

**Micmacs of Gesgapegiag Band  
Consolidated Financial Statements  
March 31, 2020**

Management's Report and Independent Auditor's Report	2 - 6
Financial Statements	
Consolidated Financial Position	7
Consolidated Operations	8 - 10
Consolidated Accumulated Surplus	11
Consolidated Changes in Net Debt	12
Consolidated Cash Flows	13
Notes to Consolidated Financial Statements	14 - 37
Consolidated Operations and Accumulated Surplus (Deficit) by Program	38 - 46
Consolidated Supplementary Information	47 - 261
Schedule of Salaries, Honoraria, Travel Expenses and Other Remuneration	262- 263

## **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 Canadian Institute of Chartered Accountants 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.

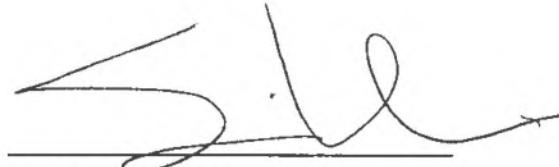
The Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the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



John Martin  
Chief



Frederic Vicaire  
Director General

October 22, 2020

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**Raymond Chabot  
Grant Thornton LLP**  
138 Route 132 West  
New Richmond, Quebec G0C 2B0

T 418-392-5001

## **Independent Auditor's Report**

To the Directors of  
Micmacs of Gesgapegiag Band

### **Qualified opinion**

We have audited the consolidated financial statements of Micmacs of Gesgapegiag Band (hereafter "the Organization"), which comprise the consolidated statement of financial position as at March 31, 2020, 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 notes to consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matters described in the "Basis for qualified opinion" section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2020, and the results of its operations, the change in its net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### **Basis for qualified opinion**

The Organization presents a \$4,975,775 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, 2019. 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 \$110,880 in 2020 and \$532,417 in 2019, accumulated surplus would have increased by \$4,975,775 in 2020 and \$4,864,895 in 2019 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, 2020 and 2019, 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, 2020 and 2019 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, 2019 was qualified accordingly because of the possible effects of this departure.

Also, Micmacs of Gesgapegiag Band interest in Salaweg Inc., a limited partnership accounted at cost, is carried at \$33 333 on the statement of financial position as at March 31, 2020, and Micmacs of Gesgapegiag Band share of Salaweg Inc.'s net income is not included in Micmacs of Gesgapegiag Band's income for the years ended March 31, 2020 in accordance with the modified equity method, as required by Canadian public sector accounting standards.

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.

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

#### **Responsibilities of management and those charged with governance for the consolidated financial statements**

Management is responsible for the preparation and fair presentation of the 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.

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

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

### **Auditor's responsibilities for the audit of the consolidated financial statements**

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

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

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

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

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*Raymond Labat Grand Thornton LLP*

New Richmond  
October 22, 2020

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<sup>1</sup> CPA auditor, CGA public accountancy permit no. A123501

**Micmacs of Gesgapegiag Band  
Consolidated Financial Position**  
March 31, 2020

	<u>2020</u> \$	<u>2019</u> \$
<b>FINANCIAL ASSETS</b>		
Cash	4,255,845	3,665,805
Term deposits	944,067	946,787
Restricted cash and deposits (Note 4)	622,908	
Accounts receivable (Note 5)	635,881	615,516
Due from government and other government organizations (Note 6)	2,423,064	2,556,368
Gas inventory	10,725	4,583
Investments (Note 7)	33,434	101
	<u>8,925,924</u>	<u>7,789,160</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 8)	2,494,652	2,657,679
Current income tax liability	386	96,904
Deferred revenues (Note 9)	4,636,898	2,568,697
Current portion of long-term debt (Note 10)	1,058,246	2,450,011
Long-term debt (Note 10)	4,150,258	4,147,352
Deferred contributions related to tangible capital assets (Note 11)	4,977,775	4,864,895
Reserve funds		
Replacement reserve (Note 12)	362,808	317,558
Operating reserve (Note 13)	358,239	305,147
	<u>18,039,262</u>	<u>17,408,243</u>
<b>NET DEBT</b>	<u>(9,113,338)</u>	<u>(9,619,083)</u>
<b>NON-FINANCIAL ASSETS</b>		
Prepaid expenses	21,179	
Tangible capital assets (Note 14)	<u>14,921,854</u>	<u>14,389,561</u>
	<u>14,943,033</u>	<u>14,389,561</u>
<b>ACCUMULATED SURPLUS</b>	<u>5,829,695</u>	<u>4,770,478</u>

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

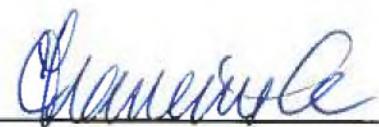
On behalf of the Board,



Chief



Chair of the Finance and Audit Committee



Financial Controller

**Micmacs of Gesgapegiag Band**  
**Consolidated Operations**  
Year ended March 31, 2020

	<b>Unaudited budget</b> \$	<b>2020</b> \$	<b>2019</b> \$
<b>Revenues</b>			
<i>Federal government transfers</i>			
ISC Grant	6,939,572	7,608,522	528,817
ISC Fixed Contribution	2,731,182	3,486,017	6,594,661
ISC Set Contribution	295,475	342,475	215,761
ISC Flexible Contribution	631,472	658,492	1,319,849
ISC Block Contribution	98,525	128,752	
Contribution receivable (payable) (Note 17)		63,769	(93,130)
Correction of receivable, deferred revenues and unexpended funding of prior years	321,924	42,146	(253,181)
Health Canada	40,000	40,000	1,962,347
Solicitor General of Canada	300,153	308,407	300,153
First Nations Education Council	737,107	764,403	845,738
Revenue Canada	51,358	78,088	64,816
Canada Mortgage and Housing Corporation	1,112,000	130,984	141,606
Canada Economic Development	27,820	69,017	34,867
Department of Fisheries and Oceans	55,000	250,865	184,870
	<b>13,341,588</b>	<b>13,971,937</b>	<b>11,847,174</b>
<i>Provincial government transfers</i>			
Ministre de la Sécurité publique	347,937	338,510	330,019
Ministre de la Culture et des Communications		22,500	65,000
Ministre des Forêts, de la Faune et des Parcs du Québec	1,147,760	1,321,051	1,134,128
Secrétariat aux Affaires Autochtones	229,042	268,565	1,131,745
Ministre des Transports du Québec		1,990	6,187
	<b>1,724,739</b>	<b>1,952,616</b>	<b>2,667,079</b>
<b>Other</b>			
First Nations Human Resources Development Commission of Quebec		520,607	485,400
Native Commercial Credit Corporation (SOCCA)			257,037
First Nations of Quebec and Labrador Health and Social Services Commission	132,471	101,106	88,646
Listuguj Mi'gmaq Development Council			142,088
Welfare injection	37,750	81,971	108,276
Gesgapegiag Human Resource Development Commission	6,000	22,861	240
Community services	7,200	31,440	27,890
Gain (loss) on disposal of tangible capital assets		30,924	503,492
Rental revenues	391,685	699,855	567,763
Administration revenues	550,000	772,297	589,979
Forestry sales	843,505	1,116,671	945,459
Fisheries sales	7,346,719	12,470,313	10,149,248
Fishing leases	975,000	567,687	997,250

# Micmacs of Gesgapegiag Band Consolidated Operations

Year ended March 31, 2020

	Unaudited budget	2020	2019
	\$	\$	\$
Fishing contributions	300,000	394,777	341,327
Other revenues	723,359	909,890	943,218
Excavation sales		73	20,246
Gas, restaurant and rooms sales		265,024	224,228
Deferred contribution related to tangible capital assets		(639,705)	(713,974)
Amortization of deferred contributions related to tangible capital assets	438,276	591,246	587,843
Deferred revenue from previous years	1,101,904	2,568,697	1,699,242
Less: Deferred revenue	(49,090)	(4,636,898)	(2,568,697)
	<u>12,804,779</u>	<u>15,868,836</u>	<u>15,396,201</u>
	<u>27,871,106</u>	<u>31,793,389</u>	<u>29,910,454</u>
Expenses			
Salaries and fringe benefits	10,447,508	12,817,118	10,505,086
Travel	407,778	628,273	527,237
Professional fees	612,247	274,438	552,726
Publicity and promotion		2,715	
Material and equipment rental	68,108	149,742	96,254
Training and development	289,736	420,929	154,221
Honoraria	1,348,375	1,344,736	1,259,516
Contracted services	4,652,248	4,538,505	4,052,020
Membership fees	2,000	8,240	5,293
Materials and supplies	1,419,300	3,409,370	2,928,916
Office supplies and expenses	75,828	97,036	109,652
Repair and maintenance	614,000	908,802	1,045,137
Energy	579,049	827,028	859,341
Telecommunications	93,088	104,940	109,689
Insurance	132,044	240,787	180,771
Interest and bank charges	68,500	45,619	30,700
Interest on long-term debt	118,311	205,812	258,574
Doubtful accounts	79,200	164,885	429,335
Administration charges	410,508	759,271	572,490
Room and board and educational allowances	267,000	510,987	425,955
Business contributions			10,347
Contributions to community activities	4,700	5,017	54,436
Band contributions	10,000	6,050	415,378
Program aids	461,900	504,913	519,549
Medical fees	69,951	299,373	168,961
Tuition fees	120,000	105,081	351,446
Other	116,679	24,367	6,323
Basic needs	653,593	710,642	703,287
Special needs		320	8,570
Purchase of equipment	543,300	743,667	1,059,126
Welfare injection	180,000	92,470	99,732

