

**Micmacs of Gesgapegiag Band  
Consolidated Financial Statements  
March 31, 2021**

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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 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**



**Clement Bernard**

**Director General**

**October 12, 2021**

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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, 2021, 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, 2021, 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 \$7,863,979 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, 2020. 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 \$2,886,204 in 2021 and \$110,880 in 2020, accumulated surplus would have increased by \$7,863,979 in 2021 and \$4,977,775 in 2020 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, 2021 and 2020, 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, 2021 and 2020 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, 2020 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, 2021 and 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, 2021 and 2020 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, 2020 was qualified accordingly because of the possible effects of this departure.

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

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 H. Grant Thornton LLP*

New Richmond  
October 12, 2021

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

**Micmacs of Gesgapegiag Band**  
**Consolidated Financial Position**  
 March 31, 2021

	<u>2021</u>	<u>2020</u>
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash	7,505,333	4,255,845
Term deposits		944,067
Restricted cash and deposits (Note 4)	623,219	622,908
Accounts receivable (Note 5)	953,194	635,881
Due from government and other government organizations (Note 6)	4,693,597	2,423,064
Gas inventory	27,163	10,725
Investments (Note 7)	33,434	33,434
	<u>13,835,940</u>	<u>8,925,924</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 8)	3,626,842	2,494,652
Current income tax liability	386	386
Deferred revenues (Note 9)	4,884,004	4,636,898
Current portion of long-term debt (Note 10)	876,098	1,058,246
Long-term debt (Note 10)	3,668,874	4,150,258
Deferred contributions related to tangible capital assets (Note 11)	7,863,979	4,977,775
Reserve funds		
Replacement reserve (Note 12)	373,054	362,808
Operating reserve (Note 13)	407,928	358,239
	<u>21,701,165</u>	<u>18,039,262</u>
<b>NET DEBT</b>	<u>(7,865,225)</u>	<u>(9,113,338)</u>
<b>NON-FINANCIAL ASSETS</b>		
Prepaid expenses		21,179
Tangible capital assets (Note 14)	17,465,840	14,921,854
	<u>17,465,840</u>	<u>14,943,033</u>
<b>ACCUMULATED SURPLUS</b>	<u>9,600,615</u>	<u>5,829,695</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, 2021

	Unaudited budget	2021	2020
	\$	\$	\$
<b>Revenues</b>			
<b><i>Federal government transfers</i></b>			
ISC Grant	5,271,725	6,900,010	7,608,522
ISC Fixed Contribution	2,270,568	5,976,236	3,486,017
ISC Set Contribution	308,628		342,475
ISC Flexible Contribution	181,540	1,382,692	658,492
ISC Block Contribution		596,993	128,752
Contribution receivable (payable) (Note 17)		(121,214)	63,769
Correction of receivable, deferred revenues and unexpended funding of prior years		(46,587)	42,146
Health Canada			40,000
Solicitor General of Canada	509,744	509,749	308,407
First Nations Education Council	640,288	1,073,722	764,403
Revenue Canada	32,004	106,349	78,088
Canada Mortgage and Housing Corporation		1,435,816	130,984
Canada Economic Development	59,408	7,378	69,017
Department of Fisheries and Oceans	55,008	665,597	250,865
	<u>9,328,913</u>	<u>18,486,741</u>	<u>13,971,937</u>
<b><i>Provincial government transfers</i></b>			
Ministre de la Sécurité publique	525,540	525,493	338,510
Ministre de la Culture et des Communications		45,000	22,500
Ministre de l'Agriculture, des Pêcheries et de l'Alimentation		269,250	
Ministre des Forêts, de la Faune et des Parcs du Québec	1,169,128	2,324,204	1,321,051
Secrétariat aux Affaires Autochtones	399,209	262,335	268,565
Ministre des Transports du Québec			1,990
	<u>2,093,877</u>	<u>3,426,282</u>	<u>1,952,616</u>
<b><i>Other</i></b>			
First Nations Human Resources Development Commission of Quebec		558,836	520,607
Native Commercial Credit Corporation (SOCCA)		20,000	
First Nations of Quebec and Labrador Health and Social Services Commission	72,000	93,848	101,106
Listuguj Mi'gmaq Development Council		48,000	
Welfare injection	14,595	39,099	81,971
Gesgapegiag Human Resource Development Commission		32,970	22,861
Community services	14,400	33,880	31,440
Gain (loss) on disposal of tangible capital assets		50,250	30,924
Rental revenues	354,282	625,300	699,855
Administration revenues	764,996	716,700	772,297
Forestry sales	1,016,000	1,055,029	1,116,671



**Micmacs of Gesgapegiag Band**  
**Consolidated Operations**  
Year ended March 31, 2021

	Unaudited budget	2021	2020
	\$	\$	\$
Fisheries sales	11,988,326	8,878,471	12,470,313
Fishing leases	648,500	817,094	567,687
Fishing contributions	300,000	310,232	394,777
Other revenues	725,497	1,509,718	909,890
Excavation sales		783	
Gas, restaurant and rooms sales		185,086	265,097
Deferred contribution related to tangible capital assets		(3,467,924)	(639,705)
Amortization of deferred contributions related to tangible capital assets		643,470	591,246
Deferred revenue from previous years	250,000	4,636,895	2,568,697
Less: Deferred revenue		(4,884,004)	(4,636,898)
	<u>16,148,596</u>	<u>11,903,733</u>	<u>15,868,836</u>
	<u>27,571,386</u>	<u>33,816,756</u>	<u>31,793,389</u>
<b>Expenses</b>			
Salaries and fringe benefits	10,622,579	12,746,565	12,817,118
Travel	425,163	167,195	628,273
Professional fees	522,769	697,941	274,438
Publicity and promotion		1,240	2,715
Material and equipment rental	136,606	242,521	149,742
Training and development	85,123	234,769	420,929
Fishing quota rental		19,803	
Honoraria	2,667,167	1,374,813	1,344,736
Contracted services	3,706,930	5,598,410	4,538,505
Membership fees	12,618	13,950	8,240
Materials and supplies	1,325,086	2,126,651	3,409,233
Office supplies and expenses	103,087	117,108	97,036
Repair and maintenance	585,298	534,750	908,802
Energy	715,266	654,331	827,028
Telecommunications	80,330	68,232	104,940
Insurance	149,319	309,526	240,787
Interest and bank charges	23,436	47,646	45,619
Interest on long-term debt	97,161	124,493	205,812
Doubtful accounts	48,000	110,412	164,885
Administration charges	834,931	698,199	759,271
Room and board and educational allowances	277,500	468,212	510,987
Business contributions	188,815		
Contributions to community activities	14,148	2,248	5,017
Band contributions	(93,500)	246,950	6,050
Program aids	247,740	275,524	504,913
Medical fees	57,074	238,650	299,373
Tuition fees	150,000	173,325	105,081
Other	38,894	126,386	24,367
Basic needs	720,000	652,216	710,642

