

**Micmacs of Gesgapegiag Band  
Consolidated Financial Statements  
March 31, 2018**

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## **Management's Report**

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

The accompanying consolidated financial statements of Micmacs of Gesgapegiag Band are the responsibility of management and have been approved by the Council Members.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the CPA - Canada and as such include amounts that are the best estimates and judgments of management.

Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the consolidated financial statements.

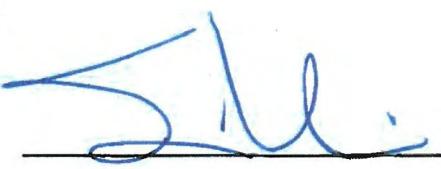
The Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the external auditor's report.

The external auditors, Raymond Chabot Grant Thornton LLP, conduct an independent audit, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Micmacs of Gesgapegiag Band and meet when required.

On behalf of Micmacs of Gesgapegiag Band:

  
Roderick Larocque

Chief

  
Frederic Vicaire

Director General

July 17, 2018



## Independent Auditor's Report

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Raymond Chabot  
Grant Thornton LLP  
189 Perron Blvd. West  
New Richmond, Quebec G0C 2B0  
T 418-392-5001

To the Directors of  
Micmacs of Gesgapegiag Band

We have audited the accompanying consolidated financial statements of Micmacs of Gesgapegiag Band, which comprise the consolidated statement of financial position as at March 31, 2018 and the consolidated statements of operations, accumulated surplus, changes in net debt, cash flows, operations and accumulated surplus (deficit) by program and schedule of salaries, honoraria, travel expenses and other remuneration for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

**Basis for qualified opinion**

The Organization presents a \$4,332,478 deferred contribution related to tangible capital assets in liabilities that should have been recognized as revenues upon the acquisition of the related tangible capital asset, which constitutes a departure from Canadian public sector accounting standards. This situation also caused us to express a qualified opinion on the financial statements for the year ended March 31, 2017. If the deferred contributions related to tangible capital assets had been presented in revenues upon the acquisition of the related tangible capital asset, revenues and excess of revenues over expenses would have been increased by \$400,454 in 2018 and decreased by \$533,382 in 2017, accumulated surplus would have increased by \$4,332,478 in 2018 and \$3,932,024 in 2017 and liabilities would have been reduced by the same amount.

Also, Micmacs of Gesgapegiag Band interest in Mi'gmawei Mawiomi Resources L.P., a limited partnership accounted at cost, is carried at \$100 on the statement of financial position as at March 31, 2018 and 2017, and Micmacs of Gesgapegiag Band share of Mi'gmawei Mawiomi Resources L.P.'s net income is not included in Micmacs of Gesgapegiag Band's income for the years ended March 31, 2018 and 2017 in accordance with the modified equity method, as required by Canadian public sector accounting standards. Our opinion on the financial statements for the year ended March 31, 2017 was qualified accordingly because of the possible effects of this departure.

Finally, the Organization accounts for operations related to housing units – Article 95 in accordance with the requirements of the Canadian Mortgage Housing Corporation (C.M.H.C.), as described in the accounting policy "Tangible capital asset" in Note 3. This departure from Canadian public sector accounting standards mainly relates to tangible capital assets amortization, the recognition of C.M.H.C. capital contribution and the accounting of reserved funds.

**Qualified opinion**

In our opinion, except for the effects of the matters described in the Basis for qualified opinion paragraph, the consolidated financial statements present fairly, in all material respects, the financial position of Micmacs of Gesgapegiag Band as at March 31, 2018 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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New Richmond  
July 17, 2018

# Micmacs of Gesgapegiag Band Consolidated Financial Position

March 31, 2018

	2018	2017
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash	2,449,893	540,575
Term deposit	14,269	14,269
Accounts receivable (Note 4)	1,569,193	1,195,458
Due from government and other government organizations (Note 5)	1,625,298	1,783,389
Gas inventory	5,000	
Investments (Note 6)	101	101
	<u>5,663,754</u>	<u>3,533,792</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 7)	2,472,415	2,932,832
Deferred revenues (Note 8)	1,699,242	644,272
Current portion of long-term debt	1,584,014	1,268,399
Deferred contributions related to tangible capital assets (Note 9)	4,332,478	3,932,024
Long-term debt (Note 10)	4,925,298	5,254,694
Reserve funds		
Replacement reserve (Note 11)	293,309	269,440
Operating reserve (Note 12)	<u>282,618</u>	<u>258,644</u>
	<u>15,589,374</u>	<u>14,560,305</u>
	<u>(9,925,620)</u>	<u>(11,026,513)</u>
<b>NET DEBT</b>		
<b>NON-FINANCIAL ASSETS</b>		
Prepaid expenses	54,251	49,266
Tangible capital assets (Note 13)	<u>13,735,626</u>	<u>12,431,165</u>
	<u>13,789,877</u>	<u>12,480,431</u>
<b>ACCUMULATED SURPLUS</b>		
	<u>3,864,257</u>	<u>1,453,918</u>

The accompanying notes and consolidated schedules are an integral part of the consolidated financial statements.

On behalf of the Board,

Chief

Chair of the Finance and Audit Committee

Financial Controller

# Micmacs of Gesgapegiag Band Consolidated Operations

Year ended March 31, 2018

	Unaudited budget	2018	2017
	\$	\$	\$
<b>Revenues</b>			
<i>Federal government transfers</i>			
INAC Grant	429,433	535,259	429,433
INAC Fixed Contribution	4,449,486	5,566,833	4,483,016
INAC Set Contribution	2,593,320	2,261,368	3,718,388
INAC Flexible Contribution		83,824	53,462
Contribution receivable (payable) (Note 16)		(181,687)	(665,191)
Canadian Heritage		80,238	
Correction of receivable, deferred revenues and unexpended funding of prior years	(9,410)	682,578	(248,091)
Health Canada	1,806,431	1,944,112	1,647,196
Solicitor General of Canada	242,082	250,858	246,425
First Nations Education Council	869,574	853,696	828,578
Revenue Canada	60,000	44,533	68,442
Canada Mortgage and Housing Corporation	72,182	232,591	223,930
Canada Economic Development	213,678	189,615	
Department of Fisheries and Oceans	55,000	119,258	328,312
Employment and Social Development Canada		50,000	
	<b>10,781,776</b>	<b>12,663,076</b>	<b>11,163,900</b>
<i>Provincial government transfers</i>			
First Nations Human Resources Development Commission of Quebec		474,556	640,397
Assembly of First Nations of Quebec and Labrador			33,402
Ministre de la Sécurité publique	275,043	283,842	281,099
Ministre des Forêts, de la Faune et des Parcs du Québec	1,118,862	1,134,128	1,129,870
Ministre de l'Économie, de l'Innovation et des Exportations			46,868
Secrétariat aux Affaires Autochtones	66,750		157,606
Native Commercial Credit Corporation (SOCCA)		533,978	
First Nations of Quebec and Labrador Health and Social Services Commission	97,587	221,933	105,905
Emploi Québec	11,000	39,833	47,651
Ministère des Transports du Québec		292,612	4,803,247
	<b>1,569,242</b>	<b>2,980,882</b>	<b>7,246,045</b>
<i>Other</i>			
Listuguj Mi'gmaq Development Council		287,087	150,474
Welfare injection	78,184	133,452	169,800
Gesgapegiag Human Resource Development Commission	16,000	25,314	35,682
Community services		27,306	20,520
Gain on disposal of tangible capital assets		238,330	147,283
Rental revenues	228,420	489,886	493,249

# Micmacs of Gesgapegiag Band Consolidated Operations

Year ended March 31, 2018

	Unaudited budget	2018	2017
	\$	\$	\$
Administration revenues	379,170	670,577	413,798
Forestry sales	995,050	809,420	956,900
Fisheries sales	5,549,854	12,251,675	7,581,273
Fishing leases	891,250	829,465	947,700
Fishing contributions		283,424	
Other revenues	1,308,194	1,188,233	846,130
Excavation sales		43,287	554,954
Gas and restaurant sales		190,636	
Deferred contribution related to tangible capital assets		(615,300)	(82,800)
Amortization of deferred contributions related to tangible capital assets		541,736	548,966
Deferred revenue from previous years	360,055	644,272	194,756
Less: Deferred revenue		(1,699,242)	(644,272)
	<u>9,806,177</u>	<u>16,339,558</u>	<u>12,334,413</u>
	<u>22,157,195</u>	<u>31,983,516</u>	<u>30,744,358</u>
<b>Expenses</b>			
Salaries and fringe benefits	8,274,637	9,768,548	8,470,903
Travel	313,869	436,072	348,367
Professional fees	288,264	690,067	552,981
Material and equipment rental	47,544	100,246	125,754
Training and development	273,985	184,374	295,382
Fishing quota rental		540	120,146
Honoraria	1,245,714	1,258,535	1,282,502
Contracted services	2,255,497	6,371,257	8,995,887
Membership fees	4,102	11,491	18,322
Materials and supplies	988,496	2,559,078	981,568
Office supplies and expenses	46,801	100,726	146,529
Repair and maintenance	327,702	813,138	878,904
Energy	665,724	1,115,657	741,309
Telecommunications	94,719	152,417	136,672
Insurance	131,776	198,323	211,904
Interest and bank charges	87,770	172,110	86,493
Interest on long-term debt	89,111	233,487	415,664
Doubtful accounts	48,000	193,466	350,891
Administration charges	521,139	686,665	512,900
Room and board and educational allowances	371,646	398,198	383,368
Business contributions	43,400	292,788	80,894
Contributions to community activities	40,032	22,823	70,552
Band contributions	92,000	341,831	117,361
Program aids	251,969	411,775	290,930
Medical fees	64,733	119,630	75,758
Tuition fees	350,476	843,574	1,006,162
Other	6,800	34,870	83,040

**Micmacs of Gesgapegiag Band  
Consolidated Operations**  
Year ended March 31, 2018

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	Unaudited budget	2018	2017
	\$	\$	\$
Basic needs	692,000	677,824	704,839
Special needs	49,487	17,584	38,783
Purchase of equipment	190,500	898,586	525,055
Welfare injection	338,000	133,974	176,268
Registration fees	9,011	61,711	68,687
Placements	845,348	510,397	786,269
Redevances on quota			16,024
Purchases for resale		144,941	
Variation of gas inventory		(5,000)	
Annual contribution - replacement reserve		43,100	45,110
Expenses capitalized to tangible capital assets	234,470	(1,637,267)	(326,800)
Amortization of tangible capital assets	711,106	1,210,898	1,157,980
	<b>19,995,828</b>	<b>29,568,434</b>	<b>29,973,358</b>
<b>Excess of revenues over expenses</b>	<b>2,161,367</b>	<b>2,415,082</b>	<b>771,000</b>

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The accompanying notes and consolidated schedules are an integral part of the consolidated financial statements.

