting policies outlined in Note 1 to the financial statements. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

The Listuguj Mi'gmaq Government 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 Listuguj Mi'gmaq Government's assets are appropriately accounted for and adequately safeguarded.

The Listuguj Mi'gmaq Government is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

Council also 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 financial statements and the external auditors' report.

The financial statements have been audited by Allen, Paquet & Arseneau LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. Allen, Paquet & Arseneau LLP have full and free access to the Chief and Council, and have been properly engaged as the external auditors.

Listuguj, Quebec

Chief
Councillor

Oct 30, 2018
Date

Councillor

Oct 30, 2018
Date

207, rue Roseberry Street
Campbellton, NB

625, ave St. Peter Ave
Bathurst, NB



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2.

INDEPENDENT AUDITORS' REPORT

To The Members of
Listuguj Mi'gmaq Government

Report on the Financial Statements

We have audited the accompanying financial statements of Listuguj Mi'gmaq Government, which comprise the consolidated statement of financial position as at March 31, 2018, the consolidated statements of revenue and expenditures, change in net debt and cash flow 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 financial statements in accordance with Public Sector Accounting Board (PSAB) principles 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements present fairly, in all material respects, the financial position of Listuguj Mi'gmaq Government as at March 31, 2018 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accounting principles as outlined in the Public Sector Accounting (PSA) Handbook.

Campbellton, NB

October 30, 2018

Allen, Paquet & Arseneau LLP
Chartered Professional Accountants

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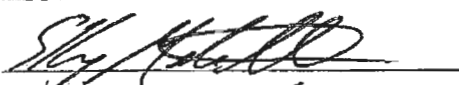
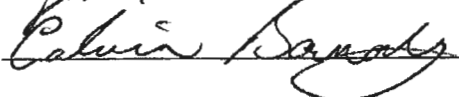
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LISTUGUJ MI'GMAQ GOVERNMENT
Consolidated Statement of Financial Position
As at March 31, 2018

	<u>2018</u>	(Restated) <u>2017</u>
<u>Financial Assets</u>		
Cash (Unrestricted)	\$ 7,435,194	\$ 2,141,742
Land Settlement Trust Fund (Restricted) (Note 19)	17,358,349	18,568,832
Accounts Receivable (Note 3)	6,629,420	8,723,199
Due From Governments (Note 4)	3,083,889	3,202,481
Funds on Deposit with DISC (Note 12)	18,517	18,323
Replacement Reserve Fund (Note 5)	536,940	423,940
Operating Reserve Fund (Note 6)	429,473	229,001
Investment (Note 7)	<u>3,741,975</u>	<u>100</u>
	<u>39,233,757</u>	<u>33,307,618</u>
<u>Liabilities</u>		
Accounts Payable and Accrued Liabilities (Note 8)	3,399,743	2,969,894
Due to Governments (Note 9)	4,172,620	5,008,968
Deferred Revenue (Note 10)	157,197	930,096
Funds on Deposit with DISC (Note 12)	18,517	18,323
Reserve for Future Funding	57,290	57,290
Reserve for Unexpended Funding	3,181,434	3,181,434
Land Settlement Trust Fund Payable (Note 19)	17,358,349	18,568,832
Long Term Debt (Note 11)	<u>15,365,505</u>	<u>16,112,903</u>
	<u>43,710,655</u>	<u>46,847,740</u>
<u>Net Debt (Note 2)</u>	(4,476,898)	(13,540,122)
<u>Non-Financial Assets</u>		
Tangible Capital Assets (Note 14)	59,093,619	58,916,057
Prepaid Expenses	<u>362,644</u>	<u>338,439</u>
	<u>59,456,263</u>	<u>59,254,496</u>
<u>Accumulated Surplus (Note 2)</u>	\$ <u>54,979,365</u>	\$ <u>45,714,374</u>

Contingent Liabilities (Note 15)

Approved On Behalf of Listuguj Mi'gmaq Government

 Chief Councillor
 Councillor



Allen, Paquet & Arseneau LLP
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LISTUGUJ MI'GMAO GOVERNMENT
Consolidated Statement of Change in Net Debt
As at March 31, 2018

	<u>2018</u>	(Restated) <u>2017</u>
<u>Surplus for the Year</u>	\$ 9,264,991	\$ 2,781,302
<u>Add (Deduct):</u>		
Acquisition of Tangible Capital Assets	(5,830,446)	(7,228,096)
Amortization of Tangible Capital Assets	5,098,626	5,022,798
Loss on Disposal of Lease to Own Houses Transferred to Tenants	61,911	-
Loss on Disposal of Tangible Capital Assets	492,347	119,920
Decrease (Increase) in Prepaid Expenses	(24,205)	61,258
<u>Decrease in Net Debt</u>	9,063,224	757,182
<u>Net Debt, Beginning of Year</u>	(13,540,122)	(14,297,304)
<u>Net Debt, End of Year</u>	\$(4,476,898)	\$(13,540,122)



LISTUGUJ MITGMAQ GOVERNMENT
Consolidated Statement of Operations
For The Year Ended March 31, 2018

	2018 <u>Budget</u> (Note 21)	<u>2018</u>	(Restated) <u>2017</u>
<u>Revenue</u>			
Federal Government Transfers for Operating	\$ 25,663,234	\$ 26,284,062	\$ 24,891,491
Federal Government Transfers for Capital	2,182,160	2,860,393	1,897,190
Provincial Government Transfers for Operating	1,359,613	1,359,612	1,453,636
Provincial Government Transfers for Capital	66,900	93,932	117,080
Rent	938,950	1,221,916	1,285,885
Other	<u>26,015,627</u>	<u>29,686,021</u>	<u>25,565,279</u>
	<u>56,226,484</u>	<u>61,505,936</u>	<u>55,210,561</u>
<u>Expenditures</u>			
Band Administration	4,394,660	4,307,990	6,366,841
Capital Operations	4,582,631	4,072,641	7,914,977
Economic Development	3,478,919	3,794,127	2,162,377
Education	9,558,455	9,549,941	8,821,483
Commercial Fisheries	10,074,726	7,718,657	5,664,656
Forestry	3,669,572	3,438,481	2,899,215
Health	3,775,769	3,134,045	3,450,281
Housing (Capital and Section 95)	1,623,305	3,700,220	3,441,433
Police Operations	1,301,763	2,046,412	1,520,851
Public Security	536,045	701,571	811,460
Social Services	<u>10,538,486</u>	<u>9,776,860</u>	<u>9,375,685</u>
	<u>53,534,331</u>	<u>52,240,945</u>	<u>52,429,259</u>
<u>Surplus for the Year</u>	2,692,153	9,264,991	2,781,302
<u>Accumulated Surplus, Beginning of Year</u>	-	45,714,374	42,933,072
<u>Accumulated Surplus, End of Year</u>	<u>\$ 2,692,153</u>	<u>\$ 54,979,365</u>	<u>\$ 45,714,374</u>



LISTUGUJ MI'GMAO GOVERNMENT
Summary Schedule of Revenue and Expenditures
For The Year Ended March 31, 2018

	2018 Budget	2018	(Restated) 2017
Revenue			
Attorney General of Canada	\$ 35,000	\$ 35,000	\$ 35,000
AVCell	2,592,267	2,509,586	2,595,810
Bingo Operations	77,000	87,438	129,479
Canada Mortgage and Housing Corporation	164,769	188,171	450,249
Canada Mortgage and Housing Corporation - Subsidy	-	307,956	301,198
Canada Post Corporation	62,746	63,899	63,691
First Nation Education Council	1,764,916	1,810,049	1,850,230
Fisheries and Oceans Canada	820,070	820,070	816,315
FNQLHSSC	192,407	192,407	302,939
Government of Canada	610,083	610,283	202,745
Health Canada - FNIH	3,560,639	3,560,639	3,308,351
Department of Indigenous Services Canada			
Regular Funding	20,086,010	19,984,957	19,530,546
Insurance Proceeds	-	-	120,000
Listuguj Mi'gmaq Development Centre	31,407	48,392	59,246
Loan Proceeds	1,000,000	657,000	4,363,387
McGill University	36,000	36,000	70,352
Other Income - Local Sources	5,078,734	2,586,910	3,408,689
Province of Quebec	515,000	542,032	582,055
Rental - Buildings	931,950	1,181,916	1,279,057
Retail Postal Sales	70,000	74,724	85,214
Shrimp Sales	4,680,000	1,739,398	4,776,807
Snow Crab Sales	8,207,500	18,514,162	6,717,225
Transfers From Other Programs	-	989,711	2,173,576
Tripartite Agreement			
Province of Quebec	624,846	624,845	618,822
Solicitor General	676,917	676,916	670,391
Turbot Sales	76,233	104,032	173,640
Wood Sold and Contracts	3,555,000	3,013,845	2,917,242
Deferred Revenue Previous Year	246,990	651,285	6,922
	55,696,484	61,611,623	57,609,178
Less: Deferred Revenue Current Year	-	-	792,885
Total Revenue (Page 13)	55,696,484	61,611,623	56,816,293
Add (Less): PSAB Adjustments	-	(105,687)	(2,173,576)
Net Revenue	55,696,484	61,505,936	54,642,717
Total Expenditures (Page 8 and 13)	53,004,331	53,339,233	56,526,511
Less: PSAB Adjustments	-	(1,098,288)	(2,173,576)
Net Expenditures	53,004,331	52,240,945	54,352,935
Excess of Revenue Over Expenditures	\$ 2,692,153	\$ 9,264,991	\$ 289,782