**Micmacs of Gesgapegiag Band**  
**Consolidated Operations**  
Year ended March 31, 2021

	Unaudited budget	2021	2020
	\$	\$	\$
Special needs		7,815	320
Purchase of equipment	2,429,001	2,774,196	743,667
Welfare injection	121,000	19,578	92,470
Registration fees	23,322	162,522	182,833
Placements	440,501	1,157,859	997,356
Purchases for resale		94,434	152,359
Variation of gas inventory		(16,438)	(6,143)
Annual contribution - replacement reserve		41,900	43,050
Expenses capitalized to tangible capital assets	(404,733)	(3,488,816)	(1,967,548)
Amortization of tangible capital assets		1,171,031	1,315,407
	<u>26,350,631</u>	<u>29,996,147</u>	<u>30,668,310</u>
Excess of revenues over expenses before income taxes	1,220,755	3,820,609	1,125,079
Current income taxes			10,570
<b>Excess of revenues over expenses</b>	<u>1,220,755</u>	<u>3,820,609</u>	<u>1,114,509</u>

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, 2021

	<u>2021</u>	<u>2020</u>
	\$	\$
Balance, beginning of year	5,829,695	4,770,478
Excess of revenues over expenses	<u>3,820,609</u>	<u>1,114,509</u>
	9,650,304	5,884,987
Adjustment to prior years (Note 18)	<u>49,689</u>	<u>55,292</u>
Balance, end of year	<u><u>9,600,615</u></u>	<u><u>5,829,695</u></u>

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

**Micmacs of Gesgapegiag Band**  
**Consolidated Changes in Net Debt**  
Year ended March 31, 2021

	<u>2021</u>	<u>2020</u>
	\$	\$
Excess of revenues over expenses	3,820,609	1,114,509
Adjustment to prior years (Note 18)	<u>(49,689)</u>	<u>(55,292)</u>
	<u>3,770,920</u>	<u>1,059,217</u>
<b>Tangible capital assets</b>		
Acquisition of tangible capital assets	(3,814,767)	(1,967,548)
Disposal of tangible capital assets	150,000	11,158
Loss (gain) on disposal of tangible capital assets	(50,250)	108,690
Amortization of tangible capital assets	<u>1,171,031</u>	<u>1,315,407</u>
<b>Total tangible capital assets</b>	<u>(2,543,986)</u>	<u>(532,293)</u>
Use (acquisition) of prepaid expenses	21,179	(21,179)
Changes in net debt	<u>1,248,113</u>	<u>505,745</u>
Net debt, beginning of the year	<u>(9,113,338)</u>	<u>(9,619,083)</u>
Net debt, end of the year	<u>(7,865,225)</u>	<u>(9,113,338)</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, 2021

	<u>2021</u>	<u>2020</u>
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	3,820,609	1,114,509
Non-cash items		
Amortization of tangible capital assets	1,171,031	1,315,407
Amortization of deferred contributions related to tangible capital assets	(643,470)	(591,246)
Transfer to the replacement reserve fund for the year	41,900	43,050
Use of the replacement reserve fund for the year	(31,654)	
Loss (gain) on disposal of tangible capital assets	(50,250)	108,690
	<u>4,308,166</u>	<u>1,990,410</u>
Net change in assets and liabilities	(1,203,809)	1,894,274
Cash flows from operating activities	<u>3,104,357</u>	<u>3,884,684</u>
<b>CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(3,814,767)	(1,967,548)
Disposal of tangible capital assets	150,000	11,158
Cash flows from capital activities	<u>(3,664,767)</u>	<u>(1,956,390)</u>
<b>INVESTING ACTIVITIES</b>		
Restricted cash and deposits	(311)	(622,908)
Investments		(33,333)
Cash flows from investing activities	<u>(311)</u>	<u>(656,241)</u>
<b>FINANCING ACTIVITIES</b>		
Long-term loans	6,333,911	85,000
Repayment of long-term loans	(6,997,443)	(1,473,859)
Deferred contributions related to tangible capital assets	3,529,674	704,126
Cash flows from financing activities	<u>2,866,142</u>	<u>(684,733)</u>
<b>Net increase in cash</b>	<u>2,305,421</u>	<u>587,320</u>
Cash and cash equivalents, beginning of year	<u>5,199,912</u>	<u>4,612,592</u>
Cash and cash equivalents, end of year	<u>7,505,333</u>	<u>5,199,912</u>
<b>CASH AND CASH EQUIVALENTS</b>		
Cash	7,505,333	4,255,845
Term deposits		944,067
	<u>7,505,333</u>	<u>5,199,912</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, 2021

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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, 2021

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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, 2021

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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, 2021

**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:

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

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

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

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

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

*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, 2021

**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**

	<u>2021</u>	<u>2020</u>
	\$	\$
Replacement reserve fund (Note 12)	317,820	317,662
Operating reserve fund (Note 13)	305,399	305,246
	<u>623,219</u>	<u>622,908</u>

**5 - ACCOUNTS RECEIVABLE**

	<u>2021</u>	<u>2020</u>
	\$	\$
Accounts receivable	1,120,800	1,159,567
Rents receivable	2,492,275	2,322,156
Advances	46,500	53,120
Indirect taxes receivable	87,214	159,222
	<u>3,746,789</u>	<u>3,694,065</u>
Doubtful accounts	2,793,595	3,058,184
	<u>953,194</u>	<u>635,881</u>