**Micmacs of Gesgapegiag Band**  
**Consolidated Operations**  
Year ended March 31, 2020

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	<b>Unaudited budget</b>	<b>2020</b>	<b>2019</b>
	\$	\$	\$
Registration fees	21,448	182,696	96,870
Placements	901,865	997,356	1,099,632
Purchases for resale		152,359	105,205
Variation of gas inventory		(6,143)	418
Fishing permit			700,000
Annual contribution - replacement reserve		43,050	40,850
Expenses capitalized to tangible capital assets	(162,000)	(1,967,548)	(1,764,430)
Amortization of tangible capital assets	877,200	1,315,407	1,122,788
	<b>25,483,464</b>	<b>30,668,310</b>	<b>28,901,401</b>
Excess of revenues over expenses before income taxes	2,387,642	1,125,079	1,009,053
Current income taxes		10,570	96,904
<b>Excess of revenues over expenses</b>	<b>2,387,642</b>	<b>1,114,509</b>	<b>912,149</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, 2020

	<b>2020</b>	<b>2019</b>
	\$	\$
Balance, beginning of year	<b>4,770,478</b>	3,864,257
Excess of revenues over expenses	<b>1,114,509</b>	912,149
	<b>5,884,987</b>	4,776,406
Adjustment to prior years (Note 18)	<b>55,292</b>	5,928
Balance, end of year	<b>5,829,695</b>	4,770,478

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, 2020

	<u>2020</u> \$	<u>2019</u> \$
Excess of revenues over expenses	1,114,509	912,149
Adjustment to prior years (Note 18)	<u>(55,292)</u>	<u>(5,928)</u>
	<u>1,059,217</u>	<u>906,221</u>
<b>Tangible capital assets</b>		
Acquisition of tangible capital assets	(1,967,548)	(2,476,839)
Disposal of tangible capital assets	11,158	1,203,607
Loss (gain) on disposal of tangible capital assets	108,690	(503,492)
Amortization of tangible capital assets	<u>1,315,407</u>	<u>1,122,788</u>
<b>Total tangible capital assets</b>	<u>(532,293)</u>	<u>(653,936)</u>
Use (acquisition) of prepaid expenses	(21,179)	54,251
Changes in net debt	<u>505,745</u>	<u>306,536</u>
Net debt, beginning of the year	<u>(9,619,083)</u>	<u>(9,925,619)</u>
Net debt, end of the year	<u>(9,113,338)</u>	<u>(9,619,083)</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, 2020

	<b>2020</b>	<b>2019</b>
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	1,114,509	912,149
Non-cash items		
Amortization of tangible capital assets	1,315,407	1,122,788
Amortization of deferred contributions related to tangible capital assets	(591,246)	(587,843)
Transfer to the replacement reserve fund for the year	43,050	40,850
Loss (gain) on disposal of tangible capital assets	<u>108,690</u>	<u>(503,492)</u>
	<u>1,990,410</u>	<u>984,452</u>
Net change in assets and liabilities	<u>1,894,274</u>	<u>1,228,899</u>
Cash flows from operating activities	<u>3,884,684</u>	<u>2,213,351</u>
<b>CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(1,967,548)	(2,476,839)
Disposal of tangible capital assets	<u>11,158</u>	<u>1,203,607</u>
Cash flows from capital activities	<u>(1,956,390)</u>	<u>(1,273,232)</u>
<b>INVESTING ACTIVITIES</b>		
Restricted cash and deposits	(622,908)	(622,908)
Investments	<u>(33,333)</u>	<u>(33,333)</u>
Cash flows from investing activities	<u>(656,241)</u>	<u>(656,241)</u>
<b>FINANCING ACTIVITIES</b>		
Long-term loans	85,000	1,983,723
Repayment of long-term loans	(1,473,859)	(1,895,672)
Deferred contributions related to tangible capital assets	<u>704,126</u>	<u>1,120,260</u>
Cash flows from financing activities	<u>(684,733)</u>	<u>1,208,311</u>
<b>Net increase in cash</b>	<b>587,320</b>	<b>2,148,430</b>
Cash and cash equivalents, beginning of year	<u>4,612,592</u>	<u>2,464,162</u>
Cash and cash equivalents, end of year	<u>5,199,912</u>	<u>4,612,592</u>
<b>CASH AND CASH EQUIVALENTS</b>		
Cash	4,255,845	3,665,805
Term deposits	<u>944,067</u>	<u>946,787</u>
	<u>5,199,912</u>	<u>4,612,592</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, 2020

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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 - IMPACTS RESULTING FROM THE COVID-19 PANDEMIC**

In March 2020, the decree of a COVID-19 state of pandemic and the numerous measures put in place by the federal, provincial and municipal governments to protect the public had impacts on the Organization's operations. This crisis is likely to cause significant changes to the assets or liabilities in the coming year or have a significant impact on future operations.

#### **Subsequent events**

As of the date of completion of the financial statements, management was not able to assess the financial impact of these events at this time.

### **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*.

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

The Organization has interests in a jointly controlled enterprise and in a limited partnership. It has elected to recognize interests in the joint arrangement and the limited partnership (which constitutes a government business partnership) at cost.

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

In the case of interests, 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., 9309-0942 Québec Inc., 9272-4152 Québec Inc., Gesgapegiag Business Corporation Inc. and Gesgapegiag Wealth Management Inc. which are wholly owned.

# **Micmacs of Gesgapegiag Band**

## **Notes to Consolidated Financial Statements**

March 31, 2020

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

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, a 33% interest in Mi'gmawei Mawiomi Resources L. P. and a 33% interest in Salaweg Inc., 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.

##### *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 statement of consolidated financial position.

# **Micmacs of Gesgapegiag Band**

## **Notes to Consolidated Financial Statements**

March 31, 2020

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

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

##### *Initial measurement*

The Organization recognizes a financial asset or a financial liability on the consolidated 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 consolidated 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.

#### **Non-financial assets**

By nature, the Organization's non-financial assets are normally used to provide future services.

##### *Tangible capital assets*

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.

# Micmacs of Gesgapegiag Band

## Notes to Consolidated Financial Statements

March 31, 2020

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### 3 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

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:

	Periods
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.

#### *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 consolidated operations and any write-downs are not subsequently reversed.

#### **Trust funds**

The Organization's Trust funds are included in these consolidated 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.