LISTUGUJ MI'GMAO GOVERNMENT
Summary Schedule of Revenue and Expenditures
For The Year Ended March 31, 2018

	<u>2018</u> <u>Budget</u>	<u>2018</u>	(Restated) <u>2017</u>
<u>Expenditures</u>			
Accounting and Audit	\$ -	\$ 68,875	\$ 60,500
Administration	1,521,278	777,480	1,936,475
Bad Debts	313,505	310,378	1,469,103
Band Employee Benefit Plan	299,066	277,929	310,134
Basic Needs	3,430,000	3,193,275	3,182,372
Books and Supplies	34,250	51,344	44,130
Capital Expenditures Out of Operations	345,925	1,476,812	2,391,093
Consulting	88,750	94,259	8,376
Contracts	671,350	480,835	481,841
Employability Measures	432,000	334,506	352,176
Equipment Rental	51,978	112,460	83,607
Election Expenses	-	2,646	57,489
Health Services Transfer Program	3,443,269	3,198,178	3,241,834
Heat and Lights	148,000	251,116	223,669
Honoraria	72,000	71,500	75,000
Insurance	157,760	209,317	230,222
Interest and Bank Charges	25,000	7,387	27,864
Living Expense Allowance	889,351	680,829	637,475
Loan and Mortgage Payments	1,183,806	1,700,957	5,322,932
Materials, Supplies and Other	8,349,269	9,935,483	6,068,294
Office	130,973	301,474	61,000
Other	168,121	813,590	713,855
Placements	2,607,473	2,597,297	2,674,169
Police Facility Costs	<u>204,850</u>	<u>394,155</u>	<u>186,068</u>
Balance Carried Forward	<u>24,567,974</u>	<u>27,342,082</u>	<u>29,839,678</u>



LISTUGUJ M'GMAO GOVERNMENT
Summary Schedule of Revenue and Expenditures
For The Year Ended March 31, 2018

	2018 <u>Budget</u>	<u>2018</u>	(Restated) <u>2017</u>
<u>Expenditures (Cont'd)</u>			
Balance Brought Forward	\$ 24,567,974	\$ 27,342,082	\$ 29,839,678
Postal Purchases	-	78,985	78,889
Professional Fees	261,400	580,918	414,941
Professional Services	360,799	337,327	298,647
Project Expenditures	1,927,386	1,757,457	3,259,399
Purification Treatment	3,200	1,985	3,182
Rent	62,425	90,450	62,000
Repairs and Maintenance	829,639	886,667	741,746
Salaries and Benefits	19,334,293	16,667,070	16,603,437
School Nutrition Program	167,500	238,899	87,064
School Supplies	11,000	16,048	15,789
Special Needs	80,000	47,641	56,389
Student Allowances	81,602	81,779	20,085
Student Incentives	30,000	19,778	24,600
Telephone	61,920	56,780	52,751
Training	72,700	136,670	83,070
Transportation	2,527,036	2,310,231	2,359,410
Tuition	1,957,150	2,021,280	1,972,445
Vehicle Operating and Travel	660,807	667,186	550,104
Waterline Repairs	<u>7,500</u>	<u>-</u>	<u>2,885</u>
<u>Total Expenditures (to Page 6)</u>	<u>\$ 53,004,331</u>	<u>\$ 53,339,233</u>	<u>\$ 56,526,511</u>



LISTUGUJ MITGMAO GOVERNMENT
Consolidated Statement of Revenue and Expenditures
For The Year Ended March 31, 2018

	Page	(Restated) Balance March 31, 2017	Revenue 2017-2018	Expenditures 2017-2018	Surplus (Deficit) 2017-2018	Balance March 31, 2018
<u>Lands, Revenues and Trusts</u>						
Lands Management	14.	\$ (94,490)	\$ 72,073	\$ 64,776	\$ 7,297	\$ (87,193)
Membership	14.	(31,865)	29,242	-	29,242	(2,623)
Land Use Planning Initiative	15.	-	109,070	92,281	16,789	16,789
Native Claims 5 First Nations	15.	550	-	6,667	(6,667)	(6,117)
Total Lands, Revenues and Trusts		\$ (125,805)	\$ 210,385	\$ 163,724	\$ 46,661	\$ (79,144)
<u>Education</u>						
Provincial Schools	16.	\$ 31,167	\$ 1,391,070	\$ 1,391,070	\$ -	\$ 31,167
Enhanced Teachers Salaries	16.	(305,227)	43,520	43,520	-	(305,227)
Band Schools	17.	2,434,869	2,415,809	2,465,010	(49,201)	2,385,668
Transportation	18.	135,393	476,925	670,646	(193,721)	(58,328)
PSPP McGill	18.	-	122,139	122,139	-	-
Ancillary Services	19.	271,982	25,120	25,120	-	271,982
Post-Secondary New Investment	19.	-	157,318	157,318	-	-
Post-Secondary Support	20.	(4,044,007)	1,277,964	1,281,806	(3,842)	(4,047,849)
Student Support	21.	564,443	371,625	370,785	840	565,283
Education Compliance Review	22.	-	36,900	41,900	(5,000)	(5,000)
Breakfast Program	22.	-	29,797	29,797	-	-
AGS Renovation/Expansion project	23.	-	-	112,092	(112,092)	(112,092)
Student Allowance LMG	23.	-	-	61,375	(61,375)	(61,375)
Cultural Education	24.	19,524	78,998	78,998	-	19,524
Total Education		\$ (891,856)	\$ 6,427,185	\$ 6,851,576	\$ (424,391)	\$ (1,316,247)
<u>Social Development</u>						
Social Assistance - Basic	24.	\$ (476,996)	\$ 3,193,275	\$ 3,193,275	\$ -	\$ (476,996)
Social Assistance - Employability Measures	25.	-	334,506	334,506	-	-
Social Assistance - Special	25.	32,142	47,641	47,641	-	32,142
Social Assistance Service Delivery	26.	279,969	121,860	156,859	(34,999)	244,970
Institutional Care Adults	26.	69,107	252,194	252,194	-	69,107
Institutional Care For Children	27.	173,525	69,211	69,211	-	173,525
Group Homes	27.	(1,104,257)	1,093,262	1,047,095	46,167	(1,058,090)
Child and Family Services Operation	28.	1,337,255	1,141,422	1,009,736	131,686	1,468,941
Canada Summer Students (Social Assistance)	28.	(5,501)	10,822	10,817	5	(5,496)
Family Violence	29.	57,058	-	-	-	57,058
Foster Home For Adults	29.	(306,998)	122,338	122,338	-	(306,998)
Foster Homes For Children	30.	(165,737)	1,316,736	1,200,033	116,703	(49,034)
Haven House	31.	937,716	468,335	498,920	(30,585)	907,131
Adult Care - Service Delivery	31.	219,065	103,603	89,169	14,434	233,499
First Line Childhood Family Services	32.	205,969	489,643	442,610	47,033	253,002
In-Home Care For Adults	32.	(215,244)	360,000	391,180	(31,180)	(246,424)
Enhanced Service Delivery	33.	(46,525)	140,495	140,495	-	(46,525)
Summer Camp	34.	-	18,967	60,988	(42,021)	(42,021)
SAA/QEF Community Mobilization	34.	-	15,000	-	15,000	15,000
Total Social Development		\$ 990,548	\$ 9,299,310	\$ 9,067,067	\$ 232,243	\$ 1,222,791



LISTUGUI MITGMAO GOVERNMENT
Consolidated Statement of Revenue and Expenditures
For The Year Ended March 31, 2018