**Micmacs of Gesgapegiag Band**  
**Notes to Consolidated Financial Statements**  
 March 31, 2021

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

	<u>2021</u>	<u>2020</u>
	\$	\$
Federal government		
Indigenous Services Canada (ISC)	2,617,598	1,045,251
Health Canada	(117,992)	(117,992)
C.M.H.C.	26,475	17,439
Department of Fisheries and Oceans	571,682	201,422
Canada Economic Development		67,500
First Nations Education Council	115,232	112,228
Solicitor General of Canada	115,760	154,204
Provincial Government		
Finance Québec	23,500	34,750
Ministre de l'Agriculture, des pêcheries et de l'Alimentation	269,250	
Ministre des Forêts, de la Faune et des Parcs du Québec	664,068	539,851
Secrétariat aux Affaires Autochtones	260,491	321,908
Ministre de la Sécurité publique	106,856	
Ministre des Transports du Québec	5,510	
Ministre de la Culture et des Communications		22,500
Other		
First Nations of Quebec and Labrador Health and Social Services Commission	35,167	24,003
	<u>4,693,597</u>	<u>2,423,064</u>

**7 - INVESTMENTS**

	<u>2021</u>	<u>2020</u>
	\$	\$
Mi'gmawei Mawiomi Resources L.P., government business partnership		
Capital	100	100
Mi'gmawei Mawiomi Business Corporation Inc., joint arrangement		
1 common share	1	1
	<u>101</u>	<u>101</u>
Salaweg Inc., joint arrangement		
50 common share, 33%	33,333	33,333
	<u>33,434</u>	<u>33,434</u>

**Micmacs of Gesgapegiag Band**  
**Notes to Consolidated Financial Statements**  
 March 31, 2021

**8 - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<u>2021</u>	<u>2020</u>
	\$	\$
Trade accounts	2,112,249	1,411,674
Salaries payable	710,307	313,178
Government remittances	145,818	111,107
Accrued interest	9,129	9,354
Account payable to Mi'gmawei Mawiomi Resources L. P., government business partnership, without interest	649,339	649,339
	<u>3,626,842</u>	<u>2,494,652</u>

**9 - DEFERRED REVENUES**

	<u>2021</u>	<u>2020</u>
	\$	\$
<b>Federal government</b>		
110001 Mental wellness before Tele Health Q21G	245,937	
110002 Emerging Technologies Q30I	16,114	
110004 Mental wellness team Q21G	7,619	203,078
110005 Aboriginal Head Start On-Reserve AHSOR Q22K	40,273	23,499
110006 Brighter Futures BF		10,211
110015 Health Planning & Management HPM Q23Y		64,142
110029 Indigenous Early Learning and Child Care program Q210	62,556	
110038 Avenir Enfant	5,272	
110040 JP - Service Coordination Q2FY	60,258	43,271
110041 JP - Allied Services Q2FQ	97,990	11,630
110042 JP - Education Q2FR	179,906	140,920
110044 JP - Med supplies Q2FT	5,419	5,123
110045 JP - Mental Health Q2G1	46,691	8,839
110046 JP - Transportation Q2FU	1,441	
110048 JP - Day Programs	750	750
110049 JP - Assisted Technology Q2GA	1,270	
110051 JP - Education assistance Q2G9	20,000	
110052 JP - Healthy Child Dev Q2FS	2,000	
110053 JP - Q2G5	639	
110059 Food Security	30,000	
110060 Social Service Child in Foster Allowance	186,099	95,481
110065 Liaison Nurses	120,000	
110099 KH62 Traditional Healer	22,793	12,678
212373 Q2C0 Operations - CFS		3,666
212383 Q2BY CFS Maintenance - Enhanced Prevent	561,670	470,216
212384 Q2BX CFS Maintenance - Enhanced Prevent	108,794	
212388 Q2C3 Prevention/Least Disruptive Measure	82,824	37,763
212395 Q2BF In-Home Care		1,691
212399 Q2BH Service Delivery		126,497
212400 Q2BW Community Based Initiative	213,322	213,322

**Micmacs of Gesgapegiag Band**  
**Notes to Consolidated Financial Statements**  
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**9 - DEFERRED REVENUES (Continued)**

	<u>2021</u>	<u>2020</u>
	\$	\$
302305 Q410 Basic Needs		143,181
302308 Q2AL Social assistance for Employment	217,501	109,255
361005 Continuous School Improvement before NFSSP	142,809	27,435
361006 Innovation in Education program before YE School Net	44,119	1,474
361007 Partnerships Initiative before Parental Involvement	50,522	50,522
361009 Education Partnerships Program	53,259	
361011 FNEC/DSSLP		
361014 Postsecondary (PSPP)	93,907	
362105 Q2JB-Q3R0-Q40Y Instructional Services Formula Seq. 1		1,114,577
362270 Q40Z Post-Secondary Student Support Program		270,335
368500 Q40Q - Education Facilities Capital		107,000
408595 Q35T Water System Rehabilitation	443,622	155,459
408746 QZ18 Waste Diversion Program	202,877	202,877
408775 Q35E Maintenance Management	390,057	
590110 Q3BN Training - Fire Protection	24,600	24,600
590115 Q3AU Fire Protection QD88	12,800	12,800
641011 Q40L-Q31M Band Support Funding		120,052
641366 QZ9P Specific Claims Submission	86,790	150,491
641843 Q32J before NG1E Fin Mgmt gov cap dev	148,893	
641850 Q32N Risk Management gov capacity Development		457,016
641851 Risk Management	164,913	
658501 Q3SJ Pandemie	6,365	
708111 Q3QP Ec dev Capacity & readiness	55,644	
708195 NTNP Land Use Planning Initiative	22,206	47,860
860037 Little Pax Knot bad	436,701	
990028 ISC repairs	101,827	
<b>Provincial government</b>		
641012 Mobilization		27,066
641013 Cultural & Language	46,803	65,910
708199 Clean energy	18,152	76,211
	<u>4,884,004</u>	<u>4,636,898</u>

