

Micmacs of Gesgapegiag Band
Consolidated Financial Statements
March 31, 2015

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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 examination, 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 :



Chief



Director General

November 30, 2015



Independent Auditor's Report

Raymond Chabot Grant Thornton
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To the Directors of
Micmacs of Gesgapegiag Band

We have audited the accompanying consolidated financial statements of Micmacs of Gesgapegiag Band, which comprise the statement of consolidated financial position as at March 31, 2015 and the consolidated statements of operations, accumulated deficit, 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 \$5,591,980 deferred contributions related to tangible capital assets in liabilities that should have been presented in revenues, 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, 2014. If the deferred contributions related to tangible capital assets had been presented in revenues, revenues and excess (deficiency) of revenues over expenses would have been decreased by \$24,618 in 2015 and \$723,478 in 2014, accumulated surplus (deficit) would have increased by \$5,591,980 in 2015 and \$5,616,598 in 2014 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, 2015, 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 year then ended in accordance with the modified equity method, as required by Canadian public sector accounting standards. We were unable to obtain sufficient appropriate audit evidence about the carrying amount of Micmacs of Gesgapegiag Band's investment in Mi'gmawei Mawiomi Resources L.P. as at March 31, 2015 and Micmacs of Gesgapegiag Band's share of Mi'gmawei Mawiomi Resources L.P.'s net income for the year because we were denied access to the financial information, management, and the auditors of Mi'gmawei Mawiomi Resources L.P. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

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, 2015 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Emphasis of matter

Without modifying our opinion, we draw attention to Note 2 to the consolidated financial statements, which indicates the existence of a material uncertainty that may cast significant doubt about the Organization's ability to continue as a going concern.

Amended financial statements

Without modifying our opinion, we draw attention to Note 3 to the consolidated financial statements, which explains that the consolidated financial statements for the year ended March 31, 2015 have been amended from those on which we originally reported on July 20, 2015.

Raymond Chabot Grant Tilton LLP ¹

New Richmond

July 20, 2015, except as to Note 3 which is as of November 30, 2015

¹ CPA auditor, CA public accountancy permit no. A113171

Micmacs of Gesgapegiag Band Consolidated Financial Position

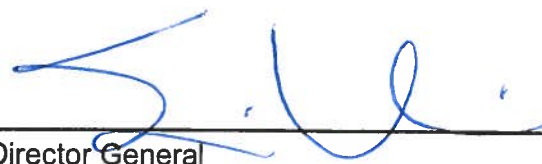
March 31, 2015

	2015	2014
	\$	\$
FINANCIAL ASSETS		
Term deposits	14,006	13,844
Accounts receivables (Note 5)	1,493,412	491,785
Due from government and other government organizations (Note 6)	2,609,769	2,098,811
Investments (Note 7)	101	100
Restricted Cash - Replacement Reserve Fund (Note 8)	1,046	1,142
	<u>4,118,334</u>	<u>2,605,682</u>
LIABILITIES		
Bank overdraft	1,004,024	1,128,502
Accounts payables and accrued liabilities (Note 11)	3,450,651	3,779,044
Deferred revenues (Note 12)	953,461	194,934
Current portion of long-term debt	2,012,006	3,451,189
Deferred contributions related to tangible capital assets (Note 13)	5,591,980	5,616,598
Long-term debt (Note 14)	4,941,210	4,268,945
Share capital (Note 15)	180,000	
Reserve funds		
Replacement reserve (Note 8)	239,627	194,367
Operating reserve (Note 16)	194,017	154,333
	<u>18,566,976</u>	<u>18,787,912</u>
NET DEBT	<u>(14,448,642)</u>	<u>(16,182,230)</u>
NON-FINANCIAL ASSETS		
Prepaid expenses	25,593	
Tangible capital assets (Note 9)	14,401,184	15,544,551
	<u>14,426,777</u>	<u>15,544,551</u>
ACCUMULATED DEFICIT	<u>(21,865)</u>	<u>(637,679)</u>

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

On behalf of the Board,


Chief


Director General

Micmacs of Gesgapegiag Band

Consolidated Operations

Year ended March 31, 2015

	Unaudited budget	2015	2014
	\$	\$	\$
Revenues			
Federal government transfers			
AANDC Grant	392,640	392,834	408,190
AANDC Fixed Contribution	3,022,107	4,421,588	3,237,412
AANDC Set Contribution	1,634,530	2,267,052	2,345,828
AANDC Contribution receivable (payable)		(67,492)	(222,353)
Correction of receivable, deferred revenues and unexpended funding of prior years		(107,345)	(102,022)
First Nations Education Council	509,651	535,037	523,312
Department of Fisheries and Oceans	155,700	661,138	321,210
Canada Mortgage and Housing Corporation	197,516	168,689	261,396
Health Canada	2,239,361	2,278,057	1,717,602
Solicitor General of Canada	242,082	241,345	255,555
Revenue Canada		32,053	90,927
Canadian Heritage	56,149	56,149	
Aboriginal Business Development Program		183,000	
Provincial government transfers			
First Nations Human Resources Development Commission of Quebec	379,132	378,017	379,655
Secretariat aux Affaires Autochtones	116,000	307,474	116,162
Ministre de la Sécurité publique	274,998	275,735	288,852
First Nations of Quebec and Labrador Health and Social Services Commission	154,330	135,196	72,424
Ministre de l'Économie, de l'Innovation et des Exportations		101,149	
Emploi Québec			19,244
Ministère des Ressources naturelles et de la faune du Québec	1,114,651	1,059,651	1,100,681
Other			
Contribution from Micmacs Housing Corporation	27,328	16,393	19,677
Welfare injection	111,251	199,002	178,650
Gesgapegiag Human Resource Development Commission	89,488	291,882	214,757
Other revenue	298,080	462,358	501,251
Administration revenues	91,000	25,113	24,093
Shrimp and crab sales	4,143,608	4,769,802	3,388,851
Wood sales	639,100	596,297	710,746
Rexforêt	300,000	298,297	335,563
Firewood sales		11,103	
Excavation sales		39,249	9,440
Reimbursement	427,986	426,838	382,693
Rental revenue	566,347	517,576	563,562
Interest revenue		436	1,341
Community services	21,480	23,940	21,510

Micmacs of Gesgapegiag Band

Consolidated Operations

Year ended March 31, 2015

	Unaudited budget	2015	2014
	\$	\$	\$
Cascapedia Society, Cascapedia Club and Club Micmac	350,000	306,000	350,000
Deferred contribution related to tangible capital assets	(100,000)	(801,609)	(100,000)
Amortization of deferred contributions related to tangible capital assets		849,057	846,551
Deferred revenue from previous years	176,886	194,934	185,396
Less: Deferred revenue		(953,461)	(194,934)
	<u>17,631,401</u>	<u>20,592,534</u>	<u>18,253,222</u>
Expenses			
Salaries and fringe benefits	6,177,302	7,015,363	6,840,995
Travel	304,808	339,683	272,718
Professional fees	248,607	245,205	271,563
Publicity and promotion	10,474	8,433	12,404
Material and equipment rental	71,529	68,226	80,996
Training and development	51,352	52,624	61,020
Honoraria	1,217,373	1,241,458	1,200,798
Contracted services	2,222,286	2,754,608	2,182,228
Membership fees	7,700	7,700	8,250
Materials and supplies	1,142,805	678,982	490,950
Office supplies and expenses	67,132	61,874	41,422
Repair and maintenance	316,251	709,754	613,864
Energy	740,156	669,518	684,850
Telecommunications	88,502	121,110	123,974
Insurance	162,135	206,756	201,653
Recovery plan	34,000		
Interest and bank charges	106,546	104,259	149,061
Interest on long-term debt	588,768	286,379	328,515
Doubtful accounts	139,979	210,479	138,889
Administration charges	29,564	30,338	26,031
Room and board	5,427	4,335	11,775
Business contributions	25,000	591	1,942
Contributions to community activities	57,000	33,914	15,888
Band contributions	275,514	412,043	280,400
Program aids	16,077	4,722	16,729
Medical fees	19,100	6,636	8,157
Tuition fees	125,600	857,584	709,215
Cultural activities	25,927	4,059	5,607
Special education	183,899		9,122
Other	293,862	203,282	147,415
Basic needs	742,000	661,397	774,221
Special needs	5,000	10,196	13,501
Purchase of equipment		1,170	1,693
Welfare injection	14,544	198,678	181,650
Penalty and interest on source deductions		933	29,137