	Page	(Restated) Balance March 31, 2017	Revenue 2017-2018	Expenditures 2017-2018	Surplus (Deficit) 2017-2018	Balance March 31, 2018
Community Capital Facilities						
Capital Addition to Reserve	35.	\$ (1,513,498)	\$ -	\$ 553,427	\$ (553,427)	\$ (2,066,925)
Band School O & M	35.	(1,242,062)	260,667	269,677	(9,010)	(1,251,072)
Community Building	36.	608,652	155,978	186,533	(30,555)	578,097
Public Works	36.	(2,212,918)	166,344	451,436	(285,092)	(2,498,010)
Fire Protection	37.	(134,534)	100,045	132,139	(32,094)	(166,628)
Roads and Bridges	38.	(1,814,104)	139,588	256,832	(117,244)	(1,931,348)
Sanitation Systems	38.	(2,663,512)	221,133	654,656	(433,523)	(3,097,035)
Water Systems	39.	(92,312)	92,270	99,681	(7,411)	(99,723)
Paving	39.	(94,144)	200,000	185,029	14,971	(79,173)
Environment Site Assessment Phase I Reserve	40.	-	18,121	18,121	-	-
Environment Site Assessment Phase III	40.	-	41,268	41,268	-	-
Facilities Maintenance	41.	(459,212)	71,400	207,887	(136,487)	(595,699)
Emergency Preparedness	41.	-	-	-	-	-
Specific Land Claims	42.	(22,900)	-	-	-	(22,900)
Lot Development	43.	(344,162)	355,000	355,932	(932)	(345,094)
ACRS Repairs	43.	255,880	77,000	13,682	63,318	319,198
Band Garage	44.	(1,046,165)	633,093	633,093	-	(1,046,165)
Homes Constructed (2015/16)	44.	80,383	-	-	-	80,383
Homes Constructed (2016/17)	45.	(121,309)	201,000	94,568	106,432	(14,877)
Homes Constructed (2017/18)	45.	-	470,000	1,074,102	(604,102)	(604,102)
Playground	46.	-	20,248	25,910	(5,662)	(5,662)
Housing Governance	46.	(40)	95,600	38,918	56,682	56,642
Quebec Work Integration	47.	(25,180)	27,032	17,910	9,122	(16,058)
Access To Community Garage	47.	48,420	-	-	-	48,420
Gignu Care Facility	48.	(1,757,840)	-	242,729	(242,729)	(2,000,569)
SEC95 Triplex Const. (19072537 021)	48.	(502,395)	456,000	305,010	150,990	(351,405)
DISC Renovation/Extensions	49.	-	251,200	246,615	4,585	4,585
RRAP (2016/17)	49.	14,315	192,759	86,238	106,521	120,836
JMR MEM Rink Roof	50.	(374,424)	1,000	199,764	(198,764)	(573,188)
SAA Youth Center	50.	166,443	66,900	66,900	-	166,443
Transfer Site Construction	51.	1,058	-	16,181	(16,181)	(15,123)
CMHC Internship Program	51.	(819)	45,178	40,190	4,988	4,169
Firefighters Competition	52.	(5,136)	-	-	-	(5,136)
Total Community Capital Facilities		\$ (13,251,515)	\$ 4,358,824	\$ 6,514,428	\$ (2,155,604)	\$ (15,407,119)



LISTUGUI MIGMAO GOVERNMENT
Consolidated Statement of Revenue and Expenditures
For The Year Ended March 31, 2018

		(Restated) Balance March 31, 2017	Revenue 2017-2018	Expenditures 2017-2018	Surplus (Deficit) 2017-2018	Balance March 31, 18
Page						
<u>Band Government</u>						
	Band Support Grant	53. \$ (1,918,347)	\$ 2,163,804	\$ 2,912,851	\$ (749,047)	\$ (2,667,394)
	Band Employee Benefit Plan (Pension)	54. (381,225)	257,512	174,785	82,727	(298,498)
	Band Employee Benefit Plan (Group Insurance)	54. (202,564)	94,897	103,144	(8,247)	(210,811)
	Housing Admin.	55. (1,074,104)	16,391	72,731	(56,340)	(1,130,444)
	HR Management Capital Development	55. -	40,000	39,419	581	581
	Prevention Operations Water Projection	56. -	44,166	44,166	-	-
	Loss of Salmon Pools 3FN	56. -	104,480	104,480	-	-
	Total Band Government	\$ (3,576,240)	\$ 2,721,250	\$ 3,451,576	\$ (730,326)	\$ (4,306,566)
<u>Economic Development</u>						
	Economic Development	57. \$ 394,528	\$ 280,845	\$ 338,183	\$ (57,338)	\$ 337,190
	Seafood Repackaging Plan	57. -	-	-	-	-
	Total Economic Development	\$ 394,528	\$ 280,845	\$ 338,183	\$ (57,338)	\$ 337,190
	Total Agreement	\$ (16,460,340)	\$ 23,297,799	\$ 26,386,554	\$ (3,088,755)	\$ (19,549,095)



LISTUGUJ MITGMAO GOVERNMENT
Consolidated Statement of Revenue and Expenditures
For The Year Ended March 31, 2018

		(Restated) Balance March 31, 2017	Revenue 2017-2018	Expenditures 2017-2018	Surplus (Deficit) 2017-2018	Balance March 31, 2018
Page						
Other Agreements						
Health Services						
	Health Services Transfer	58. \$ 2,594,992	\$ 3,560,639	\$ 3,175,122	\$ 385,517	\$ 2,980,509
	Reinvestment Plan	59. (459,571)	-	143,639	(143,639)	(603,210)
Other Programs						
	Shrimp Harvesting	59. 8,991,050	1,743,306	1,849,109	(105,803)	8,885,247
	Economic Opportunities	60. 33,427	61,372	69,311	(7,939)	25,488
	Aquatic Resource Management and Stewardship	60. 18,427	263,122	218,733	44,389	62,816
	Chipper Operations	61. 8,456,553	1,966,668	1,252,336	714,332	9,170,885
	Capital Technical Services	62. -	107,225	64,635	42,590	42,590
	Restorative Justice Program	62. 36,606	70,000	63,851	6,149	42,755
	McGill University - Subaward Agreement	63. (144,847)	36,000	52,452	(16,452)	(161,299)
	FNQL Health Children 0.5 Initiative	63. (12,640)	57,647	53,410	4,237	(8,403)
	Contracting Labour	64. (21,429)	-	-	-	(21,429)
	Diversification of Secondary School Learning Paths	64. (683)	7,000	7,303	(303)	(986)
	IEP	65. 144,219	12,267	63,934	(51,667)	92,552
	FNSSP Early Literacy 2	65. (19)	59,048	59,052	(4)	(23)
	FN Land Management Framework	66. -	75,000	45,444	29,556	29,556
	Turbot	66. 301,880	104,032	-	104,032	405,912
	NAAF Scallop Aquaculture Pilot	67. (1,364)	-	-	-	(1,364)
	B Food - Social - Ceremonial Fisheries	67. (32,496)	105,506	95,548	9,958	(22,538)
	Conservation Officers	68. (96,304)	415,000	512,446	(97,446)	(193,750)
	Combat Poverty (Social Exclusion)	68. 28,202	6,726	3,023	3,703	31,905
	Snow Crab Fisheries	69. 29,843,957	18,739,374	6,330,984	12,408,390	42,252,347
	Foster Family Allowance	69. 198,790	144,200	178,510	(34,310)	164,480
	Inter-Community Harmony	70. 1,007	80,180	80,962	(782)	225
	Small Repairs	70. (12,213)	-	439,833	(439,833)	(452,046)
	National Police School	71. 9,809	94,523	96,850	(2,327)	7,482
	CIP 150	71. -	730,261	871,157	(140,896)	(140,896)
	Forestry Operations	72. (3,927,683)	3,075,621	2,794,522	281,099	(3,646,584)
	Skills Link Program	72. (571)	16,610	16,350	260	(311)
	Retail Postal Outlet	73. (50,178)	138,623	146,227	(7,604)	(57,782)
	Summer Students	73. (531,681)	51,968	51,968	-	(531,681)
	Education Partnership Program	74. (2,220)	44,044	44,044	-	(2,220)
	Fisheries Coordinator	74. (2,847,671)	-	-	-	(2,847,671)
	Enhanced First Nation Education Program	75. 2,405	514,827	514,827	-	2,405
	Section 95 Housing Program	75. (243,040)	859,665	821,411	38,254	(204,786)
	Day Care Centre	76. 1,589	221,750	193,466	28,284	29,873
	LPD/RCMP Secondment	76. (5,602)	-	-	-	(5,602)
	Continuing Education	77. (168,055)	109,830	120,964	(11,134)	(179,189)
	CPP Pilot Project	77. -	45,000	45,352	(352)	(352)
	Wood Yard Project	78. 89,459	71,559	57,513	14,046	103,505
	LA Youth Centre	78. -	-	121,542	(121,542)	(121,542)
Balance Carried Forward		\$ 42,194,105	\$ 33,588,593	\$ 20,655,830	\$ 12,932,763	\$ 55,126,868



LISTUGUI MTGMAO GOVERNMENT
Consolidated Statement of Revenue and Expenditures
For The Year Ended March 31, 2018