**Micmacs of Gesgapegiag Band**  
**Consolidated Accumulated Surplus**  
 Year ended March 31, 2018

	<b>2018</b>	<b>2017</b>
	\$	\$
Balance, beginning of year		
As previously reported	2,249,918	700,761
Accounting changes (Note 2)	<u>(796,000)</u>	
As restated	1,453,918	700,761
Excess of revenues over expenses	<u>2,415,082</u>	771,000
	3,869,000	1,471,761
Adjustment to prior years (Note 17)	<u>4,743</u>	17,843
Balance, end of year	<u><u>3,864,257</u></u>	<u><u>1,453,918</u></u>

The accompanying notes and consolidated schedules are an integral part of the consolidated financial statements.

**Micmacs of Gesgapegiag Band**  
**Consolidated Changes in Net Debt**  
 Year ended March 31, 2018

	<b>2018</b>	<b>2017</b>
	\$	\$
Excess of revenues over expenses	2,415,082	771,000
Adjustment to prior years (Note 17)	(4,743)	(17,843)
	<u>2,410,339</u>	<u>753,157</u>
<b>Tangible capital assets</b>		
Acquisition of tangible capital assets	(2,539,521)	(426,800)
Disposal of tangible capital assets	253,461	150,000
Gain on disposal of tangible capital assets	(229,299)	(42,877)
Amortization of tangible capital assets	1,210,898	1,157,980
<b>Total tangible capital assets</b>	<u>(1,304,461)</u>	<u>838,303</u>
Acquisition of prepaid expenses	(4,985)	(28,675)
Changes in net debt	1,100,893	1,562,785
Net debt, beginning of the year	<u>(11,026,513)</u>	<u>(12,589,298)</u>
Net debt, end of the year	<u>(9,925,620)</u>	<u>(11,026,513)</u>

The accompanying notes and consolidated schedules are an integral part of the consolidated financial statements.

## Micmacs of Gesgapegiag Band Consolidated Cash Flows

Year ended March 31, 2018

	2018	2017
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	2,415,082	771,000
Non-cash items		
Amortization of tangible capital assets	1,210,898	1,157,980
Amortization of deferred contributions related to tangible capital assets	(541,736)	(548,966)
Transfer to the replacement reserve fund for the year	43,100	45,110
Gain on disposal of tangible capital assets	(238,330)	(147,283)
	<u>2,889,014</u>	<u>1,277,841</u>
Net change in assets and liabilities		
Accounts receivable	(373,735)	(16,032)
Gas inventory	(5,000)	
Prepaid expenses	(4,985)	(28,675)
Due from government and other government organizations	158,091	(356,822)
Accounts payable and accrued liabilities	(460,417)	649,651
Deferred revenues	1,054,970	449,516
	<u>368,924</u>	<u>697,638</u>
Cash flows from operating activities	<u>3,257,938</u>	<u>1,975,479</u>
<b>CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(2,539,521)	(426,800)
Disposal of tangible capital assets	<u>253,461</u>	<u>150,000</u>
Cash flows from capital activities	<u>(2,286,060)</u>	<u>(276,800)</u>
<b>INVESTING ACTIVITIES</b>		
Term deposits and cash flows from investing activities		(124)
<b>FINANCING ACTIVITIES</b>		
Long-term loans	2,258,604	1,159,138
Repayment of long-term debt	(2,272,385)	(1,550,138)
Deferred contributions related to tangible capital assets	<u>951,221</u>	<u>119,994</u>
Cash flows from financing activities	<u>937,440</u>	<u>(271,006)</u>
<b>Increase in cash and cash equivalents</b>	<b>1,909,318</b>	<b>1,427,549</b>
Cash (bank overdraft), beginning of year	<u>540,575</u>	<u>(886,974)</u>
Cash, end of year	<u>2,449,893</u>	<u>540,575</u>

The accompanying notes and consolidated schedules are an integral part of the consolidated financial statements.

# **Micmacs of Gesgapegiag Band**

## **Notes to Consolidated Financial Statements**

March 31, 2018

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### **1 - GOVERNING STATUTES**

The Organization is governed by the council of the Mi'gmaq of Gesgapegiag. It is a not-for-profit Organization under the Income Tax Act.

### **2 - ACCOUNTING CHANGES**

#### **Assets, contingent assets and contractual rights**

As at April 1, 2017, the Organization applied Sections PS 3210, Assets, PS 3320, *Contingent Assets*, and PS 3380, *Contractual Rights* from the CPA Canada Public Sector Accounting Handbook. In accordance with the transitional provisions, these new standards, applicable to financial statements for fiscal years beginning on or after April 1, 2017, have been applied prospectively.

The adoption of these new standards had no significant impact on the Organization's consolidated financial statements.

#### **Related parties**

As at April 1, 2017, the Organization applied Sections PS 2200, *Related Party Disclosures*, and PS 3420, *Inter-Entity Transactions* from the CPA Canada Public Sector Accounting Handbook. In accordance with the transitional provisions, these new standards, applicable to financial statements for fiscal years beginning on or after April 1, 2017, have been applied prospectively.

The adoption of these new standards had no significant impact on the Organization's consolidated financial statements.

#### **Fishing permit**

During the year, the Organization retrospectively changed the method of accounting for fishing permit. Previously, the Organization had capitalized the fishing permit and it was not amortized. For the year ended March 31, 2017, this change led to a decrease of fishing permit and accumulated surplus of \$796,000.

### **3 - SIGNIFICANT ACCOUNTING POLICIES**

#### **Basis of presentation**

Management is responsible for the preparation of the Organization's consolidated financial statements which have been prepared in accordance with Canadian public sector accounting standards in the CPA Canada Public Sector Accounting Handbook.

#### **Interest in joint arrangement and limited partnership**

The Organization has elected to recognize the interest in the joint arrangement and the limited partnership (which constitutes a government business partnership) at cost.

# **Micmacs of Gesgapegiag Band**

## **Notes to Consolidated Financial Statements**

March 31, 2018

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### **3 - SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **Impairment of interest in joint arrangement and limited partnership**

For each of its interest, the Organization assesses, at each year-end date, whether there are any indications of impairment. When there is an indication of impairment, and if the Organization determines that during the year there was significant adverse change in the expected timing or amount of future cash flows from an interest, then it recognizes a reduction as an impairment loss in operations. The reversal of a previously recognized impairment loss on an interest is recognized in operations in the year the reversal occurs.

#### **Principles of consolidation**

The consolidated financial statements include the accounts of the Organization and those of Micmacs Housing Corporation, Gesgapegiag Human Resource Development Commission and Gesgapegiag Natural Resources Inc. and its subsidiaries 9252-9106 Québec Inc. and 9309-0942 Québec Inc., which are wholly owned.

The consolidated financial statements also include investments in government businesses in which the Organization exercises joint control, that is, a 33% interest in Mi'gmawei Mawiomi Business Corporation and a 33% interest in Mi'gmawei Mawiomi Resources L. P., and which are accounted at cost.

Inter-organizational balances and transactions are eliminated upon consolidation, but in order to present the results of operations for each specific departments, transactions amongst departments have not necessarily been eliminated on the individual schedules.

#### **Accounting estimates**

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

#### **Revenue recognition**

##### *Government transfers*

Government transfers are recognized as revenue 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*

Externally restricted contributions are presented as a liability under Deferred revenue and recognized as revenue in the period in which they are used for the purposes specified. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

# **Micmacs of Gesgapegiag Band**

## **Notes to Consolidated Financial Statements**

March 31, 2018

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### **3 - SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### *Other*

The Organization recognizes its revenues when persuasive evidence of an arrangement exists, delivery has occurred, that is, the customer has taken possession of the items, the price to the buyer is fixed or determinable and collection is reasonably assured.

#### *Rental income*

The Organization records base rents on a straight-line basis over the lease terms. The excess of rents recognized over amounts contractually due pursuant to the underlying leases is included in rent receivable on the balance sheet.

#### **Financial assets and liabilities**

##### *Initial measurement*

The Organization recognizes a financial asset or a financial liability on the statement of financial position when, and only when, it becomes a party to the contractual provisions of the financial instrument. Unless otherwise stated, financial assets and liabilities are initially measured at cost.

##### *Subsequent measurement*

At each reporting date, the Organization measures its financial assets and liabilities at amortized cost (including any impairment in the case of financial assets).

The Organization determines whether there is any objective evidence of impairment of the financial assets, for both financial assets subsequently measured at amortized cost and financial assets subsequently measured at fair value. Any financial asset impairment is recognized in the statement of operations and, in the case of a financial asset classified to the fair value category, the reversal of any net remeasurements is presented in the statement of remeasurement gains and losses when an impairment is recognized.