Micmacs of Gesgapegiag Band Consolidated Operations

Year ended March 31, 2015

	Unaudited budget	2015	2014
	\$	\$	\$
Incentive grants and graduation expenses		800	499
Registration fees	238,529	200,963	229,525
Living allowance	358,759	258,157	319,963
Placements	466,764	726,200	534,609
Annual contribution - replacement reserve	48,500	45,260	45,260
Expenses capitalized to tangible capital assets		(128,609)	
Amortization of tangible capital assets		1,621,976	1,649,921
	16,628,771	19,937,036	18,716,410
Excess (deficiency) of revenues over expenses	1,002,630	655,498	(463,188)

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

Micmacs of Gesgapegiag Band Consolidated Accumulated Deficit

Year ended March 31, 2015

	<u>2015</u>	<u>2014</u>
	\$	\$
Balance, beginning of year		
As previously reported	(637,679)	(328,623)
Adjustment to prior years (Note 18)	<u>(39,684)</u>	<u>154,132</u>
As restated	(677,363)	(174,491)
Excess (deficiency) of revenues over expenses	<u>655,498</u>	<u>(463,188)</u>
Balance, end of year	<u>(21,865)</u>	<u>(637,679)</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, 2015

	<u>2015</u>	<u>2014</u>
	\$	\$
Excess (deficiency) of revenues over expenses	655,498	(463,188)
Adjustment to prior years (Note 18)	<u>(39,684)</u>	<u>154,132</u>
	<u>615,814</u>	<u>(309,056)</u>
Tangible capital assets		
Acquisition of tangible capital assets	(478,609)	(33,777)
Amortization of tangible capital assets of tangible capital assets	<u>1,621,976</u>	<u>1,649,921</u>
Total tangible capital assets	<u>1,759,181</u>	<u>1,307,088</u>
Use (acquisition) of prepaid expenses	<u>(25,593)</u>	91,829
Changes in net debt	<u>1,733,588</u>	1,398,917
Net debt, beginning of year	<u>(16,182,230)</u>	<u>(17,581,147)</u>
Net debt, end of year	<u>(14,448,642)</u>	<u>(16,182,230)</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, 2015

	<u>2015</u>	<u>2014</u>
	\$	\$
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	655,498	(463,188)
Non-cash items		
Amortization of tangible capital assets	1,621,976	1,649,921
Amortization of deferred contributions related to tangible capital assets	(849,057)	(846,551)
Transfer to the replacement reserve fund for the year	45,260	45,260
Changes in working capital items		
Accounts receivables	(1,001,627)	(112,079)
Due from government and other government organizations	(510,958)	(666,889)
Prepaid expenses	(25,593)	91,829
Accounts payables and accrued liabilities	(328,393)	309,389
Deferred revenues	758,527	9,538
Cash flows from operating activities	<u>365,633</u>	<u>17,230</u>
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets and cash flows from capital activities	<u>(478,609)</u>	<u>(33,777)</u>
INVESTING ACTIVITIES		
Term deposits	(162)	(175)
Investments	(1)	(100)
Restricted cash - Replacement Reserve Fund	96	96
Cash flows from investing activities	<u>(67)</u>	<u>(179)</u>
FINANCING ACTIVITIES		
Net change in bank loans		(5,400)
Deferred contributions related to tangible capital assets	824,439	123,073
Long-term loans	2,203,750	1,409,852
Repayment of long-term debt	(2,970,668)	(1,660,333)
Share issue	180,000	
Cash flows from financing activities	<u>237,521</u>	<u>(132,808)</u>
Increase (decrease) in cash and cash equivalents	124,478	(149,534)
Bank overdraft, beginning of year	<u>(1,128,502)</u>	<u>(978,968)</u>
Bank overdraft, end of year	<u>(1,004,024)</u>	<u>(1,128,502)</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, 2015

1 - GOVERNING STATUTES AND PURPOSE OF THE ORGANIZATION

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 - GOING CONCERN ASSUMPTION

The financial statements are prepared in accordance with Canadian public sector accounting principles in particular the assumption that the Organization is a going concern, meaning it will be able to realize its assets and discharge its liabilities in the normal course of operations.

In light of operating losses incurred in past years and a working capital deficiency, there is significant doubt about the Organization's ability to continue as a going concern. The Organization's ability to realize its assets and discharge its liabilities depends on the continued financial support of Aboriginal Affairs and Northern Development Canada. The Organization's management has adopted an expense rationalization plan to address the situation.

The carrying amounts of assets, liabilities, revenues and expenses presented in the financial statements and the financial position classification have not been adjusted as would be required if the going concern assumption were not appropriate.

3 - AMENDED FINANCIAL STATEMENTS

The Micmacs of Gesgapegiag Band have amended their financial statements in accordance with the last information received by First Nation Education Council in education departments. These modifications led to an increase of First Nation Education Council revenues and other revenues of \$63,091 and \$1,851 respectively. The total effect of these changes is an increase of excess of revenues over expenses of \$64,942. Other modifications were made which led to a reclassification of expenses between education departments.

4 - SUMMARY OF ACCOUNTING POLICIES

Basis of presentation

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards in the *CPA Canada Public Sector Accounting Handbook*. The Organization has elected not to apply the accounting standard recommendations applicable solely to government not-for-profit organizations in Sections PS 4200 to PS 4270 of the *CPA Canada Public Sector Accounting Handbook*.

Interest in joint venture and limited partnership

The Organization to recognize its interest in the joint venture and limited partnership at the equity method.

Micmacs of Gesgapegiag Band
Notes to Consolidated Financial Statements
March 31, 2015

4 - SUMMARY OF ACCOUNTING POLICIES (Continued)

Impairment of interest in joint venture

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 Organization has elected to present consolidated financial statements which 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 companies 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 for using the equity method.

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.

Micmacs of Gesgapegiag Band

Notes to Consolidated Financial Statements

March 31, 2015

4 - SUMMARY OF ACCOUNTING POLICIES (Continued)

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

The Organization follows the deferral method of accounting for contributions. Under this method, contributions restricted for future period expenses are deferred and are recognized as revenue in the year in which the related expenses are incurred. 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 balance sheet.

Contributed supplies and services

The Organization may recognize contributed supplies and services when the fair value of these contributions can be reasonably estimated and if it would have had to otherwise acquire these supplies and services for its normal operations.

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).