	(Restated) Balance March 31, 2017	Revenue 2017-2018	Expenditures 2017-2018	Surplus (Deficit) 2017-2018	Balance March 31, 2018
Page					
Other Agreements (Cont'd)					
Balance Brought Forward	\$ 42,194,105	\$ 33,588,593	\$ 20,655,830	\$ 12,932,763	\$ 55,126,868
Other Programs					
Science and Technology	79. (91)	11,888	12,119	(231)	(322)
F.N.S.S.P. Success Plan	79. (20,944)	306,038	306,048	(10)	(20,954)
Special Education Services	80. (123,014)	953,804	951,743	2,061	(120,953)
Career Promotion and Awareness	80. 993	17,335	17,335	-	993
New Paths For Education	81. (80,863)	176,809	179,349	(2,540)	(83,403)
Leased Houses	81. (4,359,997)	812,900	1,431,943	(619,043)	(4,979,040)
Police Operations	82. (1,451,357)	1,316,392	2,029,559	(713,167)	(2,164,524)
Police Facility Costs	82. -	-	-	-	-
FNQLHSSC Tobacco Cessation	83. -	27,360	23,056	4,304	4,304
Bingo Operations	83. (641,886)	87,438	152,603	(65,165)	(707,051)
Noon Day Lunch Program	84. 166,133	-	-	-	166,133
Dog Control	84. (44,724)	600	24,776	(24,176)	(68,900)
Hog Fuel Services	85. (59,468)	204,992	140,377	64,615	5,147
NPE Language/Culture	85. (1)	165,505	173,845	(8,340)	(8,341)
AVCell Janitors	86. (370,765)	254,100	106,496	147,604	(223,161)
Community Reinvestments	86. (3,543,653)	-	288,835	(288,835)	(3,832,488)
DFO Vessel Repairs	87. (25,146)	390,070	458,765	(68,695)	(93,841)
Non-Operating Prior Year Programs	87. (13,083,090)	-	-	-	(13,083,090)
Total Other Agreements	18,556,232	38,313,824	26,952,679	11,361,145	29,917,377
	\$ 2,095,892	61,611,623	53,339,233	8,272,390	\$ 10,368,282
PSAB Adjustments		(105,687)	(1,098,288)	992,601	
Total		\$ 61,505,936	\$ 52,240,945	\$ 9,264,991	



LISTUGUI MI'GMAQ GOVERNMENT
Consolidated Statement of Cash Flow
For The Year Ended March 31, 2018

	<u>2018</u>	(Restated) <u>2017</u>
<u>Cash Flows From Operating Activities</u>		
Cash Receipts From Funding Agreements and Others	\$ 58,408,737	\$ 54,291,468
Cash Paid to Suppliers and Employees	(45,796,341)	(43,802,264)
Interest Paid	(52,820)	(52,206)
	<u>12,559,576</u>	<u>10,436,998</u>
<u>Cash Flows From Financing Activities</u>		
Proceeds From Long Term Debt	657,000	4,076,906
Principal Repayment of Long Term Debt	(1,144,486)	(5,673,867)
Increase in Funded Reserves	179,646	48,823
Increase in Contributed Surplus	351,405	82,268
Loss on Disposal of Capital Assets	(554,258)	(119,920)
CMHC Prior Year Adjustment	(111,513)	(45,164)
	<u>(622,206)</u>	<u>(1,630,954)</u>
<u>Cash Flows From Investing Activities</u>		
Acquisition of Capital Assets	(5,830,446)	(6,887,828)
Increase in Restricted Funds	(313,472)	(87,980)
Increase in Investments	(500,000)	(3,000,000)
	<u>(6,643,918)</u>	<u>(9,975,808)</u>
<u>Increase (Decrease) in Cash and Cash Equivalents</u>	5,293,452	(1,169,764)
<u>Cash and Cash Equivalents, Beginning of Year</u>	<u>2,141,742</u>	<u>3,311,506</u>
<u>Cash and Cash Equivalents, End of Year (Note 16)</u>	<u>\$ 7,435,194</u>	<u>\$ 2,141,742</u>



LISTUGUJ MI'GMAO GOVERNMENT
Notes To The Financial Statements
For The Year Ended March 31, 2018

1. Basis of Presentation and Significant Accounting Policies

a. Basis of Presentation

These financial statements have been prepared in accordance with the Canadian generally accepted accounting principles for governments outlined in the Public Sector Accounting Board (PSAB) of CPA Canada.

b. Accounting for Tangible Capital Assets

Tangible capital assets (TCA) are items that can be physically touched, are used to provide First Nation services, are used for First Nation administration purposes or are used for the construction and/or maintenance of other TCA owned by the First Nation, will be useful for a period of greater than one year, will be used by the First Nation on a regular basis and are not surplus properties held for resale or disposal.

Amortization is calculated using methods which will reduce the original cost of capital assets to estimated residual values over the useful life of each asset using the following annual rates:

Buildings	4% Straight Line Basis
Infrastructures	4% Straight Line Basis
Paving	4% Straight Line Basis
Heavy Equipment	10% Straight Line Basis
Equipment and Furniture	20% Straight Line Basis
Boats	20% Straight Line Basis
Vehicles	20% Straight Line Basis

In the year of acquisition, 50% of the normal amortization is recorded.

c. Accounting Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts recorded in the financial statements and notes to financial statements. These estimates are based on management's best knowledge of current events and actions that the First Nation may undertake in the future. Actual results may differ from those estimates.

d. Revenue Recognition

Major sources of revenue are recorded on an accrual basis and matched to the fiscal year when the related expenditures for that particular program are incurred. Certain other sources of revenue are recorded on a cash basis.



LISTUGUJ MI'GMAQ GOVERNMENT
Notes To The Financial Statements
For The Year Ended March 31, 2018

1. **Basis of Presentation and Significant Accounting Policies (Cont'd)**

d. **Revenue Recognition (Cont'd)**

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose.

Revenue related to fees or services received in advance of the fee being earned or the service being performed is deferred and recognized when the fee is earned or service performed.

e. **Expenditure Recognition**

Commitments for goods and services relating to the current fiscal period are accrued at the statement of financial position date.

f. **Social Housing Program**

The Replacement Reserve Fund is funded by an annual charge against earnings rather than an appropriation of surplus.

g. **Pension Plan**

Some employees of Listuguj Mi'gmaq Government are members of a Defined Contribution Plan to which the First Nation contributes up to 9% for Natives and up to 5.5% for Non-Natives.

2. **Comparative Figures**

Certain of the comparative figures as at March 31, 2017 and for the year then ended have been restated to conform to the presentation adopted for the current year. Additionally, some amounts related to DISC and Health Canada have been restated following reviews of prior year results in accordance with each respective review reports. The effect on prior period net debt and accumulated surplus are as follows:



LISTUGUI MI'GMAQ GOVERNMENT
Notes To The Financial Statements
For The Year Ended March 31, 2018

2. Comparative Figures (Cont'd)

<u>Net Debt and Accumulated Surplus</u>	<u>March 31, 2017 Restated</u>	
	<u>Net Debt</u>	<u>Accumulated Surplus</u>
As Previously Reported	\$(12,417,578)	\$ 46,836,918
Add (Deduct) Adjustments		
Record Recoverable From DISC (Program NG0M)	(11,448)	(11,448)
Record Recoverable By DISC (Program NGBL)	(550)	(550)
Record Recoverable By DISC (Program NTO6)	(158,240)	(158,240)
Record Recoverable By DISC (Program NP5A)	(68,150)	(68,150)
Reverse Recoverable By DISC (Program NPC5)	(10,375)	(10,375)
Record Transfer of Unexpended Funds (Program NPD2, NPD0, NPD3, NPD1 and NPD7)	(290,994)	(290,994)
Record Transfer of Unexpended Funds (Programs NP05, NP0S, NP12, NP13 and NP14)	1,707	1,707
Record Transfer of Unexpended Funds (Programs NP8R, NPC7, NPE0, and NPE2)	46,471	46,471
Record Transfer of Unexpended Funds (Program NT90)	14,480	14,480
Record Transfer of Unexpended Funds (Program NTX4)	(43,550)	(43,550)
Record Transfer of Unexpended Funds (Program NT45)	(146,647)	(146,647)
Record Transfer to Reserve for Future Funding (Programs NTMB)	(376,344)	(376,344)
Record Recoverable By Health Canada (2015/16)	(51,226)	(51,226)
Record Recoverable By Health Canada (2016/17)	(27,678)	(27,678)
As Restated	\$(13,540,122)	\$ 45,714,374