#### **Cash and cash equivalents**

The Organization's policy is to present in cash and cash equivalents bank balances, including bank overdrafts whose balances fluctuate frequently from being positive to overdrawn, and investments with a maximum maturity of three months from the acquisition date or redeemable at any time without penalty.

#### **Inventory valuation**

Gas inventory is valued at the lower of cost and net realizable value. Cost is determined by the first in, first out method.

# Micmacs of Gesgapegiag Band

## Notes to Consolidated Financial Statements

March 31, 2018

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### **3 - SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **Tangible capital assets**

By nature, the Organization's tangible capital assets are normally used to provide future services.

Tangible capital assets acquired are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

For the housing units - Article 95, tangible capital assets are accounted at the cost of acquisition less any subsidies received for the tangible capital assets. C.M.H.C. permits amortization for buildings purchased using loans that it has insured, at a rate equal to the annual reduction of the principal on the loans. No amortization is allocated to other capital elements, but a replacement reserve is maintained for future replacement of tangible capital assets.

The replacement reserve account is funded through an annual allocation, as opposed to allocation of surplus.

#### *Amortization*

Tangible capital assets are amortized on a straight-line basis over their estimated useful lives according to the following periods:

	<u>Periods</u>
Buildings	20 years
Sanitation system	20 years
Automotive equipment	5 years
Material and equipment	5 years
Roads	20 years
Boat	20 years

The gravel pit is amortized according to the method of resource depletion.

Contributions related to tangible capital assets are deferred and gradually amortized to earnings on the same basis as the related tangible capital assets.

Contributed capital assets are recorded into revenues at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as tangible capital assets. Assets under construction are not amortized until the asset is available to be put into service.

# Micmacs of Gesgapegiag Band

## Notes to Consolidated Financial Statements

March 31, 2018

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### 3 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Write-down

When conditions indicate that a tangible capital asset no longer contributes to the Organization's ability to provide goods and services, or that the value of future economic benefits associated with the tangible capital asset is less than its net carrying amount, the cost of the tangible capital asset is reduced to reflect the decline in value. Any write-down of tangible capital assets is accounted for as expenses in the statement of operations and any write-downs are not subsequently reversed.

#### Trust funds

The Organization's Trust funds are included in these financial statements only to the extent they have been received from the Organization's revenue trust fund. The amounts on deposit with the Government of Canada are audited by the Auditor General of Canada.

#### Adjustment to prior years

Adjustments affecting prior years, usually resulting from the Regional Audit Review Committee are recorded in the consolidated statement of operations under Correction of receivable, deferred revenues and unexpended funding of prior years. Adjustments affecting prior years, resulting from C.M.H.C., are recorded in the consolidated accumulated deficit statement.

#### Liability for contaminated sites

The liability for contaminated sites under the Organization's responsibility, or that could likely be under its responsibility, is recognized as a liability for remediation of contaminated sites once the contamination occurs or the Organization is informed about it, it is expected that future economic benefits will be given up and a reasonable estimate of the amount can be made. The liability includes the estimated costs of the management and rehabilitation of contaminated sites and any costs relating to post-remediation maintenance and monitoring. These costs are evaluated based on the best available information and are revised annually.

### 4 - ACCOUNTS RECEIVABLE

	2018	2017
	\$	\$
Accounts receivable	1,074,122	1,009,299
Rents receivable	2,159,242	1,925,242
Advances	500,654	327,703
Indirect taxes receivable	162,336	143,189
Advances to Mi'gmawei Mawiomi Business Corporation, joint arrangement, without interest	<u>160,000</u>	
	4,056,354	3,405,433
Doubtful accounts	<u>2,487,161</u>	2,209,975
	<u>1,569,193</u>	1,195,458

**Micmacs of Gesgapegiag Band**  
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**5 - DUE FROM GOVERNMENT AND OTHER GOVERNMENT ORGANIZATIONS**

	<b>2018</b>	<b>2017</b>
	\$	\$
<b>Federal government</b>		
Indigenous and Northern Affairs Canada (INAC)	359,272	634,356
C.M.H.C.	281,860	25,330
Department of Fisheries and Oceans	61,426	154,850
Canada Economic Development	189,615	
First Nations Education Council	91,052	92,886
Solicitor General of Canada		122,847
<b>Provincial Government</b>		
First Nations of Quebec and Labrador Health and Social Services Commission	11,065	114,902
Finance Québec	17,233	
Ministre des Forêts, de la Faune et des Parcs du Québec	433,401	432,637
Secrétariat aux Affaires Autochtones	82,121	141,165
Ministre de la Sécurité publique	52,955	52,955
Ministère des Transports du Québec	36,891	5,510
Ministre de la Culture	3,000	3,000
Emploi Québec	5,407	2,951
	<b>1,625,298</b>	<b>1,783,389</b>

**6 - INVESTMENTS**

	<b>2018</b>	<b>2017</b>
	\$	\$
<b>Mi'gmawei Mawiomi Resources L.P., government business partnership</b>		
Capital	100	100
Mi'gmawei Mawiomi Business Corporation Inc., joint arrangement		
1 common share	1	1
	<b>101</b>	<b>101</b>

**7 - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<b>2018</b>	<b>2017</b>
	\$	\$
<b>Trade accounts</b>		
Salaries payable	1,199,371	2,453,770
Government remittances	375,923	325,095
Accrued interest	222,806	122,684
Account payable to Mi'gmawei Mawiomi Resources L. P., government business partnership, without interest	24,976	31,283
	<b>649,339</b>	
	<b>2,472,415</b>	<b>2,932,832</b>

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**Notes to Consolidated Financial Statements**

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**8 - DEFERRED REVENUES**

	2018	2017
	\$	\$
<b>Federal government</b>		
110004 Mental wellness team	159,440	
110019 AHHRI Training	3,146	
110040 JP - Service coordination	26,071	
110060 Social Service Child in Foster Allowance	20,109	
110090 KH62 Traditional Healer	14,378	
212383 NPD1 CFS Maintenance - Foster Homes	253,384	
212384 NPD0 CFS Maintenance - Institutions	408,030	
212388 NPD7 Prevention/Least Disruptive Measure	7,464	
361005 FNSSP Student success	18,969	
361011 FNEC/DSSLP	1,752	
361013 NP1M New Paths	49,243	
362105 NP05 Instructional Services Formula	63,358	
362138 NP12 Financial Assistance Allowances	15,563	
362150 NP09 Band operated School evaluation	26,660	26,754
362270 NP5A Post-Secondary Student Support Program	50,963	
368500 NTHC Renovations/Additions School repairs	12,626	
408748 NTM8 Roads and Bridges	249,005	218,470
408750 NTMA Municipal services (tools)		16,000
590110 NTMZ Training - Fire Protection	12,300	
641366 NGBL Specific Claims Submission	99,572	
642060 NTNPL Land use planning Initiative	38,736	
652150 Church Construction		133,740
708113 NT90 Economic Development Opportunities MNP	13,531	
990008 NTLC Renovations and Additions	117,849	
990017 NTLE Housing policy development	16,864	40,253
<b>Provincial government</b>		
650051 Daycare renovations	20,229	
<b>Other</b>		
110038 Avenir enfant	7,000	
Gesgapegiag Human Resource Development Commission		50,000
645000 Certification project		6,470
645100 MRP		20,000
652155 Church Construction part 2		125,585
	<b>1,699,242</b>	<b>644,272</b>

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**9 - DEFERRED CONTRIBUTIONS RELATED TO TANGIBLE CAPITAL ASSETS**

	<b>2018</b>	<b>2017</b>
	\$	\$
Balance, beginning of year	3,932,024	4,465,406
Native Commercial Credit Corporation (SOCCA)	533,978	
Canada Economic Development	189,615	
Department of Fisheries and Oceans		82,800
Other - Church Construction part 2	175,685	
Canada Mortgage and Housing Corporation	51,943	37,194
Disposal	(9,031)	(104,410)
Amortization	(541,736)	(548,966)
Balance, end of year	<b>4,332,478</b>	<b>3,932,024</b>

**10 - LONG-TERM DEBT**

	<b>2018</b>	<b>2017</b>
	\$	\$
Caisse Desjardins, prime rate (3.45% ; 2.7% as at March 31, 2017), secured by MAPAQ, payable by semi-annual instalments of \$35,140, capital and interest, maturing in December 2022	312,811	359,997
Canada Mortgage and Housing Corporation forgivable loan, without interest, forgiveness earned of \$3,200 yearly, maturing in August 2020	7,467	10,667
Bank of Montreal, prime rate plus 4% (6.7% as at March 31, 2017), reimbursed during the year		228,217
Canada Mortgage and Housing Corporation forgivable loan, without interest, forgiveness earned of \$3,200 yearly, maturing in March 2021	9,333	12,800
Canada Mortgage and Housing Corporation forgivable loan, without interest, forgiveness earned of \$3,200 yearly, maturing in March 2021	9,600	12,800
Bank of Montreal, secured by 4 housing units and by INAC, 4.89%, payable in monthly instalments of \$2,240, capital and interest, renegotiable in May 2019	288,843	301,516
Mortgage loan, secured by automotive equipment with a net carrying amount of \$13,850 as at March 31, 2018, 4.98%, payable in monthly instalments of \$435, capital and interest, maturing in October 2020	12,262	16,755
Bank of Montreal, prime rate plus 2.5% (5.95% ; prime rate plus 4% (6.7%) as at March 31, 2017), payable in monthly instalments of \$1,111, plus interest, maturing in February 2020	25,556	38,889
Bank of Montreal, prime rate plus 2.5% (5.95% ; prime rate plus 4% (6.7%) as at March 31, 2017), payable in monthly instalments of \$2,240, capital and interest, renegotiable in May 2019	152,654	171,735

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**Notes to Consolidated Financial Statements**

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**10 - LONG-TERM DEBT (Continued)**