**10 - LONG-TERM DEBT**

	<u>2021</u>	<u>2020</u>
	\$	\$
Canada Mortgage and Housing Corporation forgivable loan, without interest, reimbursed during the year		1,066
Canada Mortgage and Housing Corporation forgivable loan, without interest, reimbursed during the year		3,200

**Micmacs of Gesgapegiag Band**  
**Notes to Consolidated Financial Statements**  
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**10 - LONG-TERM DEBT (Continued)**

	<u>2021</u>	<u>2020</u>
	\$	\$
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	<b>245,013</b>	260,561
Mortgage loan, 4.98%, reimbursed during the year		2,576
Bank of Montreal, prime rate plus 2.5% (4.95%), payable in monthly instalments of \$1,735, plus interest, maturing in June 2025	<b>88,470</b>	109,286
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	<b>183,292</b>	194,769
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	<b>400,767</b>	425,118
Native Commercial Credit Corporation, secured by a hypothec on the universality of property and automotive equipment with a net carrying amount of \$50,296 as at March 31, 2021, 6.5%, payable in monthly instalments of \$2,315, capital and interest, maturing in November 2024	<b>90,388</b>	111,533
Laurentian Bank, secured by a building with a net carrying amount of \$14,640 as at March 31, 2021, 2.89%, payable in monthly instalments of \$233, capital and interest, renegotiable in August 2022	<b>15,222</b>	17,549
Laurentian Bank, secured by a building with a net carrying amount of \$11,550 as at March 31, 2021, 5.49%, payable in monthly instalments of \$299, capital and interest, renegotiable in August 2023	<b>31,382</b>	33,206
Mortgage loan, secured by automotive equipment with a net carrying amount of \$22,733 as at March 31, 2021, 5%, payable in monthly instalments of \$1,047, capital and interest, maturing in March 2024	<b>34,945</b>	45,483
Canada Mortgage and Housing Corporation forgivable loan, without interest, reimbursed during the year		3,200
Bank of Montreal, prime rate plus 1.5% (3.95%), reimbursed during the year		50,000
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 \$57,435 as at March 31, 2021, 6.5%, payable in monthly instalments of \$804, capital and interest, maturing in December 2024	<b>32,017</b>	39,318

**Micmacs of Gesgapegiag Band**  
**Notes to Consolidated Financial Statements**  
 March 31, 2021

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

	<u>2021</u>	<u>2020</u>
	\$	\$
Laurentian Bank, secured by a building with a net carrying amount of \$33,045 as at March 31, 2021, 4.74%, payable in monthly instalments of \$483, capital and interest, renegotiable in July 2021	<b>35,914</b>	39,924
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	<b>158,999</b>	167,892
Mortgage loan, 4.5%, reimbursed during the year		49,493
Canada Mortgage and Housing Corporation forgivable loan, without interest, forgiveness earned of \$11,110 yearly, maturing in August 2027	<b>71,287</b>	82,396
Canada Mortgage and Housing Corporation forgivable loan, without interest, forgiveness earned of \$11,720 yearly, maturing in August 2027	<b>75,201</b>	86,920
Bank of Montreal, prime rate plus 2.5% (4.95%), payable on demand, maturing in October 2021	<b>49,650</b>	49,650
Bank of Montreal, 4.45%, payable in monthly instalments of \$1,792, capital and interest, renegotiable in July 2022	<b>248,661</b>	258,877
Bank of Montreal, 4.19%, payable in monthly instalments of \$3,150, plus interest, maturing in February 2024	<b>110,238</b>	148,034
Canada Mortgage and Housing Corporation forgivable loan, without interest, reimbursed during the year		3,200
Mortgage loan, secured by automotive equipment with a net carrying amount of \$19,388 as at March 31, 2021, 7.65%, payable in monthly instalments of \$1,557, capital and interest, maturing in September 2021	<b>10,417</b>	28,276
Canada Mortgage and Housing Corporation forgivable loan, without interest, reimbursed during the year		3,200
Loan, without interest, reimbursed during the year		35,998
Loan, without interest, payable in monthly instalments of \$7,711, maturing in December 2025	<b>439,525</b>	532,057
Canada Mortgage and Housing Corporation forgivable loan, without interest, forgiveness earned of \$3,200 yearly, maturing in February 2022	<b>2,933</b>	5,867

# Micmacs of Gesgapegiag Band

## Notes to Consolidated Financial Statements

March 31, 2021

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

	<u>2021</u>	<u>2020</u>
	\$	\$
Canada Mortgage and Housing Corporation forgivable loan, without interest, forgiveness earned of \$3,200 yearly, maturing in January 2022	2,667	5,867
Canada Mortgage and Housing Corporation forgivable loan, without interest, forgiveness earned of \$2,981 yearly, maturing in January 2022	2,484	5,466
Canada Mortgage and Housing Corporation forgivable loan, without interest, forgiveness earned of \$3,200 yearly, maturing in March 2022	3,200	6,400
Bank of Montreal, 4.75%, payable in semi-annual instalments of \$32,091, capital and interest, maturing in December 2021	61,155	121,496
Canada Mortgage and Housing Corporation forgivable loan, without interest, forgiveness earned of \$11,715 yearly, maturing in September 2023	29,288	41,003
Bank of Montreal, prime rate plus 1.5% (3.95%), payable on demand, maturing in December 2021	63,750	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	149,978	196,670
Loan, capital of \$90,000, secured by the Government of Canada, non interest bearing until December 31, 2022 (a)	90,000	
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	11,138	18,102
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	17,907	27,491
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	11,075	14,632
Project # 13, C.M.H.C., mortgage (19-072-495/002), authorized amount of \$87,500, secured by 3 housing units and 1 duplex, 0.83%, payable in monthly instalments of \$395, capital and interest, maturing in May 2025	19,400	23,969