**Micmacs of Gesgapegiag Band**  
**Notes to Consolidated Financial Statements**  
 March 31, 2020

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

**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 surplus 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 - RESTRICTED CASH AND DEPOSITS**

	<b>2020</b>	<b>2019</b>
	\$	\$
Replacement reserve fund (Note 12)	317,662	
Operating reserve fund (Note 13)	305,246	
	<b><u>622,908</u></b>	-

**5 - ACCOUNTS RECEIVABLE**

	<b>2020</b>	<b>2019</b>
	\$	\$
Accounts receivable	1,159,567	1,155,116
Rents receivable	2,322,156	2,195,960
Advances	53,120	77,580
Indirect taxes receivable	<b><u>159,222</u></b>	97,392
	<b><u>3,694,065</u></b>	3,526,048
Doubtful accounts	<b><u>3,058,184</u></b>	2,910,532
	<b><u>635,881</u></b>	615,516

**Micmacs of Gesgapegiag Band**  
**Notes to Consolidated Financial Statements**  
 March 31, 2020

---

**6 - DUE FROM GOVERNMENT AND OTHER GOVERNMENT ORGANIZATIONS**

	<b>2020</b>	<b>2019</b>
	\$	\$
<b>Federal government</b>		
Indigenous Services Canada (ISC)	1,045,251	727,723
Health Canada	(117,992)	49,342
C.M.H.C.	17,439	42,272
Department of Fisheries and Oceans	201,422	103,870
Canada Economic Development	67,500	7,017
First Nations Education Council	112,228	83,165
Solicitor General of Canada	154,204	300,153
<b>Provincial Government</b>		
Finance Québec	34,750	82,233
Ministre des Forêts, de la Faune et des Parcs du Québec	539,851	433,401
Secrétariat aux Affaires Autochtones	321,908	607,960
Ministre de la Sécurité publique		52,955
Ministre des Transports du Québec		5,510
Ministre de la Culture et des Communications	22,500	
<b>Other</b>		
First Nations of Quebec and Labrador Health and Social Services Commission	<u>24,003</u>	60,767
	<u>2,423,064</u>	<u>2,556,368</u>

**7 - INVESTMENTS**

	<b>2020</b>	<b>2019</b>
	\$	\$
Mi'gmawei Mawiomi Resources L.P., government business partnership		
Capital	100	100
Mi'gmawei Mawiomi Business Corporation Inc., joint arrangement		
1 common share	<u>1</u>	<u>1</u>
	<u>101</u>	<u>101</u>
Salaweg inc., joint arrangement		
50 common share, 33%	<u>33,333</u>	<u></u>
	<u>33,434</u>	<u>101</u>

**Micmacs of Gesgapegiag Band**  
**Notes to Consolidated Financial Statements**  
 March 31, 2020

---

**8 - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<b>2020</b>	<b>2019</b>
	\$	\$
Trade accounts	1,411,674	1,713,787
Salaries payable	313,178	221,171
Government remittances	111,107	53,176
Accrued interest	9,354	20,206
Account payable to Mi'gmawei Mawiomi Resources L. P., government business partnership, without interest	649,339	649,339
	<b>2,494,652</b>	<b>2,657,679</b>

**9 - DEFERRED REVENUES**

	<b>2020</b>	<b>2019</b>
	\$	\$
<b>Federal government</b>		
110004 Mental wellness team	203,078	103,516
110005 Aboriginal Head Start On-Reserve AHSOR	23,499	45,589
110006 Brighter Futures BF	10,211	45,589
110015 Health Planning & Management HPM	64,142	
110040 JP - Service Coordination	43,271	100,814
110041 JP - Allied Services	11,630	
110042 JP - Education	140,920	
110044 JP - Med supplies	5,123	
110045 JP - Mental Health	8,839	
110048 JP - Day Programs	750	
110060 Social Service Child in Foster Allowance	95,481	83,463
110099 KH62 Traditional Healer (before 110090)	12,678	14,378
202306 NP95 Management Capacity		10,771
202307 NP96 Clients Supports		9,691
202308 NP88 Social Assistance for Employment and Training		160,788
202309 NP97 Services Delivery		374
202330 NP8R Service Delivery		3,786
212373 NPD3 12373 Operations CFS	3,666	
212383 NPD1 CFS Maintenance - Enhanced Prevention	470,216	617,510
212388 NPD7 Prevention/Least Disruptive Measure	37,763	
212395 Q2BF NPC5 In-Home Care	1,691	16,683
212398 Q2BG NPC6 Foster Care		94,090
212399 Q2BH NPC7 Service Delivery	126,497	
212400 Q2BW NPCV Community Based Initiative	213,322	132,396
302305 Basic Needs	143,181	
302308 Social assistance for Employment	109,255	
361000 NP1M FNEC New Paths		11,766
361003 Science and Technology		8,432
361005 Continuous School Improvement before NFSSP	27,435	
361006 Innovation in Education program before YE School Net	1,474	
361007 Partnerships before Parental Involvement	50,522	

**Micmacs of Gesgapegiag Band**  
**Notes to Consolidated Financial Statements**  
 March 31, 2020

---

**9 - DEFERRED REVENUES (Continued)**

	<b>2020</b>	<b>2019</b>
	\$	\$
361009 Education Partnerships Program	29,552	
361011 FNEC/DSSLP	4,985	
361013 NP1M New Paths	67,940	
362105 NP05 Instructional Services Formula Seq. 1	1,114,577	178,559
362138 NP12 Financial Assistance Allowances	32,689	
362140 NP14 Advice and Assistance, Provincial	6,000	
362145 NP18 Student Transportation Services	11,372	
362234 Band Operated School - Special Education	2,721	
362270 NP5A Post-Secondary Student Support Program	270,335	
368500 Whole Sale Building	107,000	
408595 Q35T Water System Rehabilitation	155,459	94,248
408746 QZ18 Waste Diversion Program	202,877	
590110 NTMZ Training - Fire Protection	24,600	24,600
590115 NTM5 Fire Protection QD88	12,800	12,800
641011 NG0F Band Support Funding	120,052	
641017 NG0M CPP/QPP and Private Pension Plans	30,475	
641366 NGBL Specific Claims Submission	150,491	154,251
641845 NG1E Financial Management gov. Capacity Development	120,000	
641850 NG1J Q32N Risk Management gov Capacity Development	457,016	249,422
708195 NTNP Land Use Planning Initiative	47,860	38,736
<b>Provincial government</b>		
641012 Mobilisation	27,066	26,157
641013 Cultural & Language	65,910	45,143
708199 Clean energy	76,211	
<b>Other</b>		
212450 Services Canada for Elders Lodge	25,000	
	<b>4,636,898</b>	<b>2,568,697</b>

**10 - LONG-TERM DEBT**

	<b>2020</b>	<b>2019</b>
	\$	\$
Canada Mortgage and Housing Corporation forgivable loan, without interest, forgiveness earned of \$3,200 yearly, maturing in August 2020	1,066	4,267
Bank of Montreal, prime rate plus 2.5% (6.45%), reimbursed during the year	400,523	
Canada Mortgage and Housing Corporation forgivable loan, without interest, forgiveness earned of \$3,200 yearly, maturing in March 2021	3,200	6,400
Bank of Montreal, secured by 4 housing units and by ISC, 3.85%, payable in monthly instalments of \$2,094, capital and interest, renegotiable in May 2024	260,561	275,543

**Micmacs of Gesgapegiag Band**  
**Notes to Consolidated Financial Statements**  
 March 31, 2020

---

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

	2020 \$	2019 \$
Mortgage loan, secured by automotive equipment with a net carrying amount of \$6,889 as at March 31, 2020, 4.98%, payable in monthly instalments of \$435, capital and interest, maturing in September 2020	2,576	7,539
Bank of Montreal, prime rate plus 1.5% (5.45%), reimbursed during the year		12,222
Bank of Montreal, prime rate plus 2.5% (4.95% ; 6.45% as at March 31, 2019), payable in monthly instalments of \$1,735, plus interest, maturing in June 2025	109,286	131,837
Bank of Montreal, secured by 1 quadruplex and by ISC, 3.64%, payable in monthly instalments of \$1,521, capital and interest, renegotiable in July 2023	194,769	205,812
Bank of Montreal, secured by duplexes and by ISC, 3.99%, payable in monthly instalments of \$3,381, capital and interest, renegotiable in November 2024	425,118	447,639
Native Commercial Credit Corporation, secured by a hypothec on the universality of property and automotive equipment with a net carrying amount of \$82,062 as at March 31, 2020, 6.5%, payable in monthly instalments of \$2,315, capital and interest, maturing in November 2024	111,533	131,331
Laurentian Bank, secured by a building with a net carrying amount of \$16,732 as at March 31, 2020, 2.89%, payable in monthly instalments of \$233, capital and interest, renegotiable in August 2022	17,549	19,810
Laurentian Bank, secured by a building with a net carrying amount of \$13,200 as at March 31, 2020, 5.49%, payable in monthly instalments of \$299, capital and interest, renegotiable in August 2023	33,206	34,934
Mortgage loan, secured by automotive equipment with a net carrying amount of \$47,533 as at March 31, 2020, 5%, payable in monthly instalments of \$1,047, capital and interest, maturing in March 2024	45,483	55,498
Canada Mortgage and Housing Corporation forgivable loan, without interest, forgiveness earned of \$3,200 yearly, maturing in March 2021	3,200	6,400
Bank of Montreal, prime rate plus 1.5% (3.95% ; 5.45% as at March 31, 2019), payable by annual instalments of \$100,000, plus interest, maturing in March 2020	50,000	150,000
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 \$60,913 as at March 31, 2020, 6.5%, payable in monthly instalments of \$804, capital and interest, maturing in December 2024	39,318	46,155