	2018	2017
	\$	\$
Bank of Montreal, secured by 1 quadruplex and by INAC, 4.89%, payable in monthly instalments of \$1,652, capital and interest, renegotiable in July 2018	215,187	224,434
Bank of Montreal, secured by duplexes and by INAC, 4.99%, payable in monthly instalments of \$3,594, capital and interest, renegotiable in November 2019	468,272	487,913
Native Commercial Credit Corporation, secured by a hypothec on the universality of property and automotive equipment with a net carrying amount of \$145,594 as at March 31, 2018, 6.5%, payable in monthly instalments of \$2,315, capital and interest, maturing in November 2024	149,874	
Laurentian Bank, secured by a building with a net carrying amount of \$20,916 as at March 31, 2018, 2.89%, payable in monthly instalments of \$233, capital and interest, renegotiable in August 2022	22,007	23,874
Laurentian Bank, secured by a building with a net carrying amount of \$16,500 as at March 31, 2018, 5.14%, payable in monthly instalments of \$292, capital and interest, renegotiable in August 2018	36,590	37,701
Mortgage loan, secured by automotive equipment with a net carrying amount of \$97,133 as at March 31, 2018, 5%, payable in monthly instalments of \$1,047, capital and interest, maturing in March 2024	65,031	74,100
Canada Mortgage and Housing Corporation forgivable loan, without interest, forgiveness earned of \$3,200 yearly, maturing in March 2021	9,600	12,800
Bank of Montreal, prime rate plus 2.5% (5.95% ; prime rate plus 4% (6.7%) as at March 31, 2017), payable by annual instalments of \$100,000, plus interest, maturing in March 2020	250,000	350,000
Native Commercial Credit Corporation, secured by a hypothec on the universality of property and the part of a building with a net carrying amount of \$67,869 as at March 31, 2018, 6.5%, payable in monthly instalments of \$804, capital and interest, maturing in December 2024	52,569	
Laurentian Bank, secured by a building with a net carrying amount of \$43,575 as at March 31, 2018, 4.74%, payable in monthly instalments of \$467, capital and interest, renegotiable in July 2021	47,402	50,282
Native Commercial Credit Corporation, secured by a hypothec on the universality of property and a guarantee from 9252-9106 Quebec Inc, subsidiary, 6.25%, payable in monthly instalments of \$1,595, capital and interest, maturing in December 2032	184,112	

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**10 - LONG-TERM DEBT (Continued)**

	<b>2018</b>	<b>2017</b>
	\$	\$
Canada Mortgage and Housing Corporation forgivable loan, without interest, forgiveness earned of \$11,110 yearly, maturing in August 2027	104,615	115,725
Mortgage loan, secured by automotive equipment with a net carrying amount of \$256,667 as at March 31, 2018, 4.5%, payable in monthly instalments of \$6,292, capital and interest, maturing in November 2020	189,367	
Canada Mortgage and Housing Corporation forgivable loan, without interest, forgiveness earned of \$11,720 yearly, maturing in August 2027	110,360	122,079
Bank of Montreal, prime rate plus 2.5% (5.95%), payable on demand, maturing in July 2018	301,550	
Bank of Montreal, 4.45%, payable in monthly instalments of \$1,792, capital and interest, renegotiable in July 2022	277,929	
Bank of Montreal, 4.19%, payable in monthly instalments of \$3,150, plus interest, renegotiable in February 2022	223,627	264,573
Bank of Montreal, prime rate plus 2.5% (5.95% ; prime rate plus 4% (6.7%) as at March 31, 2017), payable in monthly instalments of \$1,036, plus interest, maturing in May 2019	14,500	25,893
Canada Mortgage and Housing Corporation forgivable loan, without interest, forgiveness earned of \$3,200 yearly, maturing in March 2021	9,600	12,800
Bank of Montreal, 4.27%, payable in semi-annual instalments of \$15,919, capital and interest, maturing in August 2018	15,638	60,072
Mortgage loan, secured by automotive equipment with a net carrying amount of \$58,166, 7.65%, payable in monthly instalments of \$1,557, capital and interest, maturing in September 2021	58,250	
Canada Mortgage and Housing Corporation forgivable loan, without interest, forgiveness earned of \$3,200 yearly, maturing in February 2022	12,267	15,733
Canada Mortgage and Housing Corporation forgivable loan, without interest, forgiveness earned of \$3,200 yearly, maturing in April 2022	12,800	16,000
Canada Mortgage and Housing Corporation forgivable loan, without interest, forgiveness earned of \$2,981 yearly, maturing in March 2022	11,925	14,906
Canada Mortgage and Housing Corporation forgivable loan, without interest, forgiveness earned of \$3,200 yearly, maturing in April 2022	12,800	16,000

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**10 - LONG-TERM DEBT (Continued)**

	<b>2018</b>	<b>2017</b>
	\$	\$
Mortgage loan, prime rate plus 2.5% (5.2% as at March 31, 2017), reimbursed during the year	319,460	
Loan, without interest, payable in monthly instalments of \$4,000, maturing in December 2020	131,978	179,978
Loan, without interest, payable in monthly instalments of \$7,711, maturing in December 2025	717,121	809,652
Project # 8, National Bank of Canada, mortgage, original amount of \$267,830, 3.09%, reimbursed during the year	21,352	
Project # 10, Caisse Desjardins, mortgage, original amount of \$104,800, secured by 2 housing units and by the C.M.H.C., 4.213%, payable in monthly instalments of \$634, capital and interest, renegotiable in September 2018	31,642	37,266
Project # 11, Bank of Montreal, mortgage, authorized amount of \$141,910, secured by 3 housing units and by INAC, 4.89%, payable in monthly instalments of \$888, capital and interest, renegotiable in December 2018	45,324	53,615
Project # 12, C.M.H.C., mortgage (19-072-495/001), authorized amount of \$70,000, secured by 2 housing units and 1 duplex, 1.92%, payable in monthly instalments of \$317, capital and interest, renegotiable in April 2019	21,544	24,900
Project # 13, C.M.H.C., mortgage (19-072-495/002), authorized amount of \$87,500, secured by 3 housing units and 1 duplex, 0.94%, payable in monthly instalments of \$396, capital and interest, renegotiable in September 2020	32,940	37,363
Project # 14, C.M.H.C., mortgage (19-072-495/003), authorized amount of \$129,000, secured by 4 housing units, 1.11%, payable in monthly instalments of \$586, capital and interest, renegotiable in April 2021	54,314	60,701
Project # 15, C.M.H.C., mortgage (19-072-495/004), authorized amount of \$187,395, secured by 5 housing units, 1.43%, payable in monthly instalments of \$857, capital and interest, renegotiable in April 2022	87,555	96,510
Project # 16, C.M.H.C., mortgage (19-072-495/005), authorized amount of \$92,538, secured by 3 housing units, 2.39%, payable in monthly instalments of \$427, capital and interest, renegotiable in March 2023	45,276	49,452

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**10 - LONG-TERM DEBT (Continued)**

	<b>2018</b>	<b>2017</b>
	\$	\$
Project # 17, C.M.H.C., mortgage (19-072-495/006), authorized amount of \$62,000, secured by 2 duplexes, 1.39%, payable in monthly instalments of \$263, capital and interest, renegotiable in June 2020	35,497	38,137
Project # 17, C.M.H.C., mortgage (19-072-495/007), authorized amount of \$65,000, secured by 2 duplexes, 1.39%, payable in monthly instalments of \$275, capital and interest, renegotiable in June 2020	37,215	39,983
Project # 18, C.M.H.C., mortgage (19-072-495/008), authorized amount of \$253,800, secured by a sixplex, 1.14%, payable in monthly instalments of \$1,109, capital and interest, renegotiable in June 2021	152,084	163,589
Project # 19, C.M.H.C., mortgage (19-072-495/009), authorized amount of \$172,000, secured by 2 duplexes, 1.3%, payable in monthly instalments of \$713, capital and interest, renegotiable in June 2022	110,088	117,119
Project # 20, C.M.H.C., mortgage (19-072-495/010), authorized amount of \$104,000, secured by 1 quadruplex, 1.67%, payable in monthly instalments of \$441, capital and interest, renegotiable in June 2018	70,853	74,926
Project # 21, C.M.H.C., mortgage (19-072-495/011), authorized amount of \$120,600, secured by 1 duplex, 1.82%, payable in monthly instalments of \$542, capital and interest, renegotiable in September 2019	82,822	87,772
Project # 22, C.M.H.C., mortgage (19-072-495/012), authorized amount of \$189,500, secured by 1 quadruplex, 1.04%, payable in monthly instalments of \$736, capital and interest, renegotiable in October 2020	141,837	149,152
Project # 23, C.M.H.C., mortgage (19-072-495/013), authorized amount of \$1,200,000, secured by 10 housing units, 1.43%, payable in monthly instalments of \$4,780, capital and interest, renegotiable in April 2022	954,134	997,460
Project # 24, C.M.H.C., mortgage (19-072-495/014), authorized amount of \$104,000, secured by 1 housing unit, 1.43%, payable in monthly instalments of \$414, capital and interest, renegotiable in April 2022	82,690	86,445
Current portion	<u>6,509,312</u>	<u>6,523,093</u>
	<u>1,584,014</u>	<u>1,268,399</u>
	<u>4,925,298</u>	<u>5,254,694</u>

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Notes to Consolidated Financial Statements**

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**10 - LONG-TERM DEBT (Continued)**

The estimated instalments on long-term debt for the next five years are \$1,584,014 in 2019, \$1,515,343 in 2020, \$712,765 in 2021, \$634,608 in 2022 and \$1,670,873 in 2023.

**11 - REPLACEMENT RESERVE FUND**

**(a) Pre-1997 Program**

Under the agreement with Canada Mortgage and Housing Corporation (C.M.H.C.), 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 C.M.H.C. from time to time. Any use of the funds from the account must be approved by C.M.H.C.