**Micmacs of Gesgapegiag Band**  
**Notes to Consolidated Financial Statements**  
 March 31, 2021

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

	<u>2021</u>	<u>2020</u>
	\$	\$
Project # 14, C.M.H.C., mortgage (19-072-495/003), authorized amount of \$129,000, secured by 4 housing units, 0.27%, payable in monthly instalments of \$573, capital and interest, renegotiable in April 2021	34,721	41,325
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	59,882	69,240
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	32,687	36,985
Project # 17, C.M.H.C., mortgage (19-072-495/006), authorized amount of \$62,000, secured by 2 duplexes, 0.69%, payable in monthly instalments of \$254, capital and interest, renegotiable in June 2025	27,284	30,106
Project # 17, C.M.H.C., mortgage (19-072-495/007), authorized amount of \$65,000, secured by 2 duplexes, 0.69%, payable in monthly instalments of \$266, capital and interest, renegotiable in June 2025	28,605	31,563
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	116,773	128,681
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	88,291	95,654
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	58,817	62,910
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	67,364	72,632
Project # 22, C.M.H.C., mortgage (19-072-495/012), authorized amount of \$189,500, secured by 1 quadruplex, 0.68%, payable in monthly instalments of \$717, capital and interest, renegotiable in October 2025	119,346	126,979

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**Notes to Consolidated Financial Statements**  
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**10 - LONG-TERM DEBT (Continued)**

	<u>2021</u>	<u>2020</u>
	\$	\$
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	820,116	865,454
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	71,075	75,004
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	<u>233,648</u>	<u>241,476</u>
	<u>4,544,972</u>	<u>5,208,504</u>
Current portion		
Subject to renewal	300,807	204,556
Other	<u>575,291</u>	<u>853,690</u>
	<u>876,098</u>	<u>1,058,246</u>
	<u><b>3,668,874</b></u>	<u><b>4,150,258</b></u>

(a) The Company received a \$120,000 loan under the Canada Emergency Business Account program. If the Company repays \$90,000 of the loan by December 31, 2022, no other amount will be payable. Otherwise, the loan balance will bear interest at 5% and may either be repaid in 36 monthly instalments of capital and interest or repaid on maturity on December 31, 2025.

Since \$30,000 of the government assistance is forgivable if the Company repays \$90,000 by December 31, 2022, the amount was recognized in earnings as the time the government assistance was granted.

The estimated instalments on long-term debt for the next five years are \$876,098 in 2022, \$736,170 in 2023, \$1,634,435 in 2024, \$789,571 in 2025 and \$742,004 in 2026.

# Micmacs of Gesgapegiag Band

## Notes to Consolidated Financial Statements

March 31, 2021

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

	2021	2020
	\$	\$
Balance, beginning of year	4,977,775	4,864,895
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
368500 Q40Q - Education Facilities Capital	117,805	
408595 Q35T Water System Rehabilitation		97,561
641011 NG0F Band Support Funding		142,814
641843 Q32J before NG1E Fin Mgmt Gov Cap Dev		73,670
641850 Q32N Risk Management gov capacity Development	75,114	
708110 NT51 Community Ec. Dev. Program		15,756
Health Canada		
110000 Medical Transportation NIHB/MT		29,940
Canada Economic Development		
708170 NTE7 Tourism Initiative		9,395
Department of Fisheries and Oceans		
860000 Mid-shore Fisheries	20,500	
860035 New Vessel and repairs	435,777	
Secrétariat aux Affaires Autochtones		
708140 Chalets Ste-Helene		9,000
708151 Gas pump project	167,851	
C.M.H.C.		
990030 Sixplex 24 Gasgusi Lane	235,907	
990031 15 Pagtape	124,875	
990032 21 Pagtape	124,875	
990033 25 Pagtape	124,875	
990034 17 Pagtape	133,607	
990035 28 Pagtape	133,607	
990036 30 Pagtape	133,607	
990037 34 Pagtape	133,607	
990038 36 Pagtape	133,607	
Ministre des Forêts, de la Faune et des Parcs du Québec		
708199 Clean energy	1,103,059	
Ministre de l'Agriculture, des Pêcheries et de l'Alimentation		
860038 Echo trawl	269,250	
Other		
212450 Service Canada for Elders Lodge		3,186
641010 Council Department		1,445
Canada Mortgage and Housing Corporation - Forgivable loans	61,751	64,421
Amortization	(643,470)	(591,246)
Balance, end of year	<u>7,863,979</u>	<u>4,977,775</u>

# Micmacs of Gesgapegiag Band

## Notes to Consolidated Financial Statements

March 31, 2021

### 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:

	<u>2021</u>	<u>2020</u>
	\$	\$
<b>Cash</b>	<b>317,820</b>	<b>371,662</b>
<b>Reserve fund</b>		
Balance, beginning of year	362,808	317,558
Adjustment requested by C.M.H.C. (Note 18)		2,200
Adjusted balance, beginning of year	362,808	319,758
Annual contribution - replacement reserve	41,900	43,050
Use of the reserve	(31,654)	43,050
Balance, end of year	<b>373,054</b>	<b>362,808</b>

With the exception of interest earned during the year, no amount has been transferred to the reserve for 2021.

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

	<u>2021</u>	<u>2020</u>
	\$	\$
Cash	<u>305,399</u>	<u>305,246</u>
<b>Reserve fund</b>		
Balance, beginning of year	358,239	305,147
Adjustment requested by C.M.H.C. (Note 18)	<u>49,689</u>	<u>53,092</u>
Balance, end of year	<u>407,928</u>	<u>358,239</u>

With the exception of interest earned during the year, no amount has been transferred to the reserve for 2021.

**14 - TANGIBLE CAPITAL ASSETS**

	<u>2021</u>		<u>2020</u>	
	Cost	Accumulated amortization	Net carrying amount	Net carrying amount
	\$	\$	\$	\$
Land	380,586		380,586	346,416
Buildings	24,380,481	14,272,679	10,107,802	9,954,490
Sanitation system	7,470,417	6,601,139	869,278	937,278
Automotive equipment	2,844,302	1,992,630	851,672	873,953
Material and equipment	2,558,987	1,300,851	1,258,136	611,677
Roads	624,319	270,426	353,893	361,965
Gravel pit	100,000		100,000	100,000
Boat	1,639,027	47,324	1,591,703	856,033
Building in construction	<u>1,952,770</u>		<u>1,952,770</u>	<u>880,042</u>
	<u>41,950,889</u>	<u>24,485,049</u>	<u>17,465,840</u>	<u>14,921,854</u>

**15 - BANK LOANS**

The bank loan, for an authorized amount of \$1,000,000, bears interest at prime rate plus 1.5% (3.95%; 3.95% as at March 31, 2020) 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, 2021