3. Accounts Receivable

	<u>2018</u>	<u>2017</u>
<u>Due from members</u>		
Rent - Lease to Own	\$ 3,090,712	\$ 2,879,368
Rent - Section 95	436,630	384,571
Advances	78,778	96,636
	<u>3,606,120</u>	<u>3,360,575</u>
<u>Due from others</u>		
Services	480,071	494,053
Convertible note from Zenabis Ltd., 5%,	-	3,000,000
Other	8,085,041	7,054,437
	<u>8,565,112</u>	<u>10,548,490</u>
	12,171,232	13,909,065
Less: Allowance for Doubtful Accounts	(5,541,812)	(5,185,866)
Total Accounts Receivable	<u>\$ 6,629,420</u>	<u>\$ 8,723,199</u>



LISTUGUIJ MI'GMAO GOVERNMENT
Notes To The Financial Statements
For The Year Ended March 31, 2018

4. <u>Due From Governments</u>	<u>2018</u>	<u>2017</u>
Federal Government		
Department of Indigenous Services Canada (DISC)	\$ 1,653,079	\$ 2,393,076
Health Canada	4,297	-
Fisheries and Oceans Canada	956,026	497,323
Province of New Brunswick	133,001	2,025
Province of Québec	70,000	-
CMHC	<u>267,486</u>	<u>310,057</u>
	<u>\$ 3,083,889</u>	<u>\$ 3,202,481</u>

5. Replacement Reserve Fund

Program 16-202-699

Under the agreement with Canada Mortgage and Housing Corporation, an amount must be credited to the replacement reserve. These funds and the accrued interest must be placed in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or in any other way approved by CMHC from time to time. Any use of the funds from the account must be approved by CMHC. At the end of the fiscal year the replacement reserve included term savings of \$76,483 (\$103,837 in 2017).

Program 19-072-537

Under the agreement with Canada Mortgage and Housing Corporation, an amount set forth in Appendix B of the operating agreement must be credited to the replacement reserve. The annual amount may be increased by the First Nation. These funds and the accrued interest must be placed in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or in any other way approved by CMHC from time to time. At the end of the fiscal year the replacement reserve included term savings of \$460,457 (\$320,103 in 2017).

6. Operating Reserve Fund (Program 19-072-537)

Once all costs and expenses are paid, particularly the allocation to the replacement reserve, the First Nation keeps all excess increase in an operating reserve. The First Nation agrees to keep the funds and accrued interest in the operating fund in a separate bank account or to invest in only in accounts or instruments insured by the Canada Deposit Insurance Corporation, or as agreed by common consent by the First Nation and CMHC. The housing project's operating reserve is to be used only for the operating expenses of housing projects that made undertakings as part of the 1997 On-Reserve Housing Program. The reserve may thus be used to cover deficits from previous years. Withdrawals are first applied to interest, then to the principal. At the end of the fiscal year the operating reserve included term savings of \$429,473 (\$229,001 in 2017).



LISTUGUJ MI'GMAQ GOVERNMENT
Notes To The Financial Statements
For The Year Ended March 31, 2018

<u>7. Investment</u>	<u>2018</u>	<u>2017</u>
Les Crevettiers Marinard Inc, 100 class "H" preferred shares, non-voting, at cost	\$ 100	\$ 100
E. Gagnon & Fils, at cost (1)	500,000	-
Sun Pharm Investment Ltd., Convertible note to common shares at the option of the holder, (Note 18)	<u>3,241,875</u>	<u>-</u>
	<u>\$ 3,741,975</u>	<u>\$ 100</u>

(1) This investment shall generate a return of \$0.10 per pound on the resource's price for the quantity of crab delivered by Listuguj Mi'gmaq Government, plus an additional return equal to and calculated according to the prime rate of E.Gagnon & Fils' bank, plus 2% and the capital will be repaid by April 1st, 2022. Additional investments were made after the year end for a total investment of \$1,019,605. see note 18.

<u>8. Accounts Payable and Accrued Liabilities</u>	<u>2018</u>	<u>2017</u>
Trade Payables	\$ 3,034,625	\$ 2,778,761
Accrued Salaries and Benefits Payable	<u>365,118</u>	<u>191,133</u>
	<u>\$ 3,399,743</u>	<u>\$ 2,969,894</u>

<u>9. Due to Governments</u>	<u>2018</u>	<u>2017</u>
Province of New Brunswick	\$ 2,671,786	\$ 2,265,371
Province of Québec	1,338,203	2,364,240
DISC Contributions Payable	<u>162,631</u>	<u>379,357</u>
	<u>\$ 4,172,620</u>	<u>\$ 5,008,968</u>

<u>10. Deferred Revenue</u>	<u>2018</u>	<u>2017</u>
Land Use Planning Initiative (Page 15)	\$ -	\$ 75,000
Community Building (Page 36)	21,600	43,200
Band garage (Page 44)	-	376,344
Homes Constructed (2016/17) (Page 45)	-	120,000
Playground (Page 46)	-	6,351
HR Management Capital Development (Page 55)	-	40,000
Day Care Centre (Page 76)	-	86,990
CCP Pilot Project (Page 77)	-	45,000
Economic Development Loan Program	<u>135,597</u>	<u>137,211</u>
	<u>\$ 157,197</u>	<u>\$ 930,096</u>



LISTUGUJ MI'GMAO GOVERNMENT
Notes To The Financial Statements
For The Year Ended March 31, 2018

	<u>2018</u>	<u>2017</u>
11. <u>Long Term Debt</u>		
RBC Mortgage, 3.05%, repayable in equal monthly instalments of \$623, principal and interest, renewable in February 2019, due in July 2020, secured by a ministerial guarantee (#30961)	\$ 17,388	\$ 24,222
RBC Mortgage, repaid during the year	-	13,984
RBC Mortgage, 3.09%, repayable in equal monthly instalments of \$763, principal and interest, renewable in February 2019, due in May 2022, secured by a ministerial guarantee (#31138)	36,405	44,303
RBC Mortgage, 3.05%, repayable in equal monthly instalments of \$2,012, principal and interest, renewable in February 2019, due in January 2021, secured by a ministerial guarantee (#31222)	67,240	88,966
CMHC Mortgage, 1.08%, repayable in equal monthly instalments of \$1,466, principal and interest, renewable in August 2020, due in May 2021, secured by a ministerial guarantee (#31354)	53,318	70,234
CMHC Mortgage, 1.08%, repayable in equal monthly instalments of \$1,341, principal and interest, renewable in August 2020, due in May 2024, secured by a ministerial guarantee (#31361)	94,726	109,712
CMHC Mortgage, 1.97%, repayable in equal monthly instalments of \$1,264, principal and interest, renewable in December 2022, due in November 2026, secured by a ministerial guarantee (#31557)	119,691	132,555
CMHC Mortgage, 1.67%, repayable in equal monthly instalments of \$1,356, principal and interest, renewable in June 2018, due in May 2027, secured by a ministerial guarantee (#31558)	137,098	150,965
CMHC Mortgage, 1.08%, repayable in equal monthly instalments of \$522, principal and interest, renewable in August 2020, due in August 2028, secured by a ministerial guarantee (#31718)	61,273	66,849
CMHC Mortgage, 1.08%, repayable in equal monthly instalments of \$1,085, principal and interest, renewable in August 2020, due in August 2028, secured by a ministerial guarantee (#31719)	<u>127,262</u>	<u>138,842</u>
Balance Carried Forward	<u>714,401</u>	<u>840,632</u>



LISTUGUJ MI'GMAO GOVERNMENT
Notes To The Financial Statements
For The Year Ended March 31, 2018

	<u>2018</u>	<u>2017</u>
11. <u>Long Term Debt</u> (Cont'd)		
Balance Brought Forward	\$ 714,401	\$ 840,632
CMHC Mortgage, 1.14%, repayable in equal monthly instalments of \$815, principal and interest, renewable in June 2021, due in June 2029, secured by a ministerial guarantee (#31780)	102,463	111,020
CMHC Mortgage, 1.84%, repayable in equal monthly instalments of \$1,784, principal and interest, renewable in September 2022, due in July 2030, secured by a ministerial guarantee (#31897)	234,772	251,776
CMHC Mortgage, 1.67%, repayable in equal monthly instalments of \$1,448, principal and interest, renewable in June 2018, due in April 2031, secured by a ministerial guarantee (#31914)	202,949	216,817
CMHC Mortgage, 1.67%, repayable in equal monthly instalments of \$515, principal and interest, due in June 2018, secured by a ministerial guarantee (#31943)	72,137	77,068
CMHC Mortgage, 1.67%, repayable in equal monthly instalments of \$1,123, principal and interest, renewable in June 2018, due in April 2031, secured by a ministerial guarantee (#31980)	157,460	168,220
CMHC Mortgage, 1.39%, repayable in equal monthly instalments of \$732, principal and interest, renewable in June 2020, due in May 2033, secured by a ministerial guarantee (#32133)	119,465	126,538
CMHC Mortgage, 1.39%, repayable in equal monthly instalments of \$1,468, principal and interest, renewable in June 2020, due in May 2035, secured by a ministerial guarantee (#32134)	267,807	281,606
CMHC Mortgage, 1.39%, repayable in equal monthly instalments of \$750, principal and interest, renewable in June 2020, due in May 2035 secured by a ministerial guarantee (#32169)	136,874	143,926
CMHC Mortgage, 1.39%, repayable in equal monthly instalments of \$1,396, principal and interest, renewable in June 2020, due in May 2034, secured by a ministerial guarantee (#32170)	<u>241,398</u>	<u>254,705</u>
Balance Carried Forward	<u>2,249,726</u>	<u>2,472,308</u>