**(b) Post-1996 Program**

Under the agreement with Canada Mortgage and Housing Corporation (C.M.H.C.), 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 C.M.H.C. from time to time.

At the year end, the replacement reserve included the following elements:

	<b>2018</b>	<b>2017</b>
	\$	\$
<b>Reserve fund</b>		
Balance, beginning of year	269,440	237,143
Adjustment requested by C.M.H.C. (Note 17)	<u>(19,231)</u>	<u>(12,813)</u>
Adjusted balance, beginning of year	250,209	224,330
Annual contribution - replacement reserve	<u>43,100</u>	<u>45,110</u>
Balance, end of year	<b>293,309</b>	<b>269,440</b>

No amount was transferred to the replacement reserve fund in 2018.

As at March 31, 2018, the Organization does not respect the obligation to hold these funds in a separate bank account.

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**12 - OPERATING RESERVE (Post-1996 Program)**

Once all costs and expenses are paid, particularly the allocation to the replacement reserve, the First Nation keeps all excess income 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 it only in accounts or instruments insured by the Canada Deposit Insurance Corporation, or as agreed by common consent by the First Nation and Canada Mortgage and Housing Corporation. 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 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 the following elements:

	<b>2018</b>	<b>2017</b>
	\$	\$
<b>Reserve fund</b>		
Balance, beginning of year	<b>258,644</b>	227,988
Adjustment requested by C.M.H.C. (Note 17)	<b>23,974</b>	30,656
Balance, end of year	<b>282,618</b>	258,644

As at March 31, 2018, the Organization does not respect the obligation to hold these funds in a separate bank account.

**13 - TANGIBLE CAPITAL ASSETS**

	Cost	Accumulated amortization	Net carrying amount	2018	2017
				\$	\$
Land	263,742		263,742	133,592	
Buildings	22,729,966	12,000,181	10,729,785	9,871,905	
Sanitation system	7,372,856	6,393,339	979,517	1,049,729	
Automotive equipment	2,410,018	1,679,560	730,458	367,932	
Material and equipment	1,186,812	974,401	212,411	140,674	
Roads	602,391	180,186	422,205	452,325	
Gravel pit	100,000		100,000	100,000	
Boat	350,000	52,492	297,508	315,008	
	<b>35,015,785</b>	<b>21,280,159</b>	<b>13,735,626</b>	<b>12,431,165</b>	

**14 - BANK LOANS**

The bank loans, for which the authorized amounts are \$100,000 and \$1,000,000, bear interest at prime rate (3.45%) and prime rate plus 2.5% (5.95%) respectively, are secured by the accounts receivable and a mortgage on amounts receivable from Health Canada and are renegotiable annually.

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**15 - SUBSIDY FROM THE CANADA MORTGAGE AND HOUSING CORPORATION**

The Organization receives a subsidy under a program administered by the Canada Mortgage and Housing Corporation (C.M.H.C.) under the terms of section 95 of the National Housing Act. This subsidy is tied to compliance with the conditions set forth in the agreement signed by the Organization and C.M.H.C.

**16 - CONTRIBUTION RECEIVABLE (PAYABLE)**

	2018	2017
	\$	\$
<b>Federal government</b>		
110000 Medical Transportation NIHB/MT	(70,792)	(94,708)
110030 Children's Oral Health Initiative	(7,722)	
110035 HCC Prof. dev.	(4,993)	
202308 NP99 Social Assistance for Employment and Training	(49,943)	
202320 NP8L Special Needs	(1,416)	
212384 NPD0 CFS Maintenance - Institutions		(362,356)
212395 NPC5 In-Home Care	89,384	(18,037)
212396 NPC9 Institutional Care - Type I		(15,000)
212398 NPC6 Foster Care	(85,000)	
361003 Science and Technology	(3,272)	
408749 NTNJ 2015-16 Route 132 Project AQB53		(99,069)
641017 NG0M CPP/QPP and Private Pension Plans	(21,939)	(62,792)
708113 NT90 Economic Development Opportunities MNP		(4,168)
990007 Construction Article 95		(8,104)
990018 NTLE Housing software and training		(957)
<b>Other</b>		
645100 MRP	<u>(25,994)</u>	
	<u>(181,687)</u>	<u>(665,191)</u>

**17 - ADJUSTMENT TO PRIOR YEARS**

After the review of the financial statements for the year ended March 31, 2017 by the Organization, the following adjustments were required:

	2018	2017
	\$	\$
<b>Micmacs Housing Corporation</b>		
Adjustment to operating reserve	23,974	30,656
Adjustment to replacement reserve	<u>(19,231)</u>	<u>(12,813)</u>
	<u>4,743</u>	<u>17,843</u>

**18 - CONTINGENCY**

As at March 31, 2018, the Organization is contingently liable as endorser in long-term debts for members of the community for the amount of \$1,227,702 (\$1,238,579 in 2017).

# **Micmacs of Gesgapegiag Band**

## **Notes to Consolidated Financial Statements**

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### **19 - LIABILITY FOR REMEDIATION OF CONTAMINATED SITES**

The Organization will have to assume the costs of remediation of contaminated sites for which it is or could likely be responsible, for which no liability has been recognized in the financial statements because, at the financial statement date, it was not possible to make a reasonable estimate of the amounts in question.

### **20 - RELATED PARTY TRANSACTIONS**

During the year, the Organization has entered into contracted services with elected officials for the purchase of wholesale lobster for an amount of \$384,999 (\$805,653 in 2017). These transactions were measured at the exchange amount.

### **21 - ECONOMIC DEPENDENCE**

The Organization receives 26% (26% in 2017) of its revenues from Indigenous and Northern Affairs Canada (INAC).

### **22 - FINANCIAL INSTRUMENTS**

#### **Financial risk management objectives and policies**

The Organization is exposed to various financial risks resulting from its operating, investing and financing activities. The Organization's management manages financial risks.

During the year, there were no changes to the financial instrument risk management policies, procedures and practices. The means used by the Organization to manage each of the financial risks are described in the following paragraphs.

#### **Financial risks**

The Organization's main financial risk exposure and its financial risk management policies are as follows.

##### ***Credit risk***

The Organization is exposed to credit risk regarding the financial assets recognized in the statement of financial position. The Organization has determined that the financial assets with more credit risk exposure are government transfers receivable, accounts receivable, rents receivable and advances since failure of any of these parties to fulfil their obligations could result in significant financial losses for the Organization.

Government transfers receivable, accounts receivable, rents receivable and advances balance are managed and analysed on an ongoing basis.

The carrying amount on the statement of financial position of the Organization's financial assets exposed to credit risk represents the maximum amount exposed to credit risk. The following table summarizes the Organization's credit risk exposure:

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**22 - FINANCIAL INSTRUMENTS (Continued)**

	<b>2018</b>	<b>2017</b>
	\$	\$
Cash	2,449,893	540,575
Term deposit	14,269	14,269
Accounts receivable	1,074,122	1,009,299
Rents receivable	2,159,242	1,925,242
Advances	500,654	327,703
Advances to joint arrangement	160,000	
Government transfers receivable	1,625,298	1,783,389
	<hr/>	<hr/>
	7,983,478	5,600,477

The Organization's management considers that all the above financial assets that are not impaired or past due are of good credit quality at the date of the consolidated financial statements.

None of the Organization's financial assets is secured by a collateral instrument or other form of credit enhancement.

The carrying amount of impaired accounts receivable totals \$2,487,161 as at March 31, 2018 (\$2,209,975 as at March 31, 2017).

*Market risk*

The Organization's financial instruments expose it to market risk, in particular interest rate risk:

- Interest rate risk:

The Organization is exposed to interest rate risk with respect to financial assets and liabilities bearing fixed and variable interest rates.

The term deposit and some long-term debts bear interest at a fixed rate and the Organization is, therefore, exposed to the risk of changes in fair value resulting from interest rate fluctuations.

Other long-term debts and bank loans bear interest at a variable rate and the Organization is, therefore, exposed to the cash flow risks resulting from interest rate fluctuations.

The Organization does not use derivative financial instruments to reduce its interest rate risk exposure.

A reasonably possible increase or decrease in interest rates of 1% (1% as at March 31, 2017) would not have a significant impact on the Organization's excess of revenues over expenses for the year.

*Liquidity risk*

The Organization's liquidity risk represents the risk that the Organization could encounter difficulty in meeting obligations associated with its financial liabilities. The Organization is, therefore, exposed to liquidity risk with respect to all of the financial liabilities recognized in the statement of financial position.

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**22 - FINANCIAL INSTRUMENTS (Continued)**

Liquidity risk management serves to maintain a sufficient amount of cash and cash equivalents and to ensure that the Organization has financing sources for a sufficient authorized amount. The Organization establishes budget and cash estimates to ensure it has the necessary funds to fulfil its obligations.

As at March 31, 2018, the Organization's contractual maturities for financial liabilities (including any interest payments) are as follows:

	Less than 6 months	6 months to 1 year	1 to 5 years	More than 5 years
	\$	\$	\$	\$
Accounts payables and accrued liabilities	2,472,415			
Long-term debt	738,745	951,297	4,434,461	516,795
	<u>3,211,160</u>	<u>951,297</u>	<u>4,434,461</u>	<u>516,795</u>

**23 - COMMITMENTS**

The Organization has entered into long-term lease agreements expiring from January to October 2021 for the rental of equipments which call for minimum lease payments of \$126,456.

Minimum lease payments for the next four years are \$39,492 in 2019 and in 2020, \$31,022 in 2021 and \$16,450 in 2022.

**24 - TRUST FUNDS HELD BY INAC**

	March 31, 2017	\$	Addition 2018	\$	Withdrawals	
					2018	March 31, 2018
Revenue	41,714		899			42,613
Capital	647					647
	<u>42,361</u>	<u>899</u>				<u>43,260</u>

The trust funds arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada. The management of these funds is primarily governed by Section 63 to 69 of the Indian Act.