Micmacs of Gesgapegiag Band
Notes to Consolidated Financial Statements
 March 31, 2015

4 - SUMMARY OF ACCOUNTING POLICIES (Continued)

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.

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

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.

Micmacs of Gesgapegiag Band

Notes to Consolidated Financial Statements

March 31, 2015

4 - SUMMARY OF ACCOUNTING POLICIES (Continued)

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 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.

5 - ACCOUNTS RECEIVABLES

	<u>2015</u>	<u>2014</u>
	\$	\$
Accounts receivables	296,035	321,196
Rents receivable	1,846,488	1,710,017
Advances	1,228,499	58,302
Indirect taxes receivable	<u>53,028</u>	<u>122,429</u>
	3,424,050	2,211,944
Doubtful accounts	<u>1,930,638</u>	<u>1,720,159</u>
	<u><u>1,493,412</u></u>	<u><u>491,785</u></u>

Micmacs of Gesgapegiag Band

Notes to Consolidated Financial Statements

March 31, 2015

6 - DUE FROM GOVERNMENT AND OTHER GOVERNMENT ORGANIZATIONS

	<u>2015</u>	<u>2014</u>
	\$	\$
Federal government		
AANDC	683,357	55,543
Health Canada	34,346	71,523
C.M.H.C.	21,623	43,979
Department of Fisheries and Oceans	380,772	107,622
Canadian Heritage	5,615	
First Nations Education Council	90,698	78,865
Solicitor General of Canada	241,345	17,050
Provincial Government		
First Nations of Quebec and Labrador Health and Social Services Commission	16,784	38,052
First Nations Human Resources Development Commission of Quebec	69,903	83,482
Ministre de l'Économie, de l'Innovation et des Exportations	101,149	
Ministre des Ressources naturelle et de la faune du Québec	416,664	1,004,235
Secretariat aux Affaires Autochtones	211,348	143,372
Ministre de la Sécurité publique	15,445	294
Finance Quebec		1,402
Ministre de la Culture	3,000	3,000
Other government organizations	317,720	450,392
	<u>2,609,769</u>	<u>2,098,811</u>

7 - INVESTMENTS

	<u>2015</u>	<u>2014</u>
	\$	\$
Mi'gmawei Mawiomi Resources L.P., government business partnership		
Capital	100	100
Mi'gmawei Mawiomi Business Corporation Inc., joint venture		
1 common share	1	
	<u>101</u>	<u>100</u>

8 - 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.

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Notes to Consolidated Financial Statements

March 31, 2015

8 - REPLACEMENT RESERVE FUND (Continued)

(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:

	<u>2015</u>	<u>2014</u>
	\$	\$
Restricted cash		
Restricted Cash - Replacement Reserve Fund	<u>1,046</u>	<u>1,142</u>
	<u>2015</u>	<u>2014</u>
	\$	\$
Reserve fund		
Balance, beginning of year	194,367	343,647
Adjustment due to matured units		(25,908)
Adjustment to replacement reserve		(168,632)
Adjusted balance, beginning of year	<u>194,367</u>	<u>149,107</u>
Annual contribution - replacement reserve	<u>45,260</u>	<u>45,260</u>
Balance, end of year	<u>239,627</u>	<u>194,367</u>

No amount was transferred to the replacement reserve fund in 2015.

As at March 31, 2015, the Organization does not respect the obligation to hold these funds in a separate bank account.

9 - TANGIBLE CAPITAL ASSETS

	<u>2015</u>			<u>2014</u>
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net carrying amount</u>	<u>Net carrying amount</u>
	\$	\$	\$	\$
Land	133,592		133,592	133,592
Buildings	21,000,576	9,567,960	11,432,616	11,920,857
Sanitation system	7,372,856	5,949,183	1,423,673	1,792,313
Automotive equipment	3,020,325	2,224,713	795,612	1,141,364
Material and equipment	982,212	879,086	103,126	13,740
Roads	602,391	89,826	512,565	542,685
	<u>33,111,952</u>	<u>18,710,768</u>	<u>14,401,184</u>	<u>15,544,551</u>

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Notes to Consolidated Financial Statements

March 31, 2015

10 - BANK LOANS

The bank loans, for which the authorized amounts are \$100,000 and \$1,150,000, bear interest at prime rate (2.85%) and prime rate plus 1.75% (4.60%) respectively, are secured by the accounts receivable and a mortgage on amounts receivable from Health Canada and are renegotiable annually.

11 - ACCOUNTS PAYABLES AND ACCRUED LIABILITIES

	<u>2015</u>	<u>2014</u>
	\$	\$
Trade accounts	3,282,787	3,517,855
Salaries payable	97,463	79,679
Government remittances	28,535	138,244
Accrued interest	41,866	43,266
	<u>3,450,651</u>	<u>3,779,044</u>

12 - DEFERRED REVENUES

	<u>2015</u>	<u>2014</u>
	\$	\$
Federal government		
NPD1 02383 CFS Maintenance - Enhanced Prevention-Foster Home	351,882	
Other		
08627 Renovations and/or Additions QL33	181,120	181,120
10003 National Native Alcohol and Drug Abuse Program NNADAP	406,030	
61020 Canadian Heritage Education Grant	14,429	
Gesgapegiag Human Resource Development Commission		13,814
	<u>953,461</u>	<u>194,934</u>

13 - DEFERRED CONTRIBUTIONS RELATED TO TANGIBLE CAPITAL ASSETS

	<u>2015</u>	<u>2014</u>
	\$	\$
Balance, beginning of year	5,616,598	6,340,076
AANDC		
NTM8 08748 Roads and Bridges QD88	100,000	100,000
NTME 08754 Contributions - Equipment QD88	32,144	
Aboriginal Business Development Program (60005)	183,000	
Secrétariat aux Affaires Autochtones (60005)	183,000	
Department of Fisheries and Oceans (60005)	303,465	
Canada Mortgage and Housing Corporation	22,830	15,219
Investment tax credit		7,854
Amortization	(849,057)	(846,551)
Balance, end of year	<u>5,591,980</u>	<u>5,616,598</u>

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14 - LONG-TERM DEBT

	<u>2015</u>	<u>2014</u>
	\$	\$
Caisse Desjardins, prime rate plus 3% (5,85%), secured by MAPAQ, payable by semi-annual instalments of \$36,353, capital and interest, maturing in December 2022	458,000	
Loan, without interest, payable on demand	170,000	
Bank of Montreal, 4.89%, secured by 4 housing units and by AANDC, payable in monthly instalments of \$2,240, capital and interest, maturing in June 2033 but renegotiable in May 2019	325,096	336,580
Bank of Montreal, 7.2%, reimbursed during the year		109,177
Bank of Montreal, prime rate plus 4% (6.85%), payable in monthly instalments of \$1,111, plus interest, maturing in February 2020	65,556	78,889
Bank of Montreal, 6%, payable in monthly instalments of \$2,277, capital and interest, maturing in December 2018 but renegotiable in December 2015	209,033	223,353
Bank of Montreal, 4.89%, secured by 1 quadruplex and by AANDC, payable in monthly instalments of \$1,652, capital and interest, maturing in July 2033 but renegotiable in July 2018	241,638	249,837
Bank of Montreal, 4.99%, secured by duplexes and by AANDC, payable in monthly instalments of \$3,594, capital and interest, maturing in October 2033 but renegotiable in November 2019	524,404	540,488
Bank of Montreal, 5.35%, payable in monthly instalments of \$1,263, capital and interest, maturing in February 2017	27,765	41,046
Laurentian Bank, 3.79%, secured by a building with a net carrying amount of \$27,192, payable in monthly instalments of \$243, capital and interest, maturing in February 2027 but renegotiable in August 2017	27,979	29,798
Laurentian Bank, 5.14%, secured by a building with a net carrying amount of \$21,450, payable in monthly instalments of \$292, capital and interest, maturing in April 2033 but renegotiable in August 2018	41,175	42,526
Bank of Montreal, prime rate plus 4% (6.85%), payable in monthly instalments of \$2,517, plus interest, maturing in November 2015	20,213	50,318
Bank of Montreal, prime rate plus 2% (4.85%), reimbursed during the year		73,334
Bank of Montreal, prime rate plus 4% (6.85%), payable by annual instalments of \$100,000, plus interest, maturing in March 2020	550,000	650,000
Bank of Montreal, prime rate plus 4% (6.85%), payable in monthly instalments of \$4,050, plus interest, maturing in December 2015	36,450	85,050