### 17 - CONTRIBUTION RECEIVABLE (PAYABLE)

	<u>2021</u>	<u>2020</u>
	\$	\$
<b>Federal government</b>		
110000 Medical Transportation NIHB/MT	(77,513)	(39,233)
212384 Q2BX CFS Maintenance - Enhanced prevent		89,083
361003 Science and Technology		(12,667)
408557 QL79-Q351 Wastewater systems		5,787
408805 Q3BK Community Capital Facilities		22,238
641366 QZ9P Specific Claims Submission	(43,701)	
<b>Provincial government</b>		
110038 Avenir Enfant		(1,439)
	<u>(121,214)</u>	<u>63,769</u>

### 18 - ADJUSTMENT TO PRIOR YEARS

After the review of the financial statements for the year ended March 31, 2020 by the Organization, the following adjustments were required:

	<u>2021</u>	<u>2020</u>
	\$	\$
<b>Micmacs Housing Corporation</b>		
Adjustment to operating reserve	49,689	53,092
Adjustment to replacement reserve		2,200
	<u>49,689</u>	<u>55,292</u>

### 19 - CONTINGENCY

As at March 31, 2021, the Organization is contingently liable as endorser in long-term debts for members of the community for an estimated amount of \$655,000 (\$730,000 in 2020).

### 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.

### 21 - ECONOMIC DEPENDENCE

The Organization receives 44% (38% in 2020) of its revenues from Indigenous Services Canada (ISC).

# Micmacs of Gesgapegiag Band

## Notes to Consolidated Financial Statements

March 31, 2021

### 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 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:

	<u>2021</u>	<u>2020</u>
	\$	\$
Cash	7,505,333	4,255,845
Term deposits		944,067
Accounts receivable	1,120,800	1,159,157
Rents receivable	2,492,275	2,322,156
Advances	46,500	53,120
Government transfers receivable	<u>4,693,597</u>	<u>2,423,064</u>
	<u>15,858,505</u>	<u>11,157,409</u>

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

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

The carrying amount of impaired accounts receivable totals \$2,793,595 as at March 31, 2021 (\$3,058,184 as at March 31, 2020).

**Micmacs of Gesgapegiag Band**  
**Notes to Consolidated Financial Statements**  
 March 31, 2021

**22 - FINANCIAL INSTRUMENTS (Continued)**

*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, 2020) 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.

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, 2021, 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	3,626,842			
Long-term debt	560,886	369,348	3,530,742	129,180
	<u>4,187,728</u>	<u>369,348</u>	<u>3,530,742</u>	<u>129,180</u>



## Micmacs of Gesgapegiag Band

### Notes to Consolidated Financial Statements

March 31, 2021

#### 23 - COMMITMENTS

The Organization has entered into long-term lease agreements expiring from October 2021 to January 2026 which call for minimum lease payments of \$54,237 for the rental of equipments.

Minimum lease payments for the next five years are \$29,470 in 2022, \$13,020 in 2023, \$10,928 in 2024, \$468 in 2025 and \$351 in 2026.

#### 24 - TRUST FUNDS HELD BY ISC

	<u>March 31, 2020</u>	<u>Addition 2021</u>	<u>Withdrawals 2021</u>	<u>March 31, 2021</u>
	\$	\$	\$	\$
Revenue	44,488			44,488
Capital	647			647
	<u>45,135</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.

#### 25 - COMPARATIVE FIGURES

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

#### 26 - BUDGETED FIGURES

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

**Micmacs of Gesgapegiag Band**  
**Notes to Consolidated Financial Statements**

Year ended March 31, 2021

**27 - SEGMENT DISCLOSURES**

The Organization provides a range of services to its members. For management reporting purposes, operations and activities are organized and reported by department. For each segment separately reported, the segment revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The presentation by segment is based on the same accounting policies as described in the summary of Significant Accounting Policies as described in Note 3. The segment results for the period are as follows :

	Health		Social Services		Education	
	Unaudited Budget		Unaudited Budget		Unaudited Budget	
	2021	2020	2021	2020	2021	2020
<b>Revenues</b>						
Federal government transfers	1,363,383	2,691,947	2,330,830	3,682,799	3,162,799	4,644,617
Provincial government transfers	55,000	54,954	4,279,549			
Other revenues	(344,900)	(240,199)	5,000	(34,285)	282,000	(1,407,093)
<b>Total Revenues</b>	<b>1,418,383</b>	<b>2,402,001</b>	<b>2,335,830</b>	<b>3,648,514</b>	<b>3,444,799</b>	<b>3,237,524</b>
<b>Expenses</b>						
Salaries and fringe benefits	845,318	1,358,713	672,552	1,459,428	2,023,730	1,771,231
Amortization						
Other expenses	579,896	682,352	1,616,278	2,189,086	1,332,783	1,454,375
<b>Total expenses</b>	<b>1,425,214</b>	<b>2,041,065</b>	<b>2,288,830</b>	<b>3,648,514</b>	<b>3,356,513</b>	<b>3,225,606</b>
<b>Transfers between programs</b>	<b>(348,572)</b>	<b>51,850</b>	<b>(474,384)</b>		<b>(1,761,550)</b>	<b>(11,918)</b>
<b>Excess (deficiency) of revenues over expenses</b>	<b>(6,831)</b>	<b>12,364</b>	<b>47,000</b>		<b>88,286</b>	<b>(957)</b>