**25 - COMPARATIVE FIGURES**

Certain comparative figures have been reclassified to conform with the presentation adopted in the current year.

**26 - BUDGETED FIGURES**

Unaudited budgeted figures have been provided for comparison purposes and have been derived from the estimates approved by the board of directors.

**Micmacs of Gesgapegiag Band**  
**Notes to Consolidated Financial Statements**  
Year ended March 31, 2018

**27 - SEGMENT DISCLOSURES**

The Organization provides a range of services to its members. For management reporting purposes, operations and activities are organized and reported by department. For each segment separately reported, the segment revenues 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 Significant Accounting Policies as described in Note 3. The segment results for the period are as follows :

	Health			Social services			Education		
	Unaudited Budget		\$	Unaudited Budget		\$	Unaudited Budget		\$
	2018	2018		2018	2018		2018	2018	
<b>Revenues</b>									
Federal government transfers	1,781,431	1,907,373	1,484,458	3,830,503	3,169,423	2,494,891	3,244,495	4,018,963	3,330,452
Provincial government transfers	25,563	51,125	45,000						
Other revenues	57,124	(178,841)	184,278	60,185	(634,455)	210,866		(153,383)	(2,141)
<b>Total Revenues</b>	<b>1,864,118</b>	<b>1,779,657</b>	<b>1,713,736</b>	<b>3,890,688</b>	<b>2,534,968</b>	<b>2,705,757</b>	<b>3,244,495</b>	<b>3,865,580</b>	<b>3,328,311</b>
<b>Expenses</b>									
Salaries and fringe benefits	1,165,521	1,061,162	1,167,378	994,936	985,683	995,244	1,503,043	1,469,948	1,202,046
Amortization									
Other expenses	865,266	646,095	666,427	2,140,354	1,558,868	1,968,632	1,200,318	2,556,429	2,092,887
<b>Total expenses</b>	<b>2,030,787</b>	<b>1,707,257</b>	<b>1,833,805</b>	<b>3,135,290</b>	<b>2,544,551</b>	<b>2,963,876</b>	<b>2,703,361</b>	<b>4,026,377</b>	<b>3,294,933</b>
Transfers between programs	7,929	16,497	(2,194)	(7,929)	(7,928)	(20,306)	149,281	(13,655)	120,000
<b>Excess (deficiency) of revenues over expenses</b>	<b>(158,740)</b>	<b>88,897</b>	<b>(122,263)</b>	<b>747,469</b>	<b>(17,511)</b>	<b>(278,425)</b>	<b>690,415</b>	<b>(174,452)</b>	<b>153,378</b>

**Micmacs of Gesgapegiag Band**  
**Notes to Consolidated Financial Statements**  
Year ended March 31, 2018

**27 - SEGMENT DISCLOSURES (Continued)**

	Public works			Public security			Band support		
	Unaudited Budget		2018 \$	Unaudited Budget		2018 \$	Unaudited Budget		2018 \$
	2018 \$	2017 \$		2018 \$	2017 \$		2018 \$	2017 \$	
<b>Revenues</b>									
Federal government transfers	475,678	578,122	863,919	281,663	333,913	298,806	671,124	1,221,921	859,188
Provincial government transfers				222,043	230,887	228,144	983,862	1,473,684	1,665,112
Other revenues	234,470	31,365	(193,630)	51,884	96,258	106,385	942,220	1,845,585	1,253,939
<b>Total Revenues</b>	<b>710,148</b>	<b>609,487</b>	<b>670,289</b>	<b>555,590</b>	<b>661,058</b>	<b>633,335</b>	<b>2,597,206</b>	<b>4,541,190</b>	<b>3,778,239</b>
<b>Expenses</b>									
Salaries and fringe benefits	90,066	70,806	56,332	490,102	595,125	610,332	1,033,416	1,370,514	1,075,859
Amortization									
Other expenses	630,464	596,321	627,233	141,681	183,402	157,834	1,791,720	3,212,302	2,862,319
<b>Total expenses</b>	<b>720,530</b>	<b>667,127</b>	<b>683,565</b>	<b>631,783</b>	<b>778,527</b>	<b>768,166</b>	<b>2,825,136</b>	<b>4,582,816</b>	<b>3,938,178</b>
Transfers between programs									
Excess (deficiency) of revenues over expenses	15,000	15,000	28,000	80,000	71,429	89,501	376,830	183,330	259,401
	<b>4,618</b>	<b>(42,640)</b>	<b>14,724</b>	<b>3,807</b>	<b>(46,040)</b>	<b>(45,330)</b>	<b>148,900</b>	<b>141,704</b>	<b>99,462</b>

**Micmacs of Gesgapegiag Band**  
**Notes to Consolidated Financial Statements**  
Year ended March 31, 2018

**27 - SEGMENT DISCLOSURES (Continued)**

	Economic development			Commercial			Capital housing		
	Unaudited Budget		2018 \$	Unaudited Budget		2018 \$	Unaudited Budget		2018 \$
	2018	2017		2018	2017		2018	2017	
<b>Revenues</b>									
Federal government transfers	355,700	332,543	646,543	55,000	171,683	328,312	86,182	929,138	857,331
Provincial government transfers	202,774	1,075,192	5,074,713	135,000	149,994	192,876			40,200
Other revenues	753,905	840,759	424,621	6,618,104	13,794,356	9,600,190	1,088,285	697,911	749,905
<b>Total Revenues</b>	<b>1,312,379</b>	<b>2,248,494</b>	<b>6,145,877</b>	<b>6,808,104</b>	<b>14,116,033</b>	<b>10,121,378</b>	<b>1,174,467</b>	<b>1,627,049</b>	<b>1,647,436</b>
<b>Expenses</b>									
Salaries and fringe benefits	893,008	1,120,397	715,039	1,723,810	2,717,527	2,323,833	380,734	377,395	324,840
Amortization					170,915	173,595	711,106	1,039,983	984,385
Other expenses	437,794	1,636,771	5,731,986	2,633,669	7,273,239	5,385,768	1,168,820	925,552	851,389
<b>Total expenses</b>	<b>1,330,802</b>	<b>2,757,168</b>	<b>6,447,025</b>	<b>4,357,479</b>	<b>10,161,681</b>	<b>7,883,196</b>	<b>2,260,660</b>	<b>2,342,930</b>	<b>2,160,614</b>
Transfers between programs	430,769	657,009	200,798	(1,354,200)	(1,216,400)	(799,200)	302,320	294,718	124,000
<b>Excess (deficiency) of revenues over expenses</b>	<b>412,346</b>	<b>148,335</b>	<b>(100,350)</b>	<b>1,096,425</b>	<b>2,737,952</b>	<b>1,438,982</b>	<b>(783,873)</b>	<b>(421,163)</b>	<b>(389,178)</b>

**Micmacs of Gesgapegiag Band**  
**Notes to Consolidated Financial Statements**  
Year ended March 31, 2018

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**27 - SEGMENT DISCLOSURES (Continued)**

	Total		
	Unaudited Budget		
	2018	2018	2017
	\$	\$	\$
<b>Revenues</b>			
Federal government transfers	10,781,776	12,663,079	11,163,900
Provincial government transfers	1,569,242	2,980,882	7,246,045
Other revenues	9,806,177	16,339,555	12,334,413
<b>Total Revenues</b>	<u>22,157,195</u>	<u>31,983,516</u>	<u>30,744,358</u>
<b>Expenses</b>			
Salaries and fringe benefits	8,274,636	9,768,557	8,470,903
Amortization	711,106	1,210,898	1,157,980
Other expenses	11,010,086	18,588,979	20,344,475
<b>Total expenses</b>	<u>19,995,828</u>	<u>29,568,434</u>	<u>29,973,358</u>
<b>Transfers between programs</b>			
<b>Excess (deficiency) of revenues over expenses</b>	<u>2,161,367</u>	<u>2,415,082</u>	<u>771,000</u>

**Micmacs of Gesgapegiag Band****Consolidated Operations and Accumulated Surplus (Deficit) by Program**

Year ended March 31, 2018

	INAC	Other revenues	Total revenues	Total expenses	Transfers between programs	Excess (deficiency) of revenues over expenses	Adjusted accumulated surplus (deficit), beginning of year	Adjusted accumulated surplus (deficit), end of year
		\$	\$	\$	\$	\$	\$	\$
<b>HEALTH</b>								
110000 Medical Transportation NIHB/MT		222,208	222,208	222,208			(35,144)	(35,144)
110003 National Native Alcohol and Drug Abuse		64,845	64,845	76,663	11,818		7,003	7,003
110005 Aboriginal Head Start On-Reserve AHSOR		69,294	69,294	69,294			71,110	71,110
110006 Brighter Futures BF		80,333	80,333	9,559	(70,774)		42,549	42,549
110007 HIV/AIDS Program (before Summer Camp)		6,000	6,000	6,000			3,521	3,521
110008 Maternal Child Health MCH		37,086	37,086	4,474	(32,612)		4,812	4,812
110009 HL - Public Health		68,610	68,610	73,723	5,113		255,661	255,661
110010 Aboriginal Diabetes Initiative ADI		49,868	49,868	94,768	44,900		58,611	58,611
110011 Building Healthy Communities BHC		60,203	60,203	60,203			48,131	48,131
110012 Building Healthy Communities - Solvent		11,818	11,818		(11,818)		10,093	10,093
110013 Canada Prenatal Nutrition Program CPNP		17,254	17,254	49,866	32,612		14,734	14,734
110014 AHHRI Health Careers		9,996	9,996	9,996			(4,953)	(4,953)
110015 Health Planning & Management HPM		333,819	333,819	541,828	296,906	88,897	(394,308)	(305,411)
110016 Clinical and Client Care CCC		150,353	150,353	104,969	(45,384)		128,399	128,399
110018 First Nations & Inuit Health Services		42,445	42,445		(42,445)		37,982	37,982
110019 AHHRI Training		9,747	9,747	9,747				
110020 Environmental Public Health - Drinking		32,000	32,000		(32,000)		17,257	17,257
110025 Community Facilities O&M		147,952	147,952		(147,952)			
110030 Children's Oral Health Initiative		18,278	18,278	18,278			111	111
110034 Professional Medical (Speech Therapy)							2,875	2,875
110035 HCC Prof. dev.		4,427	4,427	4,427			(4,728)	(4,728)
110037 Gesgapegiag Arena				16,497	16,497			
110038 Avenir enfant		58,125	58,125	58,125				
110040 JP-Service coordination		46,456	46,456	46,456				
110050 First Nations and Inuit Home and Commun HCC SD		184,692	184,692	184,692			(210,397)	(210,397)
110060 Social Service Child in Foster Allowance		29,091	29,091	29,091			49,216	49,216
110080 Fetal Alcohol Spectrum Disorder FASD		8,364	8,364		(8,364)			
110085 KD31 Infection Prevention & Control		3,107	3,107	3,107				