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Notes to Consolidated Financial Statements

March 31, 2015

14 - LONG-TERM DEBT (Continued)

	<u>2015</u>	<u>2014</u>
	\$	\$
Laurentian Bank, 4.29%, secured by a building with a net carrying amount of \$54,105, payable in monthly instalments of \$467, capital and interest, maturing in October 2031 but renegotiable in July 2016	57,241	60,529
Bank of Montreal, prime rate plus 4% (6.85%), payable in monthly instalments of \$544, plus interest, maturing in January 2017	11,963	18,488
SOCCA bridge loan, 7.5%, payable in variable instalments, maturing in April 2015	94,137	
Canada Mortgage and Housing Corporation forgivable loan, without interest, forgiveness earned of \$11,110 yearly, maturing in March 2027	137,018	148,128
Canada Mortgage and Housing Corporation forgivable loan, without interest, forgiveness earned of \$11,720 yearly, maturing in March 2027	144,542	156,261
Bank of Montreal, prime rate plus 4% (6.85%), payable in monthly instalments of \$1,039, plus interest, maturing in February 2017	23,887	36,349
Bank of Montreal, prime rate plus 4% (6.85%), payable in monthly instalments of \$1,333, plus interest, maturing in January 2017	29,333	45,333
Bank of Montreal, 5.35%, payable in monthly instalments of \$3,150, plus interest, maturing in February 2024 but renegotiable in February 2017	337,015	374,812
Bank of Montreal, prime rate plus 4% (6.85%), payable in monthly instalments of \$1,036, plus interest, maturing in May 2019	50,750	63,179
Bank of Montreal, 4.27%, payable in semi-annual instalments of \$15,919, capital and interest, maturing in August 2018	102,409	125,933
Bank of Montreal, prime rate plus 4% (6.85%), payable on demand, maturing in May 2015	364,209	1,041,250
Mortgage loan, secured by automotive equipment with a net carrying amount of \$486,428 as at March 31, 2015, prime rate plus 2.5% (5.35%), payable in monthly instalments of \$4,635, plus interest, maturing in July 2020	430,710	486,335
Project # 7, Laurentian Bank, mortgage, original amount of \$321,114, secured by 6 housing units and by AANDC, 4.89%, payable in monthly instalments of \$2,400, capital and interest, maturing in August 2016	35,663	62,171

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Notes to Consolidated Financial Statements

March 31, 2015

14 - LONG-TERM DEBT (Continued)

	2015	2014
	\$	\$
Project # 8, National Bank of Canada, mortgage, original amount of \$267,830, secured by 5 housing units and by AANDC, 3.09%, payable in monthly instalments of \$1,810, capital and interest, maturing in March 2018	62,141	80,527
Project # 9, Laurentian Bank, mortgage, original amount of \$230,850, secured by 5 housing units and by AANDC, 7.2%, payable in monthly instalments of \$2,222, capital and interest, maturing in June 2016 but renegotiable in October 2015	14,664	33,313
Project # 10, Caisse populaire, 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, maturing in September 2022 but renegotiable in September 2018	48,823	54,250
Project # 11, Bank of Montreal, mortgage, authorized amount of \$141,910, secured by 3 housing units and by AANDC, 4.89%, payable in monthly instalments of \$888, capital and interest, maturing in December 2022 but renegotiable in December 2018	69,040	76,212
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, maturing in March 2024 but renegotiable in April 2019	31,423	34,594
Project # 13, C.M.H.C., mortgage (19-072-495/002), authorized amount of \$87,500, secured by 3 housing units and 1 duplex, 2.69%, payable in monthly instalments of \$430, capital and interest, maturing in May 2025 but renegotiable in August 2015	45,894	49,771
Project # 14, C.M.H.C., mortgage (19-072-495/003), authorized amount of \$129,000, secured by 4 housing units, 2.65%, payable in monthly instalments of \$631, capital and interest, maturing in April 2026 but renegotiable in April 2016	72,699	78,273
Project # 15, C.M.H.C., mortgage (19-072-495/004), authorized amount of \$187,395, secured by 5 housing units, 1.67%, payable in monthly instalments of \$867, capital and interest, maturing in April 2027 but renegotiable in April 2017	113,803	122,236
Project # 16, C.M.H.C., mortgage (19-072-495/005), authorized amount of \$92,538, secured by 3 housing units, 1.62%, payable in monthly instalments of \$412, capital and interest, maturing in February 2028 but renegotiable in March 2018	57,605	61,583

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Notes to Consolidated Financial Statements

March 31, 2015

14 - LONG-TERM DEBT (Continued)

	<u>2015</u>	<u>2014</u>
	\$	\$
Project # 17, C.M.H.C., mortgage (19-072-495/006), authorized amount of \$62,000, secured by 2 duplexes, 2.76%, payable in monthly instalments of \$289, capital and interest, maturing in June 2030 but renegotiable in June 2015	43,243	45,496
Project # 17, C.M.H.C., mortgage (19-072-495/007), authorized amount of \$65,000, secured by 2 duplexes, 2.76%, payable in monthly instalments of \$303, capital and interest, maturing in June 2030 but renegotiable in June 2015	45,336	47,698
Project # 18, C.M.H.C., mortgage (19-072-495/008), authorized amount of \$253,800, secured by a sixplex, 2.63%, payable in monthly instalments of \$1,225, capital and interest, maturing in June 2030 but renegotiable in June 2016	184,646	194,373
Project # 19, C.M.H.C., mortgage (19-072-495/009), authorized amount of \$172,000, secured by 2 duplexes, 1.65%, payable in monthly instalments of \$731, capital and interest, maturing in April 2032 but renegotiable in June 2017	130,582	137,149
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, maturing in May 2033 but renegotiable in June 2018	82,872	86,747
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, maturing in September 2032 but renegotiable in September 2019	97,406	101,931
Project # 22, C.M.H.C., mortgage (19-072-495/012), authorized amount of \$189,500, secured by 1 quadruplex, 2.4%, payable in monthly instalments of \$839, capital and interest, maturing in October 2035 but renegotiable in October 2015	163,007	169,108
Project # 23, C.M.H.C., mortgage (19-072-495/013), authorized amount of \$1,200,000, secured by 10 housing units, 1.67%, payable in monthly instalments of \$4,892, capital and interest, maturing in March 2037 but renegotiable in April 2017	1,080,228	1,120,592

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Notes to Consolidated Financial Statements

March 31, 2015

14 - LONG-TERM DEBT (Continued)

	<u>2015</u>	<u>2014</u>
	\$	\$
Project # 24, C.M.H.C., mortgage (19-072-495/014), authorized amount of \$104,000, secured by 1 housing unit, 1.67%, payable in monthly instalments of \$424, capital and interest, maturing in March 2037 but renegotiable in April 2017	<u>93,618</u>	<u>97,117</u>
Current portion	<u>6,953,216</u>	<u>7,720,134</u>
	<u>2,012,006</u>	<u>3,451,189</u>
	<u>4,941,210</u>	<u>4,268,945</u>

The estimated instalments on long-term debt for the next five years are \$2,012,006 in 2016, \$764,102 in 2017, \$374,313 in 2018, \$527,995 in 2019 and \$307,769 in 2020.