**Micmacs of Gesgapegiag Band**  
**Notes to Consolidated Financial Statements**  
Year ended March 31, 2021

**27 - SEGMENT DISCLOSURES (Continued)**

	Public Works		Public Security		Band Support	
	Unaudited Budget 2021	2020	Unaudited Budget 2021	2021	Unaudited Budget 2021	2021
<b>Revenues</b>						
Federal government transfers	789,683	1,997,906	509,744	523,999	550,046	899,158
Provincial government transfers		1,990	470,540	470,539	1,119,128	1,066,054
Other revenues	127,854	187,729	5,000	5,569	1,678,988	2,307,731
<b>Total Revenues</b>	<b>917,537</b>	<b>2,185,635</b>	<b>985,284</b>	<b>1,000,107</b>	<b>3,348,162</b>	<b>4,272,943</b>
<b>Expenses</b>						
Salaries and fringe benefits	213,415	294,805	789,990	828,288	1,037,328	1,613,749
Amortization						
Other expenses	924,955	2,115,240	295,294	216,657	2,535,104	2,695,068
<b>Total expenses</b>	<b>1,138,370</b>	<b>2,410,045</b>	<b>1,085,284</b>	<b>1,044,945</b>	<b>3,572,432</b>	<b>4,308,817</b>
<b>Transfers between programs</b>	<b>129,050</b>	<b>174,479</b>	<b>170,000</b>	<b>51,311</b>	<b>306,250</b>	<b>227,202</b>
<b>Excess (deficiency) of revenues over expenses</b>	<b>(91,783)</b>	<b>(49,931)</b>	<b>70,000</b>	<b>6,473</b>	<b>81,980</b>	<b>191,328</b>
		<b>(114,698)</b>		<b>(3,797)</b>		<b>168,600</b>

**Micmacs of Gesgapegiag Band**  
**Notes to Consolidated Financial Statements**  
Year ended March 31, 2021

**27 - SEGMENT DISCLOSURES (Continued)**

	Economic Development		Commercial		Capital Housing	
	Unaudited Budget	2021	2020	Unaudited Budget	2021	2020
<b>Revenues</b>						
Federal government transfers	221,926	1,039,196	231,167	55,008	1,151,319	250,865
Provincial government transfers	279,209	1,285,409	356,776	170,000	549,326	181,712
Other revenues	881,383	(185,792)	865,652	13,168,371	9,397,814	14,246,202
<b>Total Revenues</b>	<b>1,382,518</b>	<b>2,138,813</b>	<b>1,453,595</b>	<b>13,393,379</b>	<b>11,098,459</b>	<b>14,678,779</b>
<b>Expenses</b>						
Salaries and fringe benefits	543,728	1,445,550	842,086	4,313,455	3,613,144	4,560,122
Amortization					56,954	60,586
Other expenses	1,642,195	796,784	710,538	6,444,535	5,300,575	7,088,264
<b>Total expenses</b>	<b>2,185,923</b>	<b>2,242,334</b>	<b>1,552,624</b>	<b>10,757,990</b>	<b>8,970,673</b>	<b>11,708,972</b>
<b>Transfers between programs</b>	<b>790,100</b>	<b>3,592,891</b>	<b>(32,279)</b>	<b>(1,590,000)</b>	<b>(1,590,000)</b>	<b>(1,200,000)</b>
<b>Excess (deficiency) of revenues over expenses</b>	<b>(13,305)</b>	<b>3,489,370</b>	<b>(131,308)</b>	<b>1,045,389</b>	<b>537,786</b>	<b>1,769,807</b>
				<b>Unaudited Budget</b>	<b>2021</b>	<b>2020</b>
				\$	\$	\$
				345,494	1,621,572	291,894
				345,494	(318,568)	899,650
				183,064	305,344	694,755
				357,013	1,114,076	1,254,821
				540,077	1,797,451	2,261,355
				194,600	128,623	515,668
				17	(365,824)	(554,143)

**Micmacs of Gesgapegiag Band**  
**Notes to Consolidated Financial Statements**  
 Year ended March 31, 2021

**27 - SEGMENT DISCLOSURES (Continued)**

	Total		
	Unaudited Budget 2021	2021	2020
	\$	\$	\$
<b>Revenues</b>			
Federal government transfers	9,328,913	18,347,128	13,971,937
Provincial government transfers	2,093,877	3,426,282	1,952,616
Other revenues	16,148,596	12,043,347	15,868,836
<b>Total Revenues</b>	<u>27,571,386</u>	<u>33,816,757</u>	<u>31,793,389</u>
<b>Expenses</b>			
Salaries and fringe benefits	10,622,579	12,746,575	12,817,118
Amortization		1,171,030	1,315,407
Other expenses	15,728,053	16,078,543	16,546,355
<b>Total expenses</b>	<u>26,350,632</u>	<u>29,996,148</u>	<u>30,678,880</u>
<b>Transfers between programs</b>			
<b>Excess (deficiency) of revenues over expenses</b>	<u>1,220,754</u>	<u>3,820,609</u>	<u>1,114,509</u>

**Micmacs of Gesgapegiag**  
**Consolidated Operations and Accumulated Surplus (Deficit) by Program**  
 Year ended March 31, 2021

	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	296,000	(77,513)	218,487	218,487			(35,144)	(35,144)
110001 Mental wellness before Tele Health Q21G	262,999	(245,937)	17,062	17,062				
110002 Emerging Technologies Q30I	16,826	(16,114)	712	712				
110003 National Native Alcohol and Drug Abuse							7,003	7,003
110004 Mental wellness team Q21G	277,731	195,459	473,190	131,628	(341,562)			
110005 Aboriginal Head Start On-Reserve AHSOR Q22K	141,389	(16,774)	124,615	124,615			71,110	71,110
110006 Brighter Futures BF		10,211	10,211	10,211			42,549	42,549
110008 Maternal Child Health MCH	137,611		137,611	137,611			4,812	4,812
110009 Environmental - Public Health Q40H	11,000		11,000	11,000			255,661	255,661
110010 Aboriginal Diabetes Initiative ADI	20,671	2,345	23,016	23,016			58,611	58,611
110011 Building Healthy Communities - BHC-MH							48,131	48,131
110014 AHHRI Health Careers Q231	7,758		7,758	7,758			(4,953)	(4,953)
110015 Health Planning & Management HPM Q23Y	614,065	70,307	684,372	667,453	(16,919)		(305,411)	(305,411)
110016 Clinical and Client Care CCC	162,699		162,699	162,699			128,399	128,399
110018 FN and Inuit Health Services AS/Accreditation				9,909	9,909		37,982	37,982
110020 Public Health - QO1T							17,257	17,257
110021 Clinical and Client Care CCC service delivery Q02I	31,733		31,733	31,733				
110029 Indigenous Early Learning and Child Care program Q210	79,302	(62,556)	16,746	16,746				
110030 Children's Oral Health Initiative and D	31,000		31,000	31,000			111	111
110037 Gesgapegiag Arena/Balfield						30	(92,348)	(92,348)
110038 Avenir enfant		12,389	12,389	12,359			(19,952)	(19,952)
110040 JP-Service coordination Q2FY	69,078	(16,987)	52,091	52,091				
110041 JP - Allied Services Q2FQ	120,009	(86,360)	33,649	33,649				
110042 JP - Education Q2FR	125,697	(38,986)	86,711	86,711				
110044 JP - Med supplies Q2FT	1,427	(296)	1,131	1,131				