**Micmacs of Gesgapegiag Band****Consolidated Operations and Accumulated Surplus (Deficit) by Program**

Year ended March 31, 2018

	INAC	Other revenues	Total revenues	Total expenses	Transfers between programs	Excess (deficiency) of revenues over expenses	Adjusted accumulated	
							surplus	Accumulated
							beginning of year	(deficit), end of year
		\$	\$	\$	\$	\$	\$	\$
110091 Tobacco			13,286	13,286				
110095 Fundraising							12,006	12,006
Sub total - Health			1,779,657	1,779,657	1,707,257	16,497	88,897	114,541
								203,438
<b>SOCIAL SERVICES</b>								
202305 NP85 Basic Needs	632,000	48,898	680,898	666,182		14,716	(228,598)	(213,882)
202308 NP99 Social Assistance for Employment and Training	183,917	(49,943)	133,974	133,974			(96,694)	(96,694)
202320 NP8L Special Needs	26,000	(1,416)	24,584	24,584			(29,289)	(29,289)
202330 NP8R Service Delivery	44,140		44,140	44,140			48,139	48,139
212373 NPD3 Operations - CFS	467,983	1,050	469,033	469,033			(239,954)	(239,954)
212382 NPD1 CFS Maintenance - Enhanced Prevent paid back							49,437	49,437
212383 NPD1 CFS Maintenance - Foster Homes	605,856	(253,384)	352,472	352,472			(41,273)	(41,273)
212384 NPD0 CFS Maintenance - Institutions	206,902	(45,674)	161,228	161,228			(206,996)	(206,996)
212388 NPD7 Prevention/Least Disruptive Measure	321,942	13,536	335,478	327,550	(7,928)		(64,626)	(64,626)
212395 NPC5 In-Home Care	220,914	57,907	278,821	311,048		(32,227)	(304,533)	(336,760)
212396 NPC9 Institutional Care - Type I							(61,443)	(61,443)
212398 NPC6 Foster Care	85,000	(85,000)						
212399 NPC7 Service Delivery	54,340		54,340	54,340			(5,924)	(5,924)
Sub Total Social Services	2,848,994	(314,026)	2,534,968	2,544,551	(7,928)	(17,511)	(1,181,754)	(1,199,265)
<b>EDUCATION</b>								
361000 NP1M FNEC New Paths	67,238	67,238	55,098	(15,187)	(3,047)	24,409	21,362	
361001 Career Promotion	2,699	2,699	3,688		(989)	(2,695)	(3,684)	
361002 Youth Employment	13,655	13,655		(13,655)		(17)	(17)	
361003 Science and Technology	8,616	8,616	8,616			794	794	
361004 Skills Link	19,806	19,806	19,806			(633)	(633)	
361005 FNSSP Student success	130,335	130,335	134,202		(3,867)	4,317	450	
361007 Parental Involvement	(2,967)	(2,967)	7,388	7,388	(2,967)	(14,387)	(17,354)	

**Micmacs of Gesgapegiag Band****Consolidated Operations and Accumulated Surplus (Deficit) by Program**

Year ended March 31, 2018

	INAC	Other revenues	Total revenues	Total expenses	Transfers between programs	Excess (deficiency) of revenues over expenses	Adjusted accumulated		
							surplus	(deficit), beginning of year	Accumulated surplus (deficit), end of year
							\$	\$	\$
361008 Professional Development		(1,570)	(1,570)	7,799	7,799	(1,570)	(1,796)	(3,366)	
361009 Education Partnerships Program		20,486	20,486	50,468		(29,982)	28,970	(1,012)	
361011 FNEC/DSSLP		4,877	4,877	5,248		(371)	(1,379)	(1,750)	
361012 FNSSP/Early Literacy		15,238	15,238	15,238					
361013 NP1M New Paths		2,403	2,403	73,845		(71,442)	69,992	(1,450)	
361300 NTHL Schools - O&M	118,186		118,186	118,186			154,319	154,319	
362105 NP05 Instructional Services Formula	1,316,949	(52,185)	1,264,764	1,289,314	24,550		702,069	702,069	
362106 NP06 Administration - Instructional Services	7,700		7,700	7,700					
362107 NP07 Enhanced Teachers Salaries	24,550		24,550			(24,550)			
362125 NP0R Tuition Agreements	717,691		717,691	717,691			(234,962)	(234,962)	
362126 NP0S Ancillary Support	14,870		14,870	14,870			24,920	24,920	
362138 NP12 Financial Assistance Allowances	20,743	(15,563)	5,180	5,180			191,957	191,957	
362139 NP13 Guidance and Counselling	59,926		59,926	59,926			111,266	111,266	
362140 NP14 Advice and Assistance, Provincial	91,009		91,009	91,009			165,789	165,789	
362144 NP16 Student Accomodation Services	8,351	8,349	16,700	16,700			1,792	1,792	
362145 NP18 Student Transportation Services	125,842	5,800	131,642	109,393		22,249	443,723	465,972	
362150 NP09 Band operated School evaluation		(6,781)	(6,781)	94		(6,875)		(6,875)	
362155 NP38 Direct Services	1,229		1,229	1,229					
362165 NP1W Manage Cultural Education Centres	23,625		23,625	23,625					
362234 Band Operated School - Special Education		370,677	370,677	446,268		(75,591)	56,405	(19,186)	
362270 NP5A Post-Secondary Student Support Program	508,457	(17,288)	491,169	491,169			(123,401)	(123,401)	
362275 Post-Secondary Student Support Program							(22,414)	(22,414)	
368500 NTHC Renovations/Additions School repairs	265,253	(12,626)	252,627	252,627					
<b>Sub Total Education</b>	<b>3,304,381</b>	<b>561,199</b>	<b>3,865,580</b>	<b>4,026,377</b>	<b>(13,655)</b>	<b>(174,452)</b>	<b>1,579,038</b>	<b>1,404,586</b>	
<b>PUBLIC WORKS</b>									
408565 NTFF Wastewater Systems	56,877	6,610	63,487	67,664		(4,177)	(585,400)	(589,577)	
408566 NTFG Water Systems	50,692	14,831	65,523	71,802		(6,279)	(37,046)	(43,325)	
408748 NTM8 Roads and Bridges	155,000	(30,535)	124,465	124,465					

**Micmacs of Gesgapegiag Band**
**Consolidated Operations and Accumulated Surplus (Deficit) by Program**

Year ended March 31, 2018

	INAC	Other revenues	Total revenues	Total expenses	Transfers between programs	Adjusted		
						Excess (deficiency) of revenues over expenses	surplus (deficit), beginning of year	accumulated surplus (deficit), end of year
						\$	\$	\$
408749 NTNJ 2015-16 Route 132 Project AQB53		99,069	99,069	99,069				
408750 NTMA Municipal services (tools)		16,000	16,000	16,000				
408751 NTMB Community Buildings		18,000	18,000	18,000			(43,470)	(43,470)
408767 NTMT Roads and Bridges		24,699	24,699	24,699			(184,726)	(184,726)
408770 NTMW Community Buildings		22,317	22,317	22,317			89,257	89,257
408774 NTN0 Maintenance Management		29,355	24,459	53,814	100,998	15,000	(32,184)	(235,952)
408779 NTN5 Solid Waste		79,273	79,273	79,273			(31,660)	(31,660)
408805 NTNW Community Capital Facilities		42,840	42,840	42,840			237,659	237,659
Sub Total Public Works		479,053	130,434	609,487	667,127	15,000	(42,640)	(791,338)
<b>PUBLIC SECURITY</b>								
590104 Special Policing Tom		98,236	98,236	96,302			1,934	4,605
590105 Policing Services		484,176	484,176	590,680	60,000	(46,504)	(532,561)	(579,065)
590106 Police Tickets		7,391	7,391	3,289		4,102	17,325	21,427
590107 Dog Catcher				1,429	1,429			
590110 NTMZ Training - Fire Protection		37,300	(12,300)	25,000	25,000			68,476
590115 NTM5 Fire Protection		12,800		12,800			89,246	89,246
590120 NTMS Fire Protection		27,281	500	27,781	43,353	10,000	(5,572)	1,632
590125 NTR0 Preparedness Emergency		5,674		5,674	5,674			(3,940)
Sub Total Public Security		83,055	578,003	661,058	778,527	71,429	(46,040)	(351,277)
<b>BAND SUPPORT</b>								
630000 MMBc		7,875	7,875	48,616		(40,741)		(40,741)
630050 Coop Handicraft		3,008	3,008	14,583	10,000	(1,575)		(1,575)
630060 Walgwan Center		160,144	160,144	22,353		137,791	637,562	775,353
640000 Estuary Fishing Agreement		1,374,378	1,374,378	1,321,878	(52,500)		(356,546)	(356,546)
640001 Community Beautification & Elder Assistance		173,046	173,046	209,046	36,000		(101,019)	(101,019)
641011 NG0F Band Support Funding	441,230	813,123	1,254,353	1,406,388	179,830	27,795	(596,274)	(568,479)
641015 NG0H Band Support Funding Supp. Pension Plan	94,029		94,029	94,029				