15 - SHARE CAPITAL

As at March 31, 2015, the issued shares in 9309-0942 Quebec Inc. are detailed as follows :

Unlimited number of shares

Class "D" shares, 0.5% monthly non-cumulative dividend calculated on the redemption price, retractable at the fair value of the consideration received on issuance

	<u>2015</u>	<u>2014</u>
	\$	\$
180,000 class "D" shares	<u>180,000</u>	<u></u>

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Notes to Consolidated Financial Statements

March 31, 2015

16 - 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:

	<u>2015</u>	<u>2014</u>
	\$	\$
Reserve fund		
Balance, beginning of year	154,333	113,925
Corrections requested by C.M.H.C.	<u>39,684</u>	<u>40,408</u>
Balance, end of year	<u>194,017</u>	<u>154,333</u>

As at March 31, 2015 the Organization does not respect the obligation to hold these funds in a separate bank account.

17 - 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.

18 - ADJUSTMENT TO PRIOR YEARS

After the review of the financial statements for the year ended March 31, 2014 by the Organization, the following adjustments were required:

	<u>2015</u>	<u>2014</u>
	\$	\$
Micmacs Housing Corporation		
Corrections requested by C.M.H.C.	39,684	40,408
Adjustment due to matured units		(25,908)
Adjustment to replacement reserve		<u>(168,632)</u>
	<u>39,684</u>	<u>(154,132)</u>

19 - CONTINGENCY

As at March 31, 2015, the Organization is contingently liable as endorser in long-term debts for members of the community for the amount of \$1,044,052 (\$1,185,377 in 2014).

Micmacs of Gesgapegiag Band

Notes to Consolidated Financial Statements

March 31, 2015

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 \$494,746. These transactions were measured at the exchange amount.

21 - ECONOMIC DEPENDENCE

The Organization receives 34% (32% in 2014) of its revenues from Aboriginal Affairs and Northern Development Canada (AANDC).

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 contributions receivable, accounts receivables, rents receivables and advances since failure of any of these parties to fulfil their obligations could result in significant financial losses for the Organization.

Contributions receivable, accounts receivables, rents receivables and advances balances 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:

	<u>2015</u>	<u>2014</u>
	\$	\$
Term deposits	14,006	13,844
Contributions receivable	2,609,769	2,098,811
Accounts receivables	146,436	242,089
Rents receivables	65,449	68,965
Advances	1,228,499	58,302
	<u>4,064,159</u>	<u>2,482,011</u>

Micmacs of Gesgapegiag Band

Notes to Consolidated Financial Statements

March 31, 2015

22 - FINANCIAL INSTRUMENTS (Continued)

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

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 \$1,930,638 as at March 31, 2015 (\$1,720,159 as at March 31, 2014).

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 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 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, 2014) would not have a significant impact on the the Organization's deficiency of revenues over expenses and net remeasurement gains 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.

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, 2015, 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	3,450,651			
Long-term debt	1,039,188	972,818	3,770,940	1,170,270
	<u>4,489,839</u>	<u>972,818</u>	<u>3,770,940</u>	<u>1,170,270</u>

Micmacs of Gesgapegiag Band

Notes to Consolidated Financial Statements

March 31, 2015

22 - FINANCIAL INSTRUMENTS (Continued)

Carrying amount of financial assets and liabilities by category

The carrying amount of the Organization's financial assets that are measured at amortized cost totals \$4,065,205 (\$2,483,153 as at March 31, 2014).

The Organization's financial liabilities, totalling \$11,407,891 (\$12,627,680 as at March 31, 2014), have all been classified as financial instruments measured at amortized cost.

23 - COMMITMENT

The Organization has entered into long-term lease agreements expiring in September 2017 and March 2018 for the rental of equipments which call for minimum lease payments of \$81,840.

Minimum lease payments for the next three years are \$28,851 in 2016 and 2017 and \$24,138 in 2018.

24 - TRUST FUNDS HELD BY AANDC

	March 31, 2014	Addition 2015	Withdrawals 2015	March 31, 2015
	\$	\$	\$	\$
Revenue	38,958	1,121		40,079
Capital	647			647
	<u>39,605</u>	<u>1,121</u>		<u>40,726</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 - AANDC FUNDING RECONCILIATION

	2015	2014
	\$	\$
AANDC funding as per financial statements	7,013,982	5,769,077
Minus: Contributions receivable (payable)		
NGBL 01366 Specific and Special Claims Submission		(58,995)
NP56 02267 Indian Studies Support Program Design and Del.		(61,608)
NP85 02305 Basic Needs	(101,666)	(15,949)
NP88 02308 Social Assistance for Employment and Training	21,478	
NP8L 02320 Special Needs	12,696	
NPC6 02398 Foster Care		(85,801)
	<u>(67,492)</u>	<u>(222,353)</u>
AANDC funding as per funding confirmation	<u>7,081,474</u>	<u>5,991,430</u>

26 - COMPARATIVE FIGURES

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

Micmacs of Gesgapegiag Band
Notes to Consolidated Financial Statements

March 31, 2015

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.

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Notes to Consolidated Financial Statements
Year ended March 31, 2015

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 :

	Band government			Education		Social assistance	
	Unaudited Budget 2015	2015	2014	Unaudited Budget 2015	2015	Unaudited Budget 2015	2015
Revenues							
Federal government transfers	939,863	958,551	906,158	2,091,456	2,619,650	1,385,018	2,214,149
Provincial government transfers	654,130	653,752	687,751				
Other revenues	606,596	752,717	804,144	5,207	20,611	(329,324)	56,681
Total Revenues	2,200,589	2,365,020	2,398,053	2,091,456	2,624,857	1,385,018	1,884,825
Expenses							
Salaries and fringe benefits	1,374,939	1,685,351	1,729,560	1,142,709	988,270	241,882	238,802
Amortization							
Other expenses	779,684	1,108,508	1,083,305	1,043,503	1,451,994	1,255,264	1,596,663
Total expenses	2,154,623	2,793,859	2,812,865	2,186,212	2,440,264	1,497,146	1,835,465
Excess (deficiency) of revenues over expenses	45,966	(428,839)	(414,812)	(94,756)	184,593	(112,128)	49,360
							(276,621)

Micmacs of Gesgapegiag Band
Notes to Consolidated Financial Statements
Year ended March 31, 2015

28 - SEGMENT DISCLOSURES (Continued)