LISTUGUJ MI'GMAO GOVERNMENT
Notes To The Financial Statements
For The Year Ended March 31, 2018

	<u>2018</u>	<u>2017</u>
11. <u>Long Term Debt</u> (Cont'd)		
Balance Brought Forward	\$ 2,249,726	\$ 2,472,308
RBC Loan, 2.09%, repayable in equal monthly instalments of \$8,247, principal and interest, renewable in May 2020	209,018	302,546
RBC Loan, 2.88%, repayable in equal monthly instalments of \$3,503, principal and interest, renewable in September 2019, secured by a ministerial guarantee (#32135)	550,335	576,108
RBC Loan, Prime Plus 1%, repayable in equal monthly instalments of \$5,878, principal plus interest, renewable in March 2019	282,138	352,673
RBC Loan, 2.69%, repayable in equal monthly instalments of \$4,317, principal and interest, renewable in November 2020	726,197	757,991
RBC Loan, 2.74%, repayable in equal monthly instalments of \$5,597, principal and interest, due in May 2019, secured by a ministerial guarantee (#31672)	77,085	141,170
RBC Loan, 3.38%, repayable in equal monthly instalments of \$2,627, principal and interest, renewable in September 2018, secured by a ministerial guarantee (#32060)	357,002	376,146
RBC Loan, 2.62%, repayable in equal monthly instalments of \$3,825, principal and interest, renewable in February 2022, secured by a ministerial guarantee (#1112-03-000167)	682,873	710,483
RBC Loan, 2.30%, repayable in equal monthly instalments of \$4,386, principal and interest, renewable in March 2022, secured by a ministerial guarantee (#1617-QC-000121-GL)	966,563	799,000
CMHC Mortgage, 1.86%, repayable in equal monthly instalments of \$1,190, principal and interest, renewable in August 2022, due in August 2037	231,969	242,031
RBC Loan, repaid during the year	-	1,040,510
CMHC Mortgage, 1.43%, repayable in equal monthly instalments of \$1,112, principal and interest, renewable in April 2022, due in March 2037	221,087	231,225
RBC Loan, repaid during the year	-	14,037
Balance Carried Forward	<u>6,553,993</u>	<u>8,016,228</u>



LISTUGUJ M'GMAO GOVERNMENT
Notes To The Financial Statements
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	<u>2018</u>	<u>2017</u>
11. <u>Long Term Debt</u> (Cont'd)		
Balance Brought Forward	\$ 6,553,993	\$ 8,016,228
RBC Loan, 2.21%, repayable in equal monthly instalments of \$8,893, principal and interest, due in July 2021, secured by a ministerial guarantee (#31834)	349,352	447,160
RBC Loan, repaid during the year	-	518,906
RBC Capital Lease, 4.91%, repayable in equal monthly payments of \$4,769, principal and interest, due in 2018	9,539	66,771
RBC Loan, 2.885%, repayable in equal monthly instalments of \$5,789, principal and interest, due in July 2018	22,942	90,676
RBC Loan, 3.50%, repayable in equal monthly instalments of \$5,006, principal and interest, renewable in February 2019, secured by a ministerial guarantee (#1314-QC-000084)	889,841	918,225
RBC Loan, repaid during the year	-	107,040
RBC Loan, 3.54%, repayable in equal monthly instalments of \$3,605, principal and interest, renewable in September 2018, secured by a ministerial guarantee (#32070)	517,802	542,163
RBC Loan, 5.00%, repayable in equal semi-annual payments of \$33,450, principal and interest, renewable in May 2020	415,825	460,268
RBC Loan, 3.03%, repayable in equal monthly instalments of \$1,054, principal and interest, renewable in April 2019, secured by a ministerial guarantee (#32107)	160,854	168,500
RBC Loan, Prime Plus 1%, repayable in equal monthly instalments of \$4,358, principal plus interest, renewable in April 2019	213,559	265,859
RBC Loan, repaid during the year	-	596,771
CMHC Mortgage, 1.84% repayable in equal monthly installments of \$1,073, principal and interest, renewable in September 2022, due in September 2042	<u>253,216</u>	<u>258,000</u>
Balance Carried Forward	<u>9,386,923</u>	<u>12,456,567</u>



LISTUGUJ MI'GMAO GOVERNMENT

Notes To The Financial Statements
For The Year Ended March 31, 2018

	<u>2018</u>	<u>2017</u>
11. <u>Long Term Debt</u> (Cont'd)		
Balance Brought Forward	\$ 9,386,923	\$ 12,456,567
CMHC Mortgage, 2.35%, repayable in equal monthly instalments of \$502, principal and interest, renewable in September 2018, due in September 2038, secured by a ministerial guarantee (#1213-03-000127-GL)	97,670	101,365
RBC Loan, Prime Plus 1%, repayable in equal monthly instalments of \$14,852, principal plus interest, renewable in April 2018	3,222,791	3,401,015
CHMC Mortgage, 1.04%, repayable in equal monthly instalments of \$640, principal and interest, renewable in October 2020, due in October 2039	147,849	153,956
RBC Loan, 3.21%, repayable in equal monthly instalments of \$7,016, principal and interest, renewable in December 2022, secured by a ministerial guarantee	988,229	-
RBC Loan, 3.21%, repayable in equal monthly instalments of \$3,483, principal and interest, renewable in January 2023, secured by a ministerial guarantee	492,693	-
RBC Loan, 3.31%, repayable in equal monthly instalments of \$3,289, principal and interest, renewable in February 2023, secured by a ministerial guarantee	575,893	-
CHMC Mortgage, 2.39%, repayable in equal monthly instalments of \$2,147, principal and interest, renewable in February 2023, due in February 2041 secured by a ministerial guarantee (#60507)	<u>453,457</u>	<u>-</u>
	<u>\$ 15,365,505</u>	<u>\$ 16,112,903</u>

Principal repayments of long term debt for the next five years are due as follows:

2019	\$ 1,183,504
2020	1,121,120
2021	1,045,393
2022	947,399
2023	<u>844,547</u>
	<u>\$ 5,141,963</u>



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	<u>2018</u>	<u>2017</u>
12. <u>Funds on Deposit with DISC</u>		
<u>Capital Account</u>		
Balance, Beginning and End of Year	\$ 585	\$ 585
<u>Revenue Account</u>		
Balance, Beginning of Year	17,738	17,395
Add: Interest Income	194	343
Less: Approved Transfers to Operations	-	-
Balance, End of Year	<u>17,932</u>	<u>17,738</u>
	<u>\$ 18,517</u>	<u>\$ 18,323</u>

These amounts are on deposit with the Government of Canada and are audited by the Auditor General of Canada.

13. Subsidy Surplus Reserve Fund

Under the agreement with the Canada Mortgage and Housing Corporation, surplus federal assistance payments received may be kept in a subsidy surplus reserve, the balance of which may not exceed \$500 per unit plus interest. The funds in this reserve must be placed in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or in any other way approved by CMHC from time to time. The funds in this account must only be used to make up the difference between the maximum federal assistance amount and the future subsidy needs of income-tested tenants. Withdrawals are first applied to interest, then to the principal. The current reserve balance is presently nil.

14. Tangible Capital Assets

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>2018</u>	<u>2017</u>
Land	\$ 1,389,000	\$ -	\$ 1,389,000	\$ 857,000	
Buildings	57,532,705	25,054,733	32,477,972	32,249,184	
Infrastructures	39,561,759	22,278,099	17,283,660	18,503,079	
Paving	4,719,712	1,423,753	3,295,959	3,303,418	
Heavy Equipment	8,485,693	6,878,661	1,607,032	1,866,275	
Equipment and Furniture	4,679,340	2,968,338	1,711,002	1,009,267	
Boats	9,074,503	8,340,955	733,548	539,179	
Vehicles	3,236,975	2,641,529	595,446	588,655	
	<u>\$ 128,679,687</u>	<u>\$ 69,586,068</u>	<u>\$ 59,093,619</u>	<u>\$ 58,916,057</u>	



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15. Contingent Liabilities

- a) As at March 31, 2018 there are five outstanding grievances against the First Nation, one claim for an alleged breach of contract, one claim for an alleged personal injury, one claim for constructive dismissal, one claim for an alleged incident with LMG fishing vessel causing damages to fishing nets and one claim by a general contractor for non payment of services rendered. Listuguj Mi'gmaq Government is unable to determine the extent of liability, if any, which could result upon the resolution of these matters.
- b) As at August 21, 2018, the Band has provided a guarantee for mortgages payables by Band members, totalling \$1,570,182, which were obtained under Section 10 of the Indian Act. In the event that the individual is unable to meet its obligations at some future date, the Band is required to honour its guarantee. Any payments will be accounted for as a charge to operations in the year such payments are made.
- c) The Band has entered into contribution agreements with various government departments. Funding received under these contribution agreements is subject to repayment if the Band fails to comply with the terms and conditions of the agreements.