**Micmacs of Gesgapegiag Band**  
**Notes to Consolidated Financial Statements**  
 March 31, 2020

---

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

	2020	2019
	\$	\$
Laurentian Bank, secured by a building with a net carrying amount of \$36,555 as at March 31, 2020, 4.74%, payable in monthly instalments of \$483, capital and interest, renegotiable in July 2021	39,924	43,750
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	167,892	176,259
Mortgage loan, secured by automotive equipment with a net carrying amount of \$146,667 as at March 31, 2020, 4.5%, payable in monthly instalments of \$6,292, capital and interest, maturing in November 2020	49,493	120,998
Canada Mortgage and Housing Corporation forgivable loan, without interest, forgiveness earned of \$11,110 yearly, maturing in August 2027	82,396	93,506
Canada Mortgage and Housing Corporation forgivable loan, without interest, forgiveness earned of \$11,720 yearly, maturing in August 2027	86,920	98,640
Bank of Montreal, prime rate plus 2.5% (4.95% ; 6.45% as at March 31, 2019), payable on demand, maturing in September 2020	49,650	49,650
Bank of Montreal, 4.45%, payable in monthly instalments of \$1,792, capital and interest, renegotiable in July 2022	258,877	268,603
Bank of Montreal, 4.19%, payable in monthly instalments of \$3,150, plus interest, maturing in February 2024	148,034	185,831
Bank of Montreal, prime rate plus 1.5% (5.45%), reimbursed during the year		2,072
Canada Mortgage and Housing Corporation forgivable loan, without interest, forgiveness earned of \$3,200 yearly, maturing in March 2021	3,200	6,400
Mortgage loan, secured by automotive equipment with a net carrying amount of \$32,314 as at March 31, 2020, 7.65%, payable in monthly instalments of \$1,557, capital and interest, maturing in September 2021	28,276	44,471
Canada Mortgage and Housing Corporation forgivable loan, without interest, forgiveness earned of \$3,200 yearly, maturing in March 2021	3,200	6,400
Loan, without interest, payable in monthly instalments of \$4,000, maturing in December 2020	35,998	83,978

**Micmacs of Gesgapegiag Band**  
**Notes to Consolidated Financial Statements**  
 March 31, 2020

---

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

	<b>2020</b>	<b>2019</b>
	\$	\$
Loan, without interest, payable in monthly instalments of \$7,711, maturing in December 2025	532,057	624,589
Canada Mortgage and Housing Corporation forgivable loan, without interest, forgiveness earned of \$3,200 yearly, maturing in February 2022	5,867	9,333
Canada Mortgage and Housing Corporation forgivable loan, without interest, forgiveness earned of \$3,200 yearly, maturing in January 2022	5,867	9,600
Canada Mortgage and Housing Corporation forgivable loan, without interest, forgiveness earned of \$2,981 yearly, maturing in January 2022	5,466	8,944
Canada Mortgage and Housing Corporation forgivable loan, without interest, forgiveness earned of \$3,200 yearly, maturing in March 2022	6,400	9,600
Bank of Montreal, 4.75%, payable in semi-annual instalments of \$32,091, capital and interest, maturing in December 2021	121,496	177,500
Canada Mortgage and Housing Corporation forgivable loan, without interest, forgiveness earned of \$11,715 yearly, maturing in October 2023	41,003	52,718
Bank of Montreal, prime rate plus 1.5% (3.95%), payable on demand, maturing in December 2020	80,750	
Native Commercial Credit Corporation, secured by a hypothec on the boat and the fishing permit of 9272-4152 Quebec Inc., subsidiary, 6.5%, payable in monthly instalments of \$4,843, capital and interest, maturing in January 2024	196,670	240,398
Native Commercial Credit Corporation, 6.5%, reimbursed during the year		245,000
Project # 10, Caisse Desjardins, mortgage, original amount of \$104,800, secured by 2 housing units, by the C.M.H.C. and ISC, 4.939%, payable in monthly instalments of \$642, capital and interest, maturing in September 2022	18,102	24,730
Project # 11, Bank of Montreal, mortgage, authorized amount of \$141,910, secured by 3 housing units and by ISC, 4.85%, payable in monthly instalments of \$888, capital and interest, maturing in December 2022	27,491	36,621

**Micmacs of Gesgapegiag Band**  
**Notes to Consolidated Financial Statements**  
 March 31, 2020

---

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

	<b>2020</b>	<b>2019</b>
	\$	\$
Project # 12, C.M.H.C., mortgage (19-072-495/001), authorized amount of \$70,000, secured by 2 housing units and 1 duplex, 1.86%, payable in monthly instalments of \$317, capital and interest, maturing in March 2024	14,632	18,123
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	23,969	28,475
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	41,325	47,855
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	69,240	78,462
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	36,985	41,179
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	30,106	32,819
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	31,563	34,408
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	128,681	140,447
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	95,654	102,916
Project # 20, C.M.H.C., mortgage (19-072-495/010), authorized amount of \$104,000, secured by 1 quadruplex, 2.5%, payable in monthly instalments of \$467, capital and interest, renegotiable in June 2023	62,910	66,896

**Micmacs of Gesgapegiag Band**  
**Notes to Consolidated Financial Statements**  
 March 31, 2020

---

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

	<u>2020</u> \$	<u>2019</u> \$
Project # 21, C.M.H.C., mortgage (19-072-495/011), authorized amount of \$120,600, secured by 1 duplex, 1.69%, payable in monthly instalments of \$537, capital and interest, renegotiable in September 2024	72,632	77,782
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	126,979	134,445
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	865,454	910,096
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	75,004	78,873
Project # 25, C.M.H.C., mortgage (19-072-495/015), authorized amount of \$255,149, secured by 2 housing units, 2.49%, payable in monthly instalments of \$1,142, capital and interest, renegotiable in May 2023	241,476	249,086
Current portion	<u>5,208,504</u>	<u>6,597,363</u>
Subject to renewal	204,556	934,133
Other	853,690	1,515,878
	<u>1,058,246</u>	<u>2,450,011</u>
	<u>4,150,258</u>	<u>4,147,352</u>

The estimated instalments on long-term debt for the next five years are \$1,058,246 in 2021, \$736,170 in 2022, \$1,634,435 in 2023, \$789,571 in 2024 and \$742,004 in 2025.

**Micmacs of Gesgapegiag Band**  
**Notes to Consolidated Financial Statements**  
 March 31, 2020

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

	2020	2019
	\$	\$
Balance, beginning of year	4,864,895	4,332,478
ISC		
110005 Aboriginal Head Start On-Reserve AHSOR	2,319	
110015 Health Planning & Management HPM	26,876	
212373 NPD3 12373 Operations - CFS	16,143	
362105 NP05 Instructional Services Formula Seq. 1	211,600	
408595 Q35T Water System Rehabilitation	97,561	
408748 NTM8 Roads and Bridges QD88		300,000
641011 NG0F Band Support Funding	142,814	
641843 Q32J before NG1E Fin Mgmt Gov Cap Dev	73,670	
708110 NT51 Community Ec. Dev. Program	15,756	
Health Canada		
110000 Medical Transportation NIHBM/MT	29,940	29,951
110015 Health Planning & Management HPM		19,500
110040 JP-Service coordination		52,435
Canada Economic Development		
708170 NTE7 Tourism Initiative	9,395	
Secrétariat aux Affaires Autochtones		
708130 Lobsterhut Extension		287,344
708140 Chalets Ste-Helene	9,000	301,550
708150 La Cache (opérationnel)		48,000
Other		
212450 Service Canada for Elders Lodge	3,186	
590105 Policing Services		24,744
641010 Council Department	1,445	
Canada Mortgage and Housing Corporation - Forgivable loans	64,421	56,736
Amortization	(591,246)	(587,843)
Balance, end of year	<u>4,977,775</u>	<u>4,864,895</u>

**Micmacs of Gesgapegiag Band**  
**Notes to Consolidated Financial Statements**  
 March 31, 2020

---

**12 - 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>2020</b>	<b>2019</b>
	\$	\$
<b>Cash</b>	<b>317,662</b>	<b></b>
<b>Reserve fund</b>		
Balance, beginning of year	317,558	293,309
Adjustment requested by C.M.H.C. (Note 18)	2,200	(16,601)
Adjusted balance, beginning of year	319,758	276,708
Annual contribution - replacement reserve	43,050	40,850
Balance, end of year	362,808	317,558

During the year, an amount of \$ 317,558 corresponding to the balance of the replacement reserve as at March 31, 2019 was transferred to the reserve. With the exception of interest earned during the year, no amount has been transferred to the reserve for 2020.