	Health		Economic development		Community infrastructure	
	Unaudited Budget 2015	2014	Unaudited Budget 2015	2014	Unaudited Budget 2015	2014
Revenues						
Federal government transfers	2,891,094	2,584,620	102,762	102,046	686,327	649,124
Provincial government transfers	81,906	68,168			72,424	72,424
Other revenues	104,177	113,632	11,719	116,216	397,749	960,296
Total Revenues	3,077,177	2,698,252	114,481	218,262	1,156,500	1,681,844
Expenses						
Salaries and fringe benefits	1,570,195	1,541,678	33,780	169,963	159,494	334,303
Amortization						
Other expenses	1,019,274	992,373	324,051	143,038	1,117,476	1,151,256
Total expenses	2,589,469	2,534,051	301,765	637,049	771,841	496,885
Excess (deficiency) of revenues over expenses	487,708	164,201	(187,284)	(418,787)	225,165	(300,600)

Micmacs of Gesgapegiag Band
Notes to Consolidated Financial Statements
Year ended March 31, 2015

28 - SEGMENT DISCLOSURES (Continued)

	Fisheries		Natural resources		Social housing	
	Unaudited Budget 2015	2014	Unaudited Budget 2015	2014	Unaudited Budget 2015	2014
Revenues						
Federal government transfers	155,700	844,138	266,210		197,516	261,395
Provincial government transfers	1,095,651	1,278,813	1,081,843	135,000	101,149	
Other revenues	4,561,608	4,531,808	3,924,418	960,400	453,157	428,293
Total Revenues	5,812,959	6,654,759	5,272,471	1,095,400	697,822	689,688
Expenses						
Salaries and fringe benefits	1,088,990	1,173,826	986,789	392,549	412,345	485,938
Amortization						
Other expenses	3,899,306	4,239,319	3,413,739	701,441	622,681	765,832
Total expenses	4,988,296	5,413,145	4,400,528	1,093,990	1,035,026	1,251,770
Excess (deficiency) of revenues over expenses	824,663	1,241,614	871,943	1,410	(33,483)	(46,912)
					(188,112)	(301,842)
						(188,448)

Micmacs of Gesgapegiag Band
Notes to Consolidated Financial Statements
 Year ended March 31, 2015

28 - SEGMENT DISCLOSURES (Continued)

	Total		
	Unaudited Budget 2015	2015	2014
	\$	\$	\$
Revenues			
Federal government transfers	8,449,736	11,062,105	8,782,055
Provincial government transfers	2,039,111	2,257,222	1,977,018
Other revenues	7,142,554	7,273,207	7,494,149
Total Revenues	17,631,401	20,592,534	18,253,222
Expenses			
Salaries and fringe benefits	6,177,302	7,015,363	6,840,995
Amortization		1,621,976	1,294,294
Other expenses	10,451,469	11,299,697	10,581,121
Total expenses	16,628,771	19,937,036	18,716,410
Excess (deficiency) of revenues over expenses	1,002,630	655,498	(463,188)

Micmacs of Gesgapegiag Band
Consolidated Operations and Accumulated Surplus (Deficit) by Program
Year ended March 31, 2015

	AANDC	Other	Total	Transfers	Excess	Adjusted	Accumulated
	revenues	revenues	expenses	between	(deficiency) of	accumulated	surplus
	\$	\$	\$	programs	revenues over	surplus	surplus
				expenses	expenses	(deficit),	(deficit),
						beginning of	end of
						year	year
						\$	\$
NGOF 01011 Band Support Funding	392,834	167,281	606,435	40,778	(5,542)	(635,421)	(640,963)
NGOL 01016 Pension Plan Adm. Costs and Employer Contr.	41,583		69,546		(27,963)	3,690	(24,273)
NGOM 01017 CPP/QPP and Private Pension Plans	176,409	(28,511)	158,768		(10,870)	7,913	(2,957)
NGD1 01072 Capacity Building	30,000		73,433		(43,433)	(4,743)	(48,176)
NGBL 01366 Specific and Special Claims Submission	40,000		35,441		4,559		4,559
NG1A 01840 Leadership Governance Capacity Development						(10)	(10)
NG1E 01845 Financial Management gov cap dev	66,000		31,299		34,701		34,701
NPG7 02057 Indian Registry Administrators	10,422		10,422			8,490	8,490
NP05 02105 Instructional Services Formula Seq. 1	716,542	4,220	524,859	23,278	219,181	486,136	705,317
NP06 02106 Administration - Instructional Services	7,700		7,700				
NP07 02107 Enhanced Teachers Salaries	24,550		706,450	(24,550)	(4,250)	(179,659)	(183,909)
NP0R 02125 Tuition Agreements	702,200		14,880		240	26,040	26,280
NP0S 02126 Ancillary Support	15,120						
NP12 02138 Financial Assistance Allowances	21,137		6,590		14,547	154,103	168,650

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

Year ended March 31, 2015

	AANDC	Other	Total	Transfers	Excess	Adjusted	Accumulated
	revenues	revenues	expenses	between	(deficiency) of	accumulated	surplus
	\$	\$	\$	programs	revenues over	surplus	surplus
			expenses		expenses	(deficit),	(deficit), end of
						beginning of	(deficit), end of
						year	year
						year	year
						\$	\$
NP13 02139 Guidance and Counselling	60,651		52,416		8,235	77,420	85,655
NP14 02140 Advice and Assistance, Provincial Schools	79,237		70,105		9,132	118,817	127,949
NP17 02144 Student Accommodation Service Prov.	6,041		4,525		1,516	1,269	2,785
NP18 02145 Student Transportation Services Band Op.	125,842	135	106,316		19,661	367,064	386,725
NP1W 02165 Manage Cultural Education Centres Program	17,279		17,279				
02234 Band Operated School - Special Education		227,889	227,889			(19,186)	(19,186)
NP38 02250 Provincial School - Direct Services	4,250		4,250		4,250	32,980	37,230
NP56 02267 Indian Studies Support Program Design and Del.		(1,272)	(1,272)	1,272			
NP5A 02270 Post-Secondary Student Support Program	267,658	5,051	352,202	79,493		(72,215)	(72,215)
NP85 02305 Basic Needs	638,334	(34,228)	660,893		(56,787)	(162,410)	(219,197)
NP88 02308 Social Assistance for Employment and Training	166,478	40,450	198,678		8,250	(110,876)	(102,626)
NP8L 02320 Special Needs	17,696	3,886	17,696		3,886	(14,135)	(10,249)
NP8R 02330 Service Delivery	43,800		30,259		13,541	34,656	48,197
NPD3 02373 Operations - CFS	308,934	18,078	315,711		11,301	(190,444)	(179,143)

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

Year ended March 31, 2015

	AANDC	Other	Total	Transfers	Excess	Adjusted	Accumulated
	revenues	revenues	expenses	between	(deficiency) of	accumulated	surplus
	\$	\$	\$	programs	revenues over	surplus	surplus
			expenses		expenses	(deficit),	(deficit), end of
						beginning of	year
						year	year
						\$	\$
NPD1 02383 CFS Maintenance - Enhanced Prevention-Foster Home	628,636	(351,882)	276,754			(27,551)	(27,551)
NPD0 02384 CFS Maintenance - Enhanced Prevention-Group Homes	381,612		347,424		34,188	(75,695)	(41,507)
NPD2 02385 CFS Maintenance - Enhanced Prevention-Institution						154,592	154,592
NPD7 02388 Prevention/Least Disruptive Measures	350,043		303,761		46,282	(110,908)	(64,626)
NPC5 02395 In-Home Care	266,178	(43,868)	259,208		(36,898)	(213,523)	(250,421)
NPC9 02396 Institutional Care - Type I	20,000	10,284	23,863		6,421	(48,835)	(42,414)
NPC6 02398 Foster Care	63,822	3,931	78,254		(10,501)	(2,485)	(12,986)
NPC7 02399 Service Delivery	52,799		52,573		226	(6,834)	(6,608)
NPE0 02420 Prevention Projects						4,796	4,796
02440 National Child Benefit Re- investment			8,958	8,958		(92,451)	(92,451)
NT45 08110 Community Economic Development Program	102,762	22,570	119,307		6,025	40,584	46,609
08203 Reserve Land and Environmental Management Program						(63,677)	(63,677)
NTFF 08565 Wastewater Systems	56,877	9,030	95,517		(29,610)	(568,468)	(598,078)
NTFG 08566 Water Systems	50,692	14,910	43,520		22,082	(112,580)	(90,498)
08627 Renovations and/or Additions QL33						(11,656)	(11,656)