16. Cash and Cash Equivalents, End of Year

	<u>2018</u>	<u>2017</u>
Cash	\$ <u>7,435,194</u>	\$ <u>2,141,742</u>

17. Economic Dependence

The Listuguj Mi'gmaq Government receives a substantial portion of its revenues pursuant to a funding arrangement with Department of Indigenous Services Canada. Many of the program services carried out by the First Nation are dependent on the continued receipt of this funding.

18. Subsequent Events

On June 30, 2018, the convertible note from Sun Pharm Investments Ltd. had a balance of \$3,281,250 and was converted into 2,598,666 Class A common shares, which represents less than 2% of the total outstanding common shares

Subsequent to March 31, 2018, Listuguj Mi'gmaq Government invested an additional \$519,605 in E. Gagnon & Fils under similar terms to the initial \$500,000.

19. Land Trust Fund

The Listuguj Mi'gmaq Government reached a land settlement with Government of Canada and acts as a trustee for the Band members. Band members will receive their portion of the settlement once they turn 18 years of age.



LISTUGUJ MI'GMAQ GOVERNMENT

Notes To The Financial Statements

For The Year Ended March 31, 2018

20. Commitments

Listuguj Mi'gmaq Government has signed compensation agreements with one senior management employee with a base salary of \$100,000 annually. This agreement will expire in 2020.

The First Nation has entered into some leases commitments for office equipments requiring future leases payments totalling \$94,401 over the next five year period.

21. Budget Figures

Budget figures have been provided for comparison purposes and have been derived from the estimates approved by Listuguj Mi'gmaq Government Chief and Council and the Director of Finance.

22. Unspent Funds

As of March 31, 2017, the total unspent funds for the funding agreement with Health Canada is \$2,641,898. Listuguj Mi'gmaq Government and Health Canada are currently working on a utilization plan in order to spend these funds.

23. <u>Government Transfers</u>	<u>2018</u>			<u>(Restated)</u> <u>2017</u>		
	<u>Operating</u>	<u>Capital</u>	<u>Total</u>	<u>Operating</u>	<u>Capital</u>	<u>Total</u>
<u>Federal Government</u>						
<u>Transfers</u>						
Department of Indigenous						
Services Canada	\$ 17,124,564	\$ 2,860,393	\$ 19,984,957	\$ 17,257,013	\$ 1,897,190	\$ 19,154,203
Health Canada	3,560,639	-	3,560,639	3,308,351	-	3,308,351
Canada Mortgage						
and Housing						
Corporation	952,127	-	952,127	751,447	-	751,447
Other	4,646,732	-	4,646,732	3,574,680	-	3,574,680
Total	26,284,062	2,860,393	29,144,455	24,891,491	1,897,190	26,788,681
<u>Provincial Government</u>						
<u>Transfers</u>	1,359,612	93,932	1,453,544	1,453,636	117,080	1,570,716
	<u>\$ 27,643,674</u>	<u>\$ 2,954,325</u>	<u>\$ 30,597,999</u>	<u>\$ 26,345,127</u>	<u>\$ 2,014,270</u>	<u>\$ 28,359,397</u>



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24. Segmented Disclosure

Listuguj Mi'gmaq Government provides a range of services to its members. For management reporting purposes, operations and activities are organized and reported by function. For each segment separately reported, the segment revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The presentation by segment is based on the same accounting policies as described in the summary of Basis of Presentation and Significant Accounting Policies as described in Note 1. The segment results for the period are as follows:

	<u>Budget</u>	<u>Band Administration 2018</u>	<u>(Restated) 2017</u>	<u>Budget</u>	<u>Education 2018</u>	<u>(Restated) 2017</u>
<u>Revenue</u>						
Federal Government						
Transfers for Operating	\$ 1,436,347	\$ 1,412,756	\$ 1,322,195	\$ 8,201,505	\$ 8,264,441	\$ 7,856,666
Transfers for Capital	-	-	-	-	-	-
Provincial Government						
Transfers for Operating	-	-	-	184,760	184,760	213,939
Transfers for Capital	-	-	-	-	-	-
Rent	-	-	6,828	-	40,000	-
Other Revenue	<u>1,993,449</u>	<u>1,562,940</u>	<u>3,305,313</u>	<u>877,663</u>	<u>971,286</u>	<u>995,138</u>
	<u>3,429,796</u>	<u>2,975,696</u>	<u>4,634,336</u>	<u>9,263,928</u>	<u>9,460,487</u>	<u>9,065,743</u>
<u>Expenditures</u>						
Salaries and Benefits	3,145,080	1,937,434	2,317,657	4,431,379	3,925,651	3,530,543
Amortization	-	367,994	364,152	-	61,332	60,536
Debt Servicing	-	-	-	-	18,271	1,257
Other Expenditures	<u>1,249,580</u>	<u>2,002,562</u>	<u>3,685,032</u>	<u>5,127,076</u>	<u>5,544,687</u>	<u>5,229,147</u>
	<u>4,394,660</u>	<u>4,307,990</u>	<u>6,366,841</u>	<u>9,558,455</u>	<u>9,549,941</u>	<u>8,821,483</u>
<u>Annual Surplus (Deficit)</u>	<u>\$ (964,864)</u>	<u>\$ (1,332,294)</u>	<u>\$ (1,732,505)</u>	<u>\$ (294,527)</u>	<u>\$ (89,454)</u>	<u>\$ 244,260</u>

	<u>Budget</u>	<u>Health 2018</u>	<u>(Restated) 2017</u>	<u>Budget</u>	<u>Social Services 2018</u>	<u>(Restated) 2017</u>
<u>Revenue</u>						
Federal Government						
Transfers for Operating	\$ 3,560,639	\$ 3,560,639	\$ 3,308,351	\$ 9,753,977	\$ 9,733,334	\$ 9,284,805
Transfers for Capital	-	-	-	-	-	-
Provincial Government						
Transfers for Operating	27,360	27,360	-	107,647	107,647	160,875
Transfers for Capital	-	-	-	-	-	-
Rent	-	-	-	-	-	-
Other Revenue	<u>332,500</u>	<u>-</u>	<u>18,064</u>	<u>432,220</u>	<u>26,358</u>	<u>38,791</u>
	<u>3,920,499</u>	<u>3,587,999</u>	<u>3,326,415</u>	<u>10,293,844</u>	<u>9,867,339</u>	<u>9,484,471</u>
<u>Expenditures</u>						
Salaries and Benefits	2,045,508	1,811,089	1,574,474	2,822,690	1,816,422	1,565,770
Amortization	-	29,439	30,346	-	-	-
Debt Servicing	-	-	-	-	-	-
Other Expenditures	<u>1,730,261</u>	<u>1,293,517</u>	<u>1,845,461</u>	<u>7,715,796</u>	<u>7,960,438</u>	<u>7,809,915</u>
	<u>3,775,769</u>	<u>3,134,045</u>	<u>3,450,281</u>	<u>10,538,486</u>	<u>9,776,860</u>	<u>9,375,685</u>
<u>Annual Surplus (Deficit)</u>	<u>\$ 144,730</u>	<u>\$ 453,954</u>	<u>\$ (123,866)</u>	<u>\$ (244,642)</u>	<u>\$ 90,479</u>	<u>\$ 108,786</u>



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24. Segmented Disclosure (Cont'd)