**13 - 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:

**Micmacs of Gesgapegiag Band**  
**Notes to Consolidated Financial Statements**  
 March 31, 2020

---

**13 - OPERATING RESERVE (Post-1996 Program) (Continued)**

	<b>2020</b>	<b>2019</b>
	\$	\$
<b>Cash</b>	<b>305,246</b>	_____
<b>Reserve fund</b>	_____	_____
Balance, beginning of year	305,147	282,618
Adjustment requested by C.M.H.C. (Note 18)	53,092	22,529
Balance, end of year	<b>358,239</b>	<b>305,147</b>

During the year, an amount of \$ 305,147 corresponding to the balance of the replacement reserve as at March 31, 2019 was transferred to the reserve. With the exception of interest earned during the year, no amount has been transferred to the reserve for 2020.

**14 - TANGIBLE CAPITAL ASSETS**

	Cost	Accumulated amortization	Net carrying amount	2020	2019
	\$	\$	\$	\$	Net carrying amount
Land	346,416	346,416	346,416	346,416	346,416
Buildings	23,454,200	13,499,710	9,954,490	10,704,860	909,305
Sanitation system	7,470,417	6,533,139	937,278	937,278	909,305
Automotive equipment	2,694,583	1,820,630	873,953	873,953	657,190
Material and equipment	1,791,591	1,179,914	611,677	611,677	341,802
Roads	602,391	240,426	361,965	361,965	392,085
Gravel pit	100,000	100,000	100,000	100,000	100,000
Boat	921,482	65,449	856,033	856,033	915,232
Building in construction	880,042	880,042	22,671	22,671	22,671
	<b>38,261,122</b>	<b>23,339,268</b>	<b>14,921,854</b>	<b>14,921,854</b>	<b>14,389,561</b>

**15 - BANK LOANS**

The bank loan, for an authorized amount of \$1,000,000, bears interest at prime rate plus 1.5% (3.95%; 6.45% as at March 31, 2019) and is renegotiable annually.

The bank loan is secured by the accounts receivable and a mortgage on amounts receivable from Health Canada.

**16 - 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.

**Micmacs of Gesgapegiag Band**  
**Notes to Consolidated Financial Statements**  
 March 31, 2020

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**17 - CONTRIBUTION RECEIVABLE (PAYABLE)**

	<b>2020</b>	<b>2019</b>
	\$	\$
<b>Federal government</b>		
110000 Medical Transportation NIHB/MT	(39,233)	(27,994)
202305 NP85 Basic Needs		112,987
202320 NP8L Special Needs		(16,185)
212384 Q2BX NPD0 CFS Maintenance - Institutions	89,083	
361003 Science and Technology	(12,667)	
362106 NP06 Administration - Instructional Services		(7,700)
362270 NP5A Post-Secondary Student Support Program		(154,238)
408557 Wastewater systems QL79 Seq. 2	5,787	
408805 NTNW Community Capital Facilities	22,238	
<b>Provincial government</b>		
110038 Avenir Enfant	(1,439)	
	<b>63,769</b>	<b>(93,130)</b>

**18 - ADJUSTMENT TO PRIOR YEARS**

After the review of the financial statements for the year ended March 31, 2019 by the Organization, the following adjustments were required:

	<b>2020</b>	<b>2019</b>
	\$	\$
<b>Micmacs Housing Corporation</b>		
Adjustment to operating reserve	53,092	22,529
Adjustment to replacement reserve	2,200	(16,601)
	<b>55,292</b>	<b>5,928</b>

**19 - CONTINGENCY**

As at March 31, 2020, the Organization is contingently liable as endorser in long-term debts for members of the community for the amount of \$729,484 (\$1,212,143 in 2019).

**20 - 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 consolidated financial statements because, at the consolidated financial statements date, it was not possible to make a reasonable estimate of the amounts in question.

**Micmacs of Gesgapegiag Band**  
**Notes to Consolidated Financial Statements**  
March 31, 2020

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**21 - 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 \$550,875 (\$471,229 in 2019). These transactions were measured at the exchange amount.

**22 - ECONOMIC DEPENDENCE**

The Organization receives 38% (29% in 2019) of its revenues from Indigenous Services Canada (ISC).

**23 - 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 consolidated 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 and, accordingly, the Organization's exposure to doubtful accounts is not significant with the exception of rents receivable.

The carrying amount on the consolidated 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:

**Micmacs of Gesgapegiag Band**  
**Notes to Consolidated Financial Statements**  
 March 31, 2020

---

**23 - FINANCIAL INSTRUMENTS (Continued)**

	<b>2020</b>	<b>2019</b>
	\$	\$
Cash	4,255,845	3,665,805
Term deposits	944,067	946,787
Accounts receivable	1,159,157	1,155,116
Rents receivable	2,322,156	2,195,960
Advances	53,120	77,580
Government transfers receivable	2,423,064	2,556,368
	<b><u>11,157,409</u></b>	<b><u>10,597,616</u></b>

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 \$3,058,184 as at March 31, 2020 (\$2,910,532 as at March 31, 2019).

*Market risk*

The Organization's financial instruments expose it to market risk, in particular to 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.

Term deposits 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 the bank loan 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, 2019) would not have a significant impact on the 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 consolidated statement of financial position.

# Micmacs of Gesgapegiag Band

## Notes to Consolidated Financial Statements

March 31, 2020

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### 23 - 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, 2020, 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	2,494,652			
Long-term debt	579,267	536,121	3,811,914	419,546
	<u>3,073,919</u>	<u>536,121</u>	<u>3,811,914</u>	<u>419,546</u>

### 24 - COMMITMENTS

The Organization has entered into long-term lease agreements expiring from January 2021 to January 2024 which call for minimum lease payments of \$101,235 for the rental of equipments.

Minimum lease payments for the next four years are \$49,221 in 2021, \$29,002 in 2022, \$12,552 in 2023 and \$10,460 in 2024.

### 25 - TRUST FUNDS HELD BY ISC

	March 31, 2019	Addition 2020	Withdrawals	March 31, 2020
	\$	\$	\$	\$
Revenue	43,619	869		44,488
Capital	647			647
	<u>44,266</u>	<u>869</u>		<u>45,135</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.

### 26 - COMPARATIVE FIGURES

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

### 27 - 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, 2020

**28 - 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		2019	Unaudited Budget		2019	Unaudited Budget		2019
	2020	2020		2020	2020		2020	2020	
<b>Revenues</b>									
Federal government transfers	2,074,834	2,238,409	1,883,314	3,761,084	3,682,799	3,662,821	3,917,854	4,644,617	3,371,903
Provincial government transfers	55,000	53,827	52,955						
Other revenues	44,969	(240,199)	(92,031)	694,769	(34,285)	(365,649)		(1,407,093)	(102,289)
<b>Total Revenues</b>	<b>2,174,803</b>	<b>2,052,037</b>	<b>1,844,238</b>	<b>4,455,853</b>	<b>3,648,514</b>	<b>3,297,172</b>	<b>3,917,854</b>	<b>3,237,524</b>	<b>3,269,614</b>
<b>Expenses</b>									
Salaries and fringe benefits	1,185,452	1,226,804	1,179,707	1,505,861	1,459,428	970,146	2,000,288	1,771,231	1,658,253
Amortization									
Other expenses	658,370	897,035	721,235	2,006,138	2,189,086	2,284,609	956,157	1,454,375	1,611,361
<b>Total expenses</b>	<b>1,843,822</b>	<b>2,123,839</b>	<b>1,900,942</b>	<b>3,511,999</b>	<b>3,648,514</b>	<b>3,254,755</b>	<b>2,956,445</b>	<b>3,225,606</b>	<b>3,269,614</b>
Transfers between programs	51,850	51,850	56,704	5,000				(11,918)	
<b>Excess (deficiency) of revenues over expenses</b>	<b>382,831</b>	<b>(19,952)</b>		<b>948,854</b>		<b>42,417</b>	<b>961,409</b>		