Micmacs of Gesgapegiag Band
Consolidated Operations and Accumulated Surplus (Deficit) by Program
 Year ended March 31, 2015

	AANDC	Other	Total	Transfers	Excess	Adjusted	Accumulated
	revenues	revenues	expenses	between	(deficiency) of	accumulated	surplus
	\$	\$	\$	programs	revenues over	surplus	surplus
				\$	expenses	(deficit),	(deficit), end of
					\$	beginning of	year
						year	year
						\$	\$
NTHL 08635 Schools - O&M	118,186		97,164		21,022	114,133	135,155
NTKB 08681 Planning Design and Construction QD88	24,000		24,000				
NTKC 08682 Major Ren., Ext. and Repairs QD88 Seq. 1	84,000		84,000				
NTKM 08691 Housing Councils	12,800	17,001	32,508		(2,707)	(40,083)	(42,790)
NTKQ 08694 Management Support	1,200		1,200			3,225	3,225
NTM5 08745 Fire Protection QD88	12,800		12,800		12,800	51,200	64,000
NTM8 08748 Roads and Bridges QD88	100,000	(100,000)					
NTMB 08751 Community Buildings	28,084		181		27,903		27,903
NTME 08754 Contributions - Equipment QD88	32,364	(32,144)	3,138		(2,918)		(2,918)
NTMS 08766 Fire Protection	27,281		32,201		(4,920)	6,468	1,548
NTMT 08767 Roads and Bridges	24,699		43,101		(18,402)	(129,031)	(147,433)
NTMW 08770 Community Buildings	22,317		366		21,951	51,767	73,718
NTMZ 08773 Training - Fire Protection	12,300				12,300	62,998	75,298
NTN0 08774 Maintenance Management	29,355		38,444		(9,089)	(225,297)	(234,386)
NTN5 08779 Solid Waste 2009-2014	478,731		478,731		478,731		478,731
NTN5 08779 Solid Waste	8,907		48,247		(39,340)	(2,235)	(41,575)
NTNW 08805 Community Capital Facilities	42,840		37,840		5,000	217,984	222,984

Micmacs of Gesgapegiag Band
Consolidated Operations and Accumulated Surplus (Deficit) by Program
 Year ended March 31, 2015

	AANDC	Other	Total	Transfers	Excess	Adjusted	Accumulated
	\$	revenues	expenses	between	(deficiency) of	accumulated	surplus
	\$	\$	\$	programs	revenues over	surplus	surplus
	\$	\$	\$	\$	expenses	(deficit),	(deficit), end of
	\$	\$	\$	\$	\$	beginning of	year
	\$	\$	\$	\$	\$	year	year
	\$	\$	\$	\$	\$	\$	\$
10000 Medical Transportation							
NIHB/MT		293,300	222,041		71,259	(22,022)	49,237
10001 Tele Health		62,685	54,412		8,273	19,222	27,495
10003 National Native Alcohol and Drug Abuse Program NNADAP		184,704	2,195	(182,509)		7,003	7,003
10005 Aboriginal Head Start On-Reserve AHSOR		73,785	54,535		19,250	52,634	71,884
10006 Brighter Futures BF		74,963	2,353	(72,610)		42,549	42,549
10007 HIV/AIDS Program		14,035	8,093		5,942	(2,421)	3,521
10008 Maternal Child Health MCH		50,358	113,102	62,744		2,856	2,856
10009 Mental Health / HPV		63,364	163,524	120,590		213,291	233,721
10010 Aboriginal Diabetes Initiative ADI		52,513	140,240	88,710		57,628	58,611
10011 Building Healthy Communities Mental Health BHC/MH		55,493	3,353	(52,086)	54	48,077	48,131
10012 Building Healthy Communities Solvent Abuse BHC/SAP		11,029		(11,029)		10,093	10,093
10013 Canada Prenatal Nutrition Program CPNP		16,100		(16,100)		14,734	14,734
10014 Health Careers (on call)		8,088	8,088			(434)	(434)
10015 Health Planning and Management HPM		463,895	555,216	106,527	15,206	(465,057)	(449,851)
10016 Clinical and Client Care CCC		140,305	140,305	(140,305)		128,399	128,399
10018 First Nations and Inuit Health Services Accommodation		43,230	39,867		3,363	21,260	24,623

Micmacs of Gesgapegiag Band
Consolidated Operations and Accumulated Surplus (Deficit) by Program
 Year ended March 31, 2015

	AANDC	Other	Total	Transfers	Excess	Adjusted	Accumulated
	revenues	revenues	expenses	between	(deficiency) of	accumulated	surplus
	Total		expenses	programs	revenues over	surplus	surplus
	revenues	revenues	expenses	expenses	expenses	beginning of	(deficit), end of
						year	year
	\$	\$	\$	\$	\$	\$	\$
10020 Environmental Public Health - Drinking Water	11,000	11,000	5,290		5,710	11,547	17,257
10030 Children's Oral Health Initiative and Dental Therapy	20,600	20,600	20,238		362	(233)	129
10034 Professional Medical (Speech Therapy)	81,593	81,593	75,737		5,856	1,806	7,662
10050 First Nations and Inuit Home and Community Care	144,556	144,556	145,263		(707)	(209,690)	(210,397)
10060 Social Service Child in Foster Allowance (Autism bldg)	32,053	32,053	85,392		(53,339)	43,309	(10,030)
10070 Addiction Abuse (Health Services Integration Fund)	396	396	129,745	125,034	(4,315)	(11,214)	(15,529)
10076 Developmental Prosal AHTF	95,759	95,759	95,759			39,496	39,496
10080 Fetal Alcohol Spectrum Disorder	60,106	60,106	9,274	(50,832)		6,176	6,176
10092 Fighting First Nations Poverty			12,325	12,325			
30050 Coop Handicraft			11,201				
30060 Walgwan Center	164,988	164,988	1,241,237	(135,596)	153,787	200,828	354,615
40000 Estuary Fishing Agreement	1,285,651	1,285,651			(91,182)	(196,711)	(287,893)
40001 Community Beautification & Elder Assistance			21,488	21,488		(102,372)	(102,372)
40002 Salmon Survey			31,926	31,926		(30,290)	(30,290)
45000 Program Manager - Band	87,760	87,760	78,910		8,850	(109,493)	(100,643)
50050 Daycare Center Rent			2,550,033	(42,751)	1,278,316	12,142,476	13,420,792
60000 Mid-shore Fisheries	3,871,100	3,871,100					