	<u>Budget</u>	<u>Public Security 2018</u>	<u>(Restated) 2017</u>	<u>Budget</u>	<u>Forestry 2018</u>	<u>(Restated) 2017</u>
Revenue						
Federal Government						
Transfers for Operating \$	100,045	\$ 100,045	\$ 125,045	\$ -	\$ -	\$ -
Transfers for Capital	-	-	-	-	-	-
Provincial Government						
Transfers for Operating	415,000	415,000	415,000	-	-	-
Transfers for Capital	-	-	-	-	-	-
Rent	-	-	-	-	-	-
Other Revenue	-	3,080	49,297	3,770,267	3,087,888	3,315,545
	<u>515,045</u>	<u>518,125</u>	<u>589,342</u>	<u>3,770,267</u>	<u>3,087,888</u>	<u>3,315,545</u>
Expenditures						
Salaries and Benefits	352,600	326,307	371,960	484,372	348,207	375,201
Amortization	-	29,439	30,051	-	637,856	634,691
Debt Servicing	-	-	-	-	-	744
Other Expenditures	183,445	345,825	409,449	3,185,200	2,452,418	2,214,613
	<u>536,045</u>	<u>701,571</u>	<u>811,460</u>	<u>3,669,572</u>	<u>3,438,481</u>	<u>3,225,249</u>
Annual Surplus (Deficit)	\$(21,000)	\$(183,446)	\$(222,118)	\$ 100,695	\$(350,593)	\$ 90,296

	<u>Budget</u>	<u>Economic Development 2018</u>	<u>(Restated) 2017</u>	<u>Budget</u>	<u>Police Operations 2018</u>	<u>(Restated) 2017</u>
Revenue						
Federal Government						
Transfers for Operating \$	763,734	\$ 763,734	\$ 295,343	\$ 676,917	\$ 676,916	\$ 722,134
Transfers for Capital	-	-	-	-	-	-
Provincial Government						
Transfers for Operating	-	-	45,000	624,846	624,845	618,822
Transfers for Capital	-	-	-	-	-	-
Rent	7,000	-	-	-	-	-
Other Revenue	3,804,699	3,716,393	2,690,464	7,000	12,150	10,597
	<u>4,575,433</u>	<u>4,480,127</u>	<u>3,030,807</u>	<u>1,308,763</u>	<u>1,313,911</u>	<u>1,351,553</u>
Expenditures						
Salaries and Benefits	1,373,303	1,344,004	978,433	923,362	1,189,671	857,342
Amortization	-	-	-	-	19,626	20,240
Debt Servicing	-	-	-	-	-	-
Other Expenditures	2,105,616	2,450,123	1,292,626	378,401	837,115	643,269
	<u>3,478,919</u>	<u>3,794,127</u>	<u>2,271,059</u>	<u>1,301,763</u>	<u>2,046,412</u>	<u>1,520,851</u>
Annual Surplus (Deficit)	\$ 1,096,514	\$ 686,000	\$ 759,748	\$ 7,000	\$(732,501)	\$(169,298)



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Notes To The Financial Statements
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24. Segmented Disclosure (Cont'd)

	<u>Budget</u>	<u>Commercial Fisheries</u> <u>2018</u>	<u>(Restated)</u> <u>2017</u>	<u>Budget</u>	<u>Capital Operations</u> <u>2018</u>	<u>(Restated)</u> <u>2017</u>
<u>Revenue</u>						
Federal Government						
Transfers for Operating \$	820,070	\$ 820,070	\$ 816,315	\$ -	\$ -	\$ -
Transfers for Capital	-	-	-	2,182,160	2,860,393	1,897,190
Provincial Government						
Transfers for Operating	-	-	-	-	-	-
Transfers for Capital	-	-	-	66,900	93,932	117,080
Rent	-	-	-	53,600	32,000	92,529
Other Revenue	<u>13,662,479</u>	<u>20,589,712</u>	<u>11,804,029</u>	<u>135,350</u>	<u>290,231</u>	<u>4,488,829</u>
	<u>14,482,549</u>	<u>21,409,782</u>	<u>12,620,344</u>	<u>2,438,010</u>	<u>3,276,556</u>	<u>6,595,628</u>
<u>Expenditures</u>						
Salaries and Benefits	5,084,636	2,400,889	2,461,300	1,126,895	1,151,823	1,182,981
Amortization	-	637,856	625,153	-	1,503,867	1,479,212
Debt Servicing	-	-	-	-	82,612	266,741
Other Expenditures	<u>4,990,090</u>	<u>5,669,622</u>	<u>4,317,063</u>	<u>3,455,736</u>	<u>1,334,339</u>	<u>4,986,043</u>
	<u>10,074,726</u>	<u>8,708,367</u>	<u>7,403,516</u>	<u>4,582,631</u>	<u>4,072,641</u>	<u>7,914,977</u>
<u>Annual Surplus (Deficit)</u>	<u>\$ 4,407,823</u>	<u>\$ 12,701,415</u>	<u>\$ 5,216,828</u>	<u>\$(2,144,621)</u>	<u>\$(796,085)</u>	<u>\$(1,319,349)</u>
	<u>Budget</u>	<u>Housing</u> <u>2018</u>	<u>(Restated)</u> <u>2017</u>	<u>Budget</u>	<u>Total Before Adjustments</u> <u>2018</u>	<u>(Restated)</u> <u>2017</u>
<u>Revenue</u>						
Federal Government						
Transfers for Operating \$	350,000	\$ 952,127	\$ 1,160,637	\$ 25,663,234	\$ 26,284,062	\$ 24,891,491
Transfers for Capital	-	-	-	2,182,160	2,860,393	1,897,190
Provincial Government						
Transfers for Operating	-	-	-	1,359,613	1,359,612	1,453,636
Transfers for Capital	-	-	-	66,900	93,932	117,080
Rent	878,350	1,149,916	1,186,528	938,950	1,221,916	1,285,885
Other Revenue	<u>1,000,000</u>	<u>415,693</u>	<u>1,022,788</u>	<u>26,015,627</u>	<u>30,675,731</u>	<u>27,738,855</u>
	<u>2,228,350</u>	<u>2,517,736</u>	<u>3,369,953</u>	<u>56,226,484</u>	<u>62,495,646</u>	<u>57,384,137</u>
<u>Expenditures</u>						
Salaries and Benefits	384,800	497,289	437,260	22,174,625	16,748,786	15,652,921
Amortization	-	1,551,797	1,525,382	-	4,839,206	4,769,763
Debt Servicing	-	357,029	68,306	-	457,912	337,048
Other Expenditures	<u>1,238,505</u>	<u>1,294,105</u>	<u>1,410,485</u>	<u>31,359,706</u>	<u>31,184,751</u>	<u>33,843,103</u>
	<u>1,623,305</u>	<u>3,700,220</u>	<u>3,441,433</u>	<u>53,534,331</u>	<u>53,230,655</u>	<u>54,602,835</u>
<u>Annual Surplus (Deficit)</u>	<u>\$ 605,045</u>	<u>\$(1,182,484)</u>	<u>\$(71,480)</u>	<u>\$ 2,692,153</u>	<u>\$ 9,264,991</u>	<u>\$ 2,781,302</u>

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24. Segmented Disclosure (Cont'd)

	<u>Budget</u>	<u>Consolidation Adjustments 2018</u>	<u>(Restated) 2017</u>	<u>Budget</u>	<u>Consolidated Totals 2018</u>	<u>(Restated) 2017</u>
<u>Revenue</u>						
Federal Government						
Transfers for Operating \$	-	\$ -	\$ -	\$ 25,663,234	\$ 26,284,062	\$ 24,891,491
Transfers for Capital	-	-	-	2,182,160	2,860,393	1,897,190
Provincial Government						
Transfers for Operating	-	-	-	1,359,613	1,359,612	1,453,636
Transfers for Capital	-	-	-	66,900	93,932	117,080
Rent	-	-	-	938,950	1,221,916	1,285,885
Other Revenue	-	(989,710)	(2,173,576)	26,015,627	29,686,021	25,565,279
	<u>-</u>	<u>(989,710)</u>	<u>(2,173,576)</u>	<u>56,226,484</u>	<u>61,505,936</u>	<u>55,210,561</u>
<u>Expenditures</u>						
Salaries and Benefits	-	-	-	22,174,625	16,748,786	15,652,921
Amortization	-	-	-	-	4,839,206	4,769,763
Debt Servicing	-	-	-	-	457,912	337,048
Other Expenditures	-	(989,710)	(2,173,576)	31,359,706	30,195,041	31,669,527
	<u>-</u>	<u>(989,710)</u>	<u>(2,173,576)</u>	<u>53,534,331</u>	<u>52,240,945</u>	<u>52,429,259</u>
<u>Annual Surplus (Deficit)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,692,153</u>	<u>\$ 9,264,991</u>	<u>\$ 2,781,302</u>

25. Financial Instruments

a. Credit Risk

The Listuguj Mi'gmaq Government is exposed to normal risk on its accounts receivable.

b. Fair Values

The carrying amount of current assets and current liabilities approximates their fair value due to the short term maturities of these items.

The long term debt is carried at an amount which approximates the fair value as the outstanding interest rates are close to or at market rates.

c. Interest rate risk

The Listuguj Mi'gmaq Government is exposed to interest rate risk due to the variable rate interest on their long-term debt. Changes in the lending rates may cause fluctuations in cash flows and interest expense.