**Micmacs of Gesgapegiag Band**  
**Notes to Consolidated Financial Statements**  
Year ended March 31, 2020

**28 - SEGMENT DISCLOSURES (Continued)**

	Public Works			Public Security			Band Support		
	Unaudited Budget		2019	Unaudited Budget		2019	Unaudited Budget		2019
	2020	2020		2020	2020		2020	2020	
<b>Revenues</b>									
Federal government transfers	465,434	1,010,669	621,301	314,553	321,136	362,634	1,251,213	1,300,381	1,460,713
Provincial government transfers		1,990	6,187	292,937	284,683	277,064	1,059,000	1,073,628	1,132,128
Other revenues	304,400	(173,233)	(9,859)	22,500	30,863	18,594	1,553,821	1,681,279	1,336,150
<b>Total Revenues</b>	<b>769,834</b>	<b>839,426</b>	<b>617,629</b>	<b>629,990</b>	<b>636,682</b>	<b>658,292</b>	<b>3,864,034</b>	<b>4,055,288</b>	<b>3,928,991</b>
<b>Expenses</b>									
Salaries and fringe benefits	150,000	324,891	191,886	564,414	591,996	547,702	1,133,000	1,345,805	1,136,476
Amortization									
Other expenses	740,959	804,433	617,246	276,800	213,568	197,993	2,933,568	2,877,277	2,642,905
<b>Total expenses</b>	<b>890,959</b>	<b>1,129,324</b>	<b>809,132</b>	<b>841,214</b>	<b>805,564</b>	<b>745,695</b>	<b>4,066,568</b>	<b>4,223,082</b>	<b>3,779,381</b>
Transfers between programs	175,200	175,200	216,000	183,144	165,085	79,494	435,000	336,394	135,000
<b>Excess (deficiency) of revenues over expenses</b>	<b>54,075</b>	<b>(114,698)</b>	<b>24,497</b>	<b>(28,080)</b>	<b>(3,797)</b>	<b>(7,909)</b>	<b>232,466</b>	<b>168,600</b>	<b>284,610</b>

**Micmacs of Gesgapegiag Band**  
**Notes to Consolidated Financial Statements**  
Year ended March 31, 2020

**28 - SEGMENT DISCLOSURES (Continued)**

	Economic Development			Commercial			Capital Housing		
	Unaudited Budget		2019	Unaudited Budget		2019	Unaudited Budget		2019
	2020	2020		2020	2020		2020	2020	
<b>Revenues</b>									
Federal government transfers	228,706	231,167	273,782	655,000	250,865	184,870	672,910	291,894	25,836
Provincial government transfers	169,042	356,776	818,745	148,760	181,712	380,000			
Other revenues	1,274,924	865,652	1,145,619	8,304,874	14,246,202	12,439,464	604,522	899,650	1,026,202
<b>Total Revenues</b>	<b>1,672,672</b>	<b>1,453,595</b>	<b>2,238,146</b>	<b>9,108,634</b>	<b>14,678,779</b>	<b>13,004,334</b>	<b>1,277,432</b>	<b>1,191,544</b>	<b>1,052,038</b>
<b>Expenses</b>									
Salaries and fringe benefits	1,063,385	842,086	926,643	2,391,343	4,560,122	3,217,329	453,765	694,755	676,944
Amortization					60,586	51,941	877,200	1,254,821	1,070,847
Other expenses	541,397	710,538	1,303,199	5,130,428	7,088,264	7,271,933	914,939	311,779	719,950
<b>Total expenses</b>	<b>1,604,782</b>	<b>1,552,624</b>	<b>2,229,842</b>	<b>7,521,771</b>	<b>11,708,972</b>	<b>10,541,203</b>	<b>2,245,904</b>	<b>2,261,355</b>	<b>2,467,741</b>
Transfers between programs	(160,194)	(32,279)	107,768	(1,200,000)	(1,200,000)	(1,188,146)	510,000	515,668	593,180
<b>Excess (deficiency) of revenues over expenses</b>	<b>(92,304)</b>	<b>(131,305)</b>	<b>116,072</b>	<b>386,863</b>	<b>1,769,807</b>	<b>1,274,985</b>	<b>(458,472)</b>	<b>(554,143)</b>	<b>(822,523)</b>

**Micmacs of Gesgapegiag Band**  
**Notes to Consolidated Financial Statements**  
Year ended March 31, 2020

**28 - SEGMENT DISCLOSURES (Continued)**

	Total		
	Unaudited Budget		
	2020	2020	2019
	\$	\$	\$
<b>Revenues</b>			
Federal government transfers	13,341,588	13,971,937	11,847,174
Provincial government transfers	1,724,739	1,952,616	2,667,079
Other revenues	12,804,779	15,868,836	15,396,201
<b>Total Revenues</b>	<b>27,871,106</b>	<b>31,793,389</b>	<b>29,910,454</b>
<b>Expenses</b>			
Salaries and fringe benefits	10,447,508	12,817,118	10,505,086
Amortization	877,200	1,315,407	1,122,788
Other expenses	14,158,756	16,646,355	17,370,431
<b>Total expenses</b>	<b>25,483,464</b>	<b>30,678,880</b>	<b>28,998,305</b>
<b>Transfers between programs</b>			
<b>Excess (deficiency) of revenues over expenses</b>	<b>2,387,642</b>	<b>1,114,509</b>	<b>912,149</b>

**Micmacs of Gesgapegiag****Consolidated Operations and Accumulated Surplus (Deficit) by Program**  
Year ended March 31, 2020

	ISC	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
<b>HEALTH</b>								
110000 Medical Transportation NIHB/MT	340,000	(61,216)	278,784	278,784			(35,144)	(35,144)
110002 Emerging Technologies before Suicide Prevention	16,986		16,986	16,986				
110003 National Native Alcohol and Drug Abuse		41,552	41,552	41,552			7,003	7,003
110004 Mental Wellness Team	269,959	(99,562)	170,397	170,397				
110005 Aboriginal Head Start On-Reserve AHSOR	90,777	(25,818)	64,959	64,959			71,110	71,110
110006 Brighter Futures BF		39,878	39,878	39,878			42,549	42,549
110007 HIV/AIDS Program							3,521	3,521
110008 Maternal Child Health MCH	135,290	6,513	141,803	141,803			4,812	4,812
110009 HL - Public Health	20,471		20,471	20,471			255,661	255,661
110010 Aboriginal Diabetes Initiative ADI							58,611	58,611
110011 Building Healthy Communities - BHC-MH		2,022	2,022	2,022			48,131	48,131
110012 Building Healthy Communities - Solvent							10,093	10,093
110013 Canada Prenatal Nutrition Program CPNP							14,734	14,734
110014 AHHRI Health Careers	7,748		7,748	7,748			(4,953)	(4,953)
110015 Health Planning & Management HPM	507,176	(64,869)	442,307	461,057	18,750		(305,411)	(305,411)
110016 Clinical and Client Care CCC	157,960	4,013	161,973	161,973			128,399	128,399
110018 FN and Inuit Health Services AS/Accreditation							37,982	37,982
110019 AHHRI Training	2,475		2,475	2,475				
110020 Environmental Public Health - Drinking							17,257	17,257
110030 Children's Oral Health Initiative and D	31,000		31,000	31,000			111	111
110035 HCC Prof. Dev.							(4,728)	(4,728)
110037 Gesgapegiag Arena/Ballfield (before 642440)				33,100	33,100		(92,348)	(92,348)
110038 Avenir Enfant		32,814	32,814	52,766		(19,952)		(19,952)
110040 JP-Service Coordination	69,078	57,543	126,621	126,621				
110041 JP - Allied Services	39,178	(11,630)	27,548	27,548				

**Micmacs of Gesgapegiag****Consolidated Operations and Accumulated Surplus (Deficit) by Program**  
Year ended March 31, 2020