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

Year ended March 31, 2015

	AANDC	Other	Total	Transfers	Excess	Adjusted	Accumulated
	revenues	revenues	expenses	between	(deficiency) of	accumulated	surplus
	\$	\$	\$	programs	revenues over	surplus	surplus
					expenses	(deficit),	(deficit), end of
						beginning of	year
						year	year
	\$	\$	\$	\$	\$	\$	\$
60003 Joneve	63,000	63,000	30,028		32,972		32,972
60005 Fisheries Training C4	203,535	203,535	138,803		64,732	(73,661)	(8,929)
60006 Natural Resources Administration	293,063	293,063	279,734	42,751	56,080	(579,300)	(523,220)
60010 Gesgapegiag Lobster boat Wholesale Project	898,093	898,093	686,009	(210,177)	1,907		1,907
60034 Wheelhouse Mentoring	14,269	14,269	14,269				
60036 Communal Fisheries			210,177	210,177		254,416	254,416
61000 FNEC New Paths (Gathering Strength)	46,302	46,302	46,528		(226)	21,588	21,362
61001 Career Promotion	2,570	2,570	2,570			(3,684)	(3,684)
61002 Youth Employment	8,861	8,861	8,861			(17)	(17)
61003 Science and Technology	5,094	5,094	5,106		(12)	806	794
61004 Skills Link	21,299	21,299	16,445		4,854	(546)	4,308
61005 FNSSP Student success	168,669	168,669	166,818		1,851	3,378	5,229
61006 Youth Employment School Net	1,500	1,500	1,393		107		107
61007 Parental Involvement	9,400	9,400	9,400			(17,354)	(17,354)
61008 Professional Development	10,000	10,000	10,000			(3,137)	(3,137)
61011 FNEC/DSSLP	7,000	7,000	7,000			(1,750)	(1,750)
61012 FNSSP Early Literacy	18,212	18,212	18,212				
61020 Canadian Heritage Education Grant	41,720	41,720	56,720		(15,000)		(15,000)
62000 Cascapedia Society	347,455	347,455	345,779		1,676	(16,659)	(14,983)
65000 Summer Student Employment Program			54,781	54,781		1,329	1,329

Micmacs of Gesgapegiag Band
Consolidated Operations and Accumulated Surplus (Deficit) by Program
 Year ended March 31, 2015

	AANDC	Other	Total	Transfers	Excess	Adjusted	Accumulated
	revenues	revenues	expenses	between	(deficiency) of	accumulated	surplus
	\$	\$	\$	programs	revenues over	surplus	surplus
				\$	expenses	(deficit),	(deficit), end of
						beginning of	year
						year	year
						\$	\$
65700 Probation Officer							
66600 Fish Profits from Previous Years							
68500 Farm House on Draken							
70999 Forestry General							
71000 Forestry Training							
72000 Production/Forestry							
72500 Community Firewood Assistance							
73000 Baldwin & Lake St Anne Project							
80000 Elections							
90000 Housing Construction Section							
95							
90001 Housing Inspection							
90004 Housing Repair 2015							
90005 Residential Rehabilitation Assistance Program							
90006 Youth Initiative Program							
90008 Band Repair (BMO)							
90014 Duplex 13A&B							
90015 Emergency repairs (30 Usgewinug Street RJ Repairs)							
90017 Leather Mitts Fabrication							
90023 Gravel Pit							
	52,955	52,955	51,703		1,252	(16,753)	(15,501)
	1,048	1,048	205,570	(581,420)	(785,942)	(7,195,156)	(7,981,098)
			3,046	3,046			
	596,578	596,578	580,862		15,716	443,970	459,686
	40,000	40,000	89,499	49,499		(101,595)	(101,595)
	263,227	263,227	254,774		8,453	(100,501)	(92,048)
	101,738	101,738	109,771	8,033		(80,472)	(80,472)
						(18,922)	(18,922)
						(666)	(666)
			4,243	4,243			
	608	608	608			1,510	1,510
						(24,072)	(24,072)
	1,216	1,216	29,423	28,207		(74,736)	(74,736)
	21,998	21,998	25,666	3,912	244	(24,632)	(24,388)
			964		(964)	(6)	(970)
			52,075	53,039	964	(27,901)	(26,937)
			18,503	16,540	(1,963)	(64,148)	(66,111)
			2,922	2,922		(1,032)	(1,032)

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

Year ended March 31, 2015

	AANDC	Other	Total	Transfers	Excess	Adjusted	Accumulated
	revenues	revenues	expenses	between	(deficiency) of	accumulated	surplus
	\$	\$	\$	programs	revenues over	surplus	surplus
					expenses	(deficit),	(deficit), end of
						beginning of	year
						year	year
						\$	\$
90024 Construction general							
90034 Assent of route 132 MTQ	18,026	18,026	18,026			(7,403)	(7,403)
90037 Gesgapegiag Arena	29,632	29,632	42,540	12,908		(19,928)	(19,928)
90095 Small repairs (Duplex)	91,641	91,641	129,620	37,979			
90105 Policing Services	464,285	464,285	475,650	(3,378)	(11,365)	(473,355)	(484,720)
90106 Police Tickets	8,868	8,868	5,490	9,965		12,827	12,827
90107 Dog Catcher			9,965	(25,000)			
91025 Rod Lease	25,000	25,000					
92000 Pastoral Agent	5,240	5,240	5,240			230	230
92150 Church Construction 2014	182,218	182,218	193,150	10,932			
98000 Habitation Enhancement	154,352	154,352	178,229	23,975	98	(15,499)	(15,401)
98001 Community Brook Preservation			31,942	31,942			
99000 C-31 & Band Owned			38,287	38,287		(213,573)	(213,573)
99001 Mortgage Payments	70,669	70,669	44,802		25,867	(990,521)	(964,654)
99002 GHRDC Project	9,999	9,999	21,650	11,651		361	361
99003 Wreath Making Project (GHRDC Hospitality Training)							
99004 Artisan Project 2014 Basket Course	18,518	18,518	81,178	62,660		(32,716)	(32,716)
99005 Construction New Coop			107,771	107,771		3,108	3,108
99006 Lunch Program						(10,923)	(10,923)
99990 Amortization of tangible capital assets	820,104	820,104	1,117,476		(297,372)	(4,090,264)	(4,387,636)
Micmacs Housing Corporation	364,486	364,486	484,392		(119,906)	(1,285,621)	(1,405,527)

Micmacs of Gesgapegiag Band
Consolidated Operations and Accumulated Surplus (Deficit) by Program
 Year ended March 31, 2015

	AANDC	Other	Total	Transfers	Excess	Adjusted	Accumulated
	revenues	revenues	expenses	between	(deficiency) of	accumulated	surplus
	\$	\$	\$	programs	revenues over	surplus	(deficit),
			expenses	year	expenses	beginning of	end of
						year	year
	\$	\$	\$	\$	\$	\$	\$
Gesgapegiag Human Resource							
Development Commission	591,682	591,682	710,737		(119,055)	(111,686)	(230,741)
9252-9106 Québec Inc.	68,202	68,202	466,480		(398,278)	(1,086,363)	(1,484,641)
Gesgapegiag Natural Resources Inc.			120		(120)	67,359	67,239
9309-0942 Québec Inc.			3,871		(3,871)		(3,871)
Discontinued projects						4,456,943	4,456,943
	7,013,982	13,578,552	19,937,036		655,498	(677,363)	(21,865)

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