**Micmacs of Gesgapegiag Band****Consolidated Operations and Accumulated Surplus (Deficit) by Program**

Year ended March 31, 2018

	INAC	Other revenues	Total revenues	Total expenses	Transfers between programs	Excess (deficiency) of revenues over expenses	Adjusted	Accumulated surplus (deficit), beginning of year	Accumulated surplus (deficit), end of year
							surplus (deficit)		
641016 NGOL Pension Plan Administration	43,895		43,895	38,800		5,095	(43,674)	(38,579)	
641017 NG0M CPP/QPP and Private Pension Plans	186,798	22,745	209,543	151,645		57,898	(83,026)	(25,128)	
641366 NGBL Specific Claims Submission	195,000	(99,572)	95,428	95,428					
641840 NG1A Leadership	17,032		17,032	17,032					
641842 NG1C IT GOV Capacity Development							94	94	
641845 NG1E Financial Management gov. Capacity Development							36,201	36,201	
641850 NG1J Risk Management gov capacity Development	76,488		76,488	76,488					
642057 NPG7 Indian Registry Administrators	10,998	490	11,488	21,488	10,000		8,549	8,549	
642060 NTPN Land use planning Initiative Gesgapegiag Human Resources Development Commission	38,736	(38,736)							
Gesgapegiag Natural Resources Inc.	1,053,187		1,053,187	1,074,927		(21,740)	(121,000)	(142,740)	
Elimination of inter-organizational transactions upon consolidation			113			(113)	67,023	66,910	
Sub Total Band Support	1,104,206	3,436,984	4,541,190	4,582,816	183,330	141,704	(552,110)	(387,700)	
<b>ECONOMIC DEVELOPMENT</b>									
642440 Ballfield				6,527	6,600	73	(92,421)	(92,348)	
645000 Certification project	6,470	6,470	6,470						
645100 MRP	19,006	19,006	19,006						
650034 Assent of route 132 MTQ	273,712	273,712	273,712				(19,928)	(19,928)	
650050 Daycare Center Rent	83,228	83,228	67,927		15,301	(79,662)	(64,361)		
650051 Daycare renovations	95,821	95,821	95,821						
651025 Rod Lease	150,000	150,000	205,250	100,000	44,750		44,750		
652000 Pastoral Agent Church	4,908	4,908	2,936		1,972	12	1,984		
652150 Church Construction	133,740	133,740	133,740						
653000 Cascapedia Society	304,215	304,215	296,185		8,030	902	8,932		
655000 Summer Student Employment Program	580	580	79,423	91,155	12,312	12,499	24,811		
655700 Probation Officer	52,955	52,955	52,955			4,980	4,980		

**Micmacs of Gesgapegiag Band****Consolidated Operations and Accumulated Surplus (Deficit) by Program**

Year ended March 31, 2018

	INAC	Other revenues	Total revenues	Total expenses	Transfers between programs	Excess (deficiency) of revenues over expenses	Adjusted accumulated surplus (deficit), beginning of year	Adjusted accumulated surplus (deficit), end of year
656600 Fish Profits from Previous Years		303,524	303,524	187,298	302,320	418,546	(8,995,649)	(8,577,103)
708110 NT45 Community Economic Development Program	142,022	10,128	152,150	271,275	65,000	(54,125)	9,182	(44,943)
708112 Outfitting				223,076		(223,076)	(925)	(224,001)
708113 NT90 Economic Development Opportunities MNP	20,000	(13,531)	6,469	6,469			1,211	1,211
708115 NT93 CORP Community Development Program							3,144	3,144
708120 Basket Making								
708125 Basket Making Program Economic Development		10,044	10,044	84,984	70,000	(4,940)		(4,940)
708130 Lobsterhut extension				8,392		(8,392)		(8,392)
708140 Chalets Ste-Helene		291,794	291,794	449,644		(157,850)		(157,850)
708145 Chalets Ste-Helene (operationnel)		17,120	17,120	18,314		(1,194)		(1,194)
708150 La Cache (operationnel)		308,870	308,870	330,804	21,934			
708155 Traffic control		26,988	26,988	35,262		(8,274)		(8,274)
708170 Tourism Initiative	6,900		6,900	6,900				
Elimination of inter-organizational transactions upon consolidation				(105,202)		105,202		
<b>Sub Total Economic Development</b>	<b>168,922</b>	<b>2,079,572</b>	<b>2,248,494</b>	<b>2,757,168</b>	<b>657,009</b>	<b>148,335</b>	<b>(9,156,655)</b>	<b>(9,113,522)</b>

**COMMERCIAL**

860000 Mid-Shore Fisheries	8,485,681	8,485,681	4,833,112	(1,336,239)	2,316,330	16,374,804	18,691,134
860003 Joneve	127,678	127,678	67,032	(45,413)	15,233	342,211	357,444
860004 Sub-contract Other Species Mathilde	18,041	18,041	3,233	(17,800)	(2,992)	22,218	19,226
860005 Fisheries Training C4	116,683	116,683	77,848		38,835	549,399	588,234
860006 Natural Resources Administration	103,709	103,709	366,655	183,052	(79,894)	(592,833)	(672,727)
860010 Gesgapegiag Lobster boat Wholesale Project	353,911	353,911	359,956		(6,045)	135,747	129,702
860011 Lobster Whole Sale	1,101,007	1,101,007	1,054,742		46,265		46,265
860025 Sea cucumber	36,721	36,721	14,457		22,264		22,264
860030 Additional Quota	597,008	597,008	45,426		551,582		551,582
860034 Ansalewit & Guiuimu boats	307,702	307,702	245,655		62,047	2,701	64,748
860036 Communal Fisheries	968,571	968,571	1,064,887		(96,316)	217,400	121,084

## Micmacs of Gesgapegiag Band

### Consolidated Operations and Accumulated Surplus (Deficit) by Program

Year ended March 31, 2018

							Adjusted accumulated surplus (deficit), beginning of year	Accumulated surplus (deficit), end of year
					Transfers between programs	Excess (deficiency) of revenues over expenses		
	INAC	Other revenues	Total revenues	Total expenses				
		\$	\$	\$	\$	\$	\$	\$
870999 Forestry General		559,168	559,168	527,968		31,200	595,762	626,962
871000 Forestry Training		44,022	44,022	74,631		(30,609)	(137,315)	(167,924)
872000 Production/Forestry		208,426	208,426	200,220		8,206	(78,990)	(70,784)
872500 Community Firewood Assistance		136,169	136,169	111,373		24,796	(91,657)	(66,861)
9252-9106 Québec Inc.		501,055	501,055	543,172		(42,117)	(1,827,905)	(1,870,022)
9309-0942 Québec Inc.		500,481	500,481	644,020		(143,539)	(836,874)	(980,413)
Elimination of inter-organizational transactions upon consolidation		(50,000)	(50,000)	(72,706)		22,706		
Sub Total Commercial		14,116,033	14,116,033	10,161,681	(1,216,400)	2,737,952	14,674,668	17,389,914
<b>CAPITAL HOUSING</b>								
990000 Housing Construction Section 95		277,979	277,979	138,721		139,258	29	139,287
990001 Housing Inspection							1,510	1,510
990004 NTKA Housing Repair	48,000		48,000	96,868	48,868		(25,371)	(25,371)
990005 Residential Rehabilitation Assistance Program		107,185	107,185	359,771	105,600	(146,986)	(141,117)	(288,103)
990007 Construction Article 95		11,920	11,920	125,006	113,086			
990008 NTLC Renovations and Additions	198,485	(117,849)	80,636	80,636				
990009 NTKB Planning Design and Construction	50,000		50,000	57,744	7,744			
990010 NTKC Major Renovations, Extensions and Repair	50,000		50,000	50,000				
990011 NTKM Housing Councils	12,800	14,400	27,200	46,620	19,420		(41,692)	(41,692)
990012 NTKQ Management Support	1,200		1,200	1,200			3,225	3,225
990017 NTLE Housing policy development	38,188	23,389	61,577	61,577				
990019 NTMX Special services	60,000		60,000	60,000				
990024 Healing Lodge							(7,403)	(7,403)
999001 Mortgage Payments		73,518	73,518	(760)		74,278	(1,177,395)	(1,103,117)
999990 Amortization of tangible capital assets		490,734	490,734	890,053		(399,319)	(5,029,676)	(5,428,995)
Micmacs Housing Corporation		392,302	392,302	375,494		16,808	(1,378,881)	(1,362,073)
Elimination of inter-organizational transactions upon consolidation		(105,202)	(105,202)			(105,202)		
Sub Total Capital Housing	458,673	1,168,376	1,627,049	2,342,930	294,718	(421,163)	(7,796,771)	(8,112,732)

**Micmacs of Gesgapegiag Band****Consolidated Operations and Accumulated Surplus (Deficit) by Program**

Year ended March 31, 2018

	INAC	Other revenues	Total revenues	Total expenses	Transfers between programs	Excess (deficiency) of revenues over expenses	Adjusted accumulated surplus (deficit), beginning of year	Adjusted accumulated surplus (deficit), end of year
	\$	\$	\$	\$	\$	\$	\$	\$
<b>PRIOR PERIOD FINANCIAL</b>								
999999 Discontinued projects							4,910,833	4,910,833
<b>TOTAL</b>	<b>8,447,284</b>	<b>23,536,232</b>	<b>31,983,516</b>	<b>29,568,434</b>		<b>2,415,082</b>	<b>1,449,175</b>	<b>3,864,257</b>