	ISC	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	
							\$	\$	\$	\$
110042 JP - Education	188,354	(140,920)	47,434	47,434						
110043 JP - Pharmacy	874		874	874						
110044 JP - Med Supplies	5,701	(5,123)	578	578						
110045 JP - Mental Health	29,067	(8,839)	20,228	20,228						
110046 JP - Transportation	8,227		8,227	8,227						
110047 JP - Capital Investment Q20K	2,658		2,658	2,658						
110048 JP - Day Programs	49,500	(750)	48,750	48,750						
110050 First Nations and Inuit Home and Commun HCC SD								(210,397)		(210,397)
110060 Social Service Child in Foster Allowance		66,070	66,070	66,070				49,216		49,216
110075 Blood Borne Disease and Sexually Transmitted Q40I	31,537		31,537	31,537						
110081 CHR. Healthy Leaving	110,685		110,685	110,685						
110085 Capital Investments before Infection Prev. & Control	33,051		33,051	33,051						
110090 Probation Officer (before 655700)		53,827	53,827	53,827				4,980		4,980
110091 Tobacco	13,241		13,241	13,241						
110099 KH62 Traditional Healer (before 110090)		1,700	1,700	1,700						
Sub total - Health	2,160,993	(108,956)	2,052,037	2,123,839	51,850	(19,952)	101,189	81,237		
<b>SOCIAL SERVICES</b>										
212373 NPD3 12373 Operations - CFS	555,635	(11,275)	544,360	544,360			(239,954)		(239,954)	
212383 NPD1 CFS Maintenance - Enhanced Prevent	473,433	147,294	620,727	476,866	(143,861)		(41,273)		(41,273)	
212384 Q2BX NPD0 CFS Maintenance - Enhanced Prevent	420,573	103,227	523,800	667,661	143,881		(206,996)		(206,996)	
212388 Q2C3 NPD7 Prevention/Least Disruptive Measure	361,290	(35,986)	325,304	325,304			(64,626)		(64,626)	
212395 Q2BF NPC5 In-Home Care	223,651	14,992	238,643	238,643			(336,016)		(336,016)	
212398 Q2BG NPC6 Foster Care		94,090	94,090	94,090						
212399 Q2BH NPC7 Service Delivery	400,000	(126,497)	273,503	273,503			(5,924)		(5,924)	

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

Year ended March 31, 2020

	ISC	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	
							\$	\$	\$	\$	\$
212400 Q2BW NPCV Community Based Initiative	149,586	(80,926)	68,660	68,660							
212450 Service Canada for Elders Lodge		21,814	21,814	21,814							
302305 Basic Needs	880,000	(139,763)	740,237	706,461	(33,776)			(172,209)		(172,209)	
302308 Social assistance for Employment	134,466	(41,996)	92,470	92,470				(96,694)		(96,694)	
302320 Special Needs								(29,289)		(29,289)	
302330 Service Needs		9,603	9,603	43,379	33,776			48,139		48,139	
309006 Q2AK Case Management Capacity	71,326	10,771	82,097	82,097							
309007 Q2AL Clients Support		9,691	9,691	9,691							
309009 Q2AM Services Delivery Infra		3,141	374	3,515	3,515						
Sub Total Social Services	3,673,101	(24,587)	3,648,514	3,648,514				(1,144,842)		(1,144,842)	
<b>EDUCATION</b>											
361000 NP1M FNEC New Paths		11,766	11,766	11,766				21,362		21,362	
361001 Career Promotion		5,407	5,407	5,407				(3,684)		(3,684)	
361002 Youth Employment		12,718	12,718	800	(11,918)			(17)		(17)	
361003 Science and Technology		5,823	5,823	5,823				794		794	
361004 Skills Link		10,661	10,661	10,661				(633)		(633)	
361005 Continuous School Improvement before FNSSP		200,757	200,757	200,757				450		450	
361006 Innovation in Education Program before YE School Nel		11,400	11,400	11,400							
361009 Education Partnerships Program		93,415	93,415	93,415				(1,012)		(1,012)	
361011 FNEC/DSSLP		4,985	4,985	4,985				(1,750)		(1,750)	
361013 NP1M New Paths		67,940	67,940	67,940				(1,450)		(1,450)	
361300 NTHL Schools - O&M								154,319		154,319	
362105 NP05 Instructional Services Formula Seq. 1	3,035,396	(1,126,161)	1,909,235	1,754,687	(154,548)			702,069		702,069	
362106 NP06 Administration - Instructional Services		7,700	7,700	7,700							
362125 NP0R Tuition Agreements								(234,962)		(234,962)	
362126 NP0S Ancillary Support				16,160	16,160			24,920		24,920	

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

Year ended March 31, 2020

	ISC	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	
							\$	\$	\$	\$
362138 NP12 Financial Assistance Allowances		32,689	32,689	11,413	(21,276)		191,957	191,957		
362139 NP13 Guidance and Counselling							111,266	111,266		
362140 NP14 Advice and Assistance, Provincial		6,000	6,000	6,000			165,789	165,789		
362144 NP17 Student Accommodation Service Prov							1,792	1,792		
362145 NP18 Student Transportation Services		12,277	12,277	183,911	171,634		465,972	465,972		
362150 NP09 Band Operated School Evaluation	6,875		6,875	6,875			(6,875)	(6,875)		
362234 Band Operated School - Special Education		372,301	372,301	372,301			(19,186)	(19,186)		
362250 Q2BG Provincial School Direct Service	11,970		11,970		(11,970)					
362270 NP5A Post-Secondary Student Support Program	569,702	(116,097)	453,605	453,605			(123,401)	(123,401)		
368500 Wholde Sale Building	107,000	(107,000)								
<b>Sub Total Education</b>	<b>3,730,943</b>	<b>(493,419)</b>	<b>3,237,524</b>	<b>3,225,606</b>	<b>(11,918)</b>	<b></b>	<b>1,447,720</b>	<b>1,447,720</b>		
<b>PUBLIC WORKS</b>										
408557 Wastewater Systems QL79 Seq. 2	56,100	5,787	61,887	61,887						
408565 NTFF Wastewater Systems	107,569	14,319	121,888	115,858		6,030	(589,577)	(583,547)		
408566 NTFG Water Systems	107,000	10,530	117,530	121,953		(4,423)	(43,325)	(47,748)		
408595 Q35T Water System Rehabilitation	230,000	(158,772)	71,228	71,228						
408627 Q3DB Fuel Tank	28,233		28,233	29,615		(1,382)		(1,382)		
408746 QZ18 Waste Diversion Program	202,877	(202,877)								
408748 NTM8 Roads and Bridges QD88			58,571	22,150	(36,421)	10,953	(25,468)			
408751 NTMB Community Buildings	12,800		12,800	12,800			(43,470)	(43,470)		
408767 NTMT Roads and Bridges		1,990	1,990	103,786		(101,796)	(221,018)	(322,814)		
408770 NTMW Community Buildings							89,257	89,257		
408774 NTN0 Maintenance Management	238,065		238,065	242,580	15,000	10,485	(308,909)	(298,424)		
408779 NTN5 Solid Waste 2009-2014							(31,660)	(31,660)		
408805 NTNW Community Capital Facilities		22,238	22,238	22,238				237,659	237,659	

## Micmacs of Gesgapegiag

Consolidated Operations and Accumulated Surplus (Deficit) by Program  
Year ended March 31, 2020

	ISC	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	
							\$	\$	\$	\$
							\$	\$	\$	\$
410000 Community Beautification & Elder Assistance		163,567	163,567	288,808	138,050	12,809	(10,412)	2,397		
Sub Total Public Works	982,644	(143,218)	839,426	1,129,324	175,200	(114,698)	(910,502)	(1,025,200)		
<b>PUBLIC SECURITY</b>										
590104 Special Policing Tom							17,103	17,103		
590105 Policing Services		609,733	609,733	700,486	90,750	17	(579,065)	(579,048)		
590106 Police Tickets		3,994	3,994	2,140		1,854	25,403	27,257		
590107 Dog Catcher		399	399	7,192	23,988	17,195		17,195		
590108 Emergency Preparedness	14,400		14,400	28,650		(14,250)		(14,250)		
590110 NTMZ Training - Fire Protection							68,476	68,476		
590115 NTM5 Fire Protection QD88							89,246	89,246		
590120 NTMS Fire Protection		4,634	4,634	54,981	50,347		(26,388)	(26,388)		
590125 NTR0 Preparedness Emergency		3,522	3,522	12,135		(8,613)		(8,613)		
Sub Total Public Security	14,400	622,282	636,682	805,564	165,085	(3,797)	(405,225)	(409,022)		
<b>BAND SUPPORT</b>										
630000 MMBC		22,500	22,500	1,260		21,240	(26,772)	(5,532)		
630050 Coop Handicraft				15,134	15,000	(134)	(1,549)	(1,883)		
630060 Walgwan Center		162,043	162,043	29,991		132,052	911,140	1,043,192		
640000 Estuary Fishing Agreement		1,377,198	1,377,198	1,377,198			(356,546)	(356,546)		
641010 Council Department		1,423	1,423	216,928	215,505					
641011 NG0F Band Support Funding	486,586	608,036	1,094,622	1,197,490	102,868		(502,964)	(502,964)		
641012 Mobilisation		51,091	51,091	51,091						
641013 Cultural & Language		21,733	21,733	21,733						
641016 NG0L Pension Plan Administration							(41,023)	(41,023)		
641017 NG0M CPP/QPP and Private Pension Plans	112,628	30,475	143,103	146,124	3,021		(3,189)	(3,189)		
641366 NGBL Specific Claims Submission		3,760	3,760	3,760						
641843 Q32J before NG1E Fin Mgmt Gov Cap Dev	203,333	(73,670)	129,663	129,663						

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

Year ended March 31, 2020

	ISC	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
		\$	\$	\$		\$	\$	\$
641845 NG1E Financial Management Gov. Capacity Development		120,000	120,000	120,000			36,201	36,201
641850 NG1J Q32N Risk Management Gov Capacity Development	497,834	(207,594)	290,240	290,240				
Gesgapegiag Human Resource Development Commission		657,261	657,261	632,356		24,905	(89,809)	(64,904)
Gesgapegiag Natural Resources Inc.				114		(114)	66,795	66,681
Elimination of inter-organizational transactions upon consolidation		(19,349)	(19,349)	(10,000)		(9,349)		(9,349)
<b>Sub Total Band Support</b>	<b>1,300,381</b>	<b>2,754,907</b>	<b>4,055,288</b>	<b>4,223,082</b>	<b>336,394</b>	<b>168,600</b>	<b>(7,716)</b>	<b>160,884</b>
<b>ECONOMIC DEVELOPMENT</b>								
650050 Daycare Center Rent		71,817	71,817	32,642		39,175	(59,260)	(20,085)
651025 Rod Lease				5,176	5,176		(30,287)	(30,287)
652000 Pastoral Agent Church		3,000	3,000	19,015	16,015		(4,642)	(4,642)
653000 Cascapedia Society		192,855	192,855	183,443		9,412	38,771	48,183
655000 Summer Student Employment Program		22,190	22,190	57,929	35,739		24,811	24,811
656600 Fish Profits from Previous Years		415,513	415,513	122,023	(402,920)	(109,430)	(8,532,140)	(8,641,570)
658500 Pandemic		7,815	7,815	25,065		(17,250)		(17,250)
680000 Elections				28,606	28,606			
708110 NT51 Community Ec. Dev. Program	141,417	146,648	288,065	337,092	44,321	(4,706)	60,309	55,603
708112 Renovations Relais de la Cache 2016							(111,985)	(111,985)
708125 Basket Making/Beading		8,958	8,958	165,950	156,992			
708130 Lobsterhut Extension							(18,782)	(18,782)
708140 Chalets Ste-Helene		(9,000)	(9,000)	104,851	24,105	(89,746)	(291,398)	(381,144)
708145 Chalets Ste-Helene (operationnel)		135,468	135,468	146,207	5,000	(5,739)	(29,292)	(35,031)
708150 La Cache (operationnel)		111,902	111,902	150,302	38,400			
708155 Traffic Control							(15,649)	(15,649)
708170 NTE7 Tourism Initiative		19,617	19,617	77,631		(58,014)		(58,014)

**Micmacs of Gesgapegiag****Consolidated Operations and Accumulated Surplus (Deficit) by Program**  
Year ended March 31, 2020

	ISC	Other revenues	Total revenues	Total expenses	Transfers between programs	Excess (deficiency) of revenues over expenses	Adjusted accumulated		
							Surplus (deficit), beginning of year	Surplus (deficit), end of year	Accumulated surplus (deficit), end of year
708180 Community Park Project		95,559	95,559	112,600		(17,041)			(17,041)
708190 NPG7 Lands, Membership and Estates (before 642057)	11,101	9,835	20,936	37,223	16,287		8,549		8,549
708195 NTPN Land Use Planning Initiative	48,368	(43,468)	4,900	4,900					
708199 Clean energy		64,000	64,000	64,000					
Elimination of inter-organizational transactions upon consolidation				(122,031)			122,031		122,031
Sub Total Economic Development	200,886	1,252,709	1,453,595	1,552,624	(32,279)	(131,308)	(8,960,995)	(9,092,303)	
<b>COMMERCIAL</b>									
860000 Mid-Shore Fisheries	7,824,037	7,824,037	4,460,043	(1,443,525)	1,920,469	19,050,372	20,970,841		
860005 Fisheries Training C4	9,865	9,865	11,173		(1,308)	588,234	586,926		
860006 Natural Resources Administration	140,516	140,516	447,083	243,525	(63,042)	(781,158)	(844,200)		
860007 Virginia Audrey/Mathilde	627,728	627,728	502,226		125,502	(41,939)	83,563		
860008 Francis Cote						455,502	455,502		
860010 Gesgapegiag Lobsterhut	379,709	379,709	382,572		(2,863)	48,553	45,690		
860011 Lobster Whole Sale	2,282,380	2,282,380	2,081,793		200,587	(12,304)	188,283		
860025 Sea Cucumber						76,684	76,684		
860030 Additional Quota						1,553,308	1,553,308		
860034 Ansalewit & Galiuum Boats	421,487	421,487	438,961		(17,474)	295,612	278,138		
860036 Communal Fisheries	1,350,350	1,350,350	1,577,305		(226,955)	42,706	(184,249)		
870999 Forestry General	761,753	761,753	777,494		(15,741)	696,122	680,381		
871000 Forestry Training	87,868	87,868	122,179		(34,311)	(171,548)	(205,859)		
872000 Production/Forestry	271,063	271,063	197,198		73,865	(70,833)	3,032		
872500 Community Firewood Assistance	187,765	187,765	224,516		(36,751)	(60,739)	(97,490)		
9252-9108 Québec Inc. (Gesgapegiag Excavation)	317,808	317,808	458,760		(140,952)	(2,065,975)	(2,206,927)		
9309-0942 Québec Inc. (Joneve)	16,450	16,450	25,143		(8,693)	(608,218)	(616,911)		
9272-4152 Québec Inc. (Mathilde)				11,875		(11,875)	(709,146)	(721,021)	

**Micmacs of Gesgapegiag**  
**Consolidated Operations and Accumulated Surplus (Deficit) by Program**  
Year ended March 31, 2020

	ISC	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	
							\$	\$	\$	\$
							\$	\$	\$	\$
<b>Elimination of inter-organizational transactions upon consolidation</b>										
Sub Total Commercial			14,678,779	14,678,779	(9,349)	9,349			9,349	
<b>CAPITAL HOUSING</b>										
990000 Housing Construction Sixplex		3,348	3,348		84,400	87,748			87,748	
990002 Small Repair	107,000	11,250	118,250	314,883	169,300	(27,333)			(27,333)	
990003 Duplex Construction/Jaime's House		2,161	2,161	26,161	24,000					
990004 NTKA Housing Repair						(25,371)			(25,371)	
990005 RRAP						(366,133)			(366,133)	
990006 Armand's house				24,000	24,000					
990007 Construction Article 95		75	75	96,075	96,000					
990009 NTKB Planning Design and Construction				24,000	24,000		(7,157)		(7,157)	
990011 NTKM Housing Councils	14,000	15,372	29,372	86,632	56,800	(460)	(41,692)		(42,152)	
990012 NTKQ Management Support							3,225		3,225	
990019 NTMX Special Services	39,910		39,910	39,910						
990022 Building Insurance House		139,614	139,614			139,614			139,614	
990025 Elder's House Repairs				37,168	37,168					
990026 RAAP 2019-20		13,883	13,883	13,883						
999001 Mortgage Payments		140,934	140,934	121,819		19,115	(1,249,386)		(1,230,271)	
999990 Amortization of tangible capital assets		538,535	538,535	1,113,812		(575,277)	(5,822,591)		(6,397,868)	
Micmacs Housing Corporation		287,493	287,493	363,012		(75,519)	(1,398,359)		(1,473,878)	
<b>Elimination of inter-organizational transactions upon consolidation</b>										
Sub Total Capital Housing		(122,031)	(122,031)			(122,031)			(122,031)	
	160,910	1,030,634	1,191,544	2,261,355	515,668	(554,143)	(8,907,464)		(9,461,607)	

## Micmacs of Gesgapegiag

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

Year ended March 31, 2020

	ISC	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	
							\$	\$	\$	\$
<b>PRIOR PERIOD FINANCIAL</b>										
999999 Discontinued projects							5,217,788		5,217,788	
<b>TOTAL</b>		12 224 258	19 569 131	31 793 389	30 678 880	1 114 509	4 715 186		5 829 695	