**Micmacs of Gesgapeagiag**  
**Consolidated Operations and Accumulated Surplus (Deficit) by Program**  
 Year ended March 31, 2021

	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
	\$	\$	\$	\$	\$	\$	\$	\$
110045 JP - Mental Health Q2G1	57,450	(37,852)	19,598	19,598				
110046 JP - Transportation Q2FU	6,438	(1,441)	4,997	4,997				
110049 JP - Assisted Technology Q2GA	4,752	(1,270)	3,482	3,482				
110050 First Nations and Inuit Home and Commun HCC							(210,397)	(210,397)
SD								
110051 JP - Education assistance Q2G9	20,000	(20,000)						
110052 JP - Healthy Child Dev Q2FS	2,000	(2,000)						
110053 JP - Q2G5	639	(639)						
110060 Social Service Child in Foster Allowance		15,731	15,731	15,731			49,216	49,216
110067 Cancer control		12,334	12,334			12,334		12,334
110075 Blood Borne disease and Sexually Transmitted Q401	28,506		28,506	28,506				
110081 CHR, Healthy Leaving	112,728		112,728	112,728				
110090 Probation Officer (before 655700)		54,954	54,954	54,954			4,980	4,980
110091 Tobacco Q226	13,488		13,488	13,488				
110099 Q01T Traditional Healer	10,115	(10,115)						
Sub total - Health	2,663,111	(261,110)	2,402,001	2,041,065	(348,572)	12,364	57,617	69,981
<b>SOCIAL SERVICES</b>								
212373 Q2C0 Operations - CFS	555,635	4,796	560,431	560,431			(239,954)	(239,954)
212383 Q2BY CFS Maintenance - Enhanced Prevent	639,254	(59,733)	579,521	579,521			(41,273)	(41,273)
212384 Q2BX CFS Maintenance - Enhanced Prevent	815,771	(108,794)	706,977	706,977			(206,996)	(206,996)
212388 Q2C3 Prevention/Least Disruptive Measure	361,290	(43,381)	317,909	317,909			(64,626)	(64,626)
212395 Q2BF In-Home Care	237,976	1,691	239,667	239,667			(336,016)	(336,016)
212399 Q2BH Service Delivery	400,000	126,497	526,497	420,808	(105,689)		(5,924)	(5,924)
302305 Q410 Basic Needs	880,000	143,733	1,023,733	650,401	(373,332)		(172,209)	(172,209)
302306 Q29W Basic Needs	108,052		108,052	108,052				
302308 Q2AL Social assistance for Employment	134,466	(108,246)	26,220	26,220			(96,694)	(96,694)
302330 Q2AF Service Needs	40,917		40,917	45,554	4,637		48,139	48,139

**Micmacs of Gesgapeagiag**

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

Year ended March 31, 2021

	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
	\$	\$	\$	\$	\$	\$	\$	\$
309006 Q2AK Case management capacity	71,326		71,326	71,326				
309009 Q2AM Services delivery infra	3,141		3,141	3,141				
Sub Total Social Services	4,247,828	(43,437)	4,204,391	3,730,007	(474,384)	(1,115,553)	(1,115,553)	
<b>EDUCATION</b>								
361000 FNEC New Paths							21,362	21,362
361001 Career Promotion							(3,684)	(3,684)
361002 Youth Employment							(17)	(17)
361003 Science and Technology							794	794
361004 Skills Link							(633)	(633)
361005 Continuous School Improvement before FNSSP		288,958	288,958	288,958			450	450
361006 Innovation in Education program before YE		796	796	796				
School Net		22,341	22,341	22,341				
361009 Education Partnerships Program							(1,012)	(1,012)
361011 FNEC/DSSLP							(1,750)	(1,750)
361013 NP1M New Paths Language				65,377	65,377		(1,450)	(1,450)
361300 NTHL Schools - O&M				3,056	3,056		154,319	154,319
362105 Q2JB-Q3R0-Q40Y Instructional Services Formula								
Seq. 1	2,497,465	1,122,567	3,620,032	2,002,675	(1,618,314)	(957)	702,069	701,112
362126 NP0S Ancillary Support							24,920	24,920
362138 NP12 Financial Assistance Allowances							191,957	191,957
362140 NP14 Advice and Assistance, Provincial							165,789	165,789
362145 NP18 Student Transportation Services							465,972	465,972
362150 NP09 Band operated School evaluation				155,991	155,991		(6,875)	(6,875)
362234 Band Operated School - Special Education		376,138	376,138	376,138			(19,186)	(19,186)
362270 Q40Z Post-Secondary Student Support Program	536,609	270,335	806,944	535,479	(271,465)		(123,401)	(123,401)
368500 Q40Q - Education Facilities Capital	107,000	(10,805)	96,195		(96,195)			
Sub Total Education	3,141,074	2,070,330	5,211,404	3,450,811	(1,761,550)	(957)	1,569,624	1,568,667



**Micmacs of Gesgapeagag**  
**Consolidated Operations and Accumulated Surplus (Deficit) by Program**  
 Year ended March 31, 2021

	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>PUBLIC WORKS</b>								
408557 QL79-Q351 Wastewater systems		(9,557)	(9,557)		9,557			
408565 Q35A Wastewater Systems	107,569	12,977	120,546	135,704	(14,852)	(30,010)	(583,547)	(613,557)
408566 Q401O Water Systems	107,000	13,230	120,230	115,791	(24,360)	(19,921)	(47,748)	(67,669)
408595 Q35T Water System Rehabilitation	337,191	(288,163)	49,028	49,028				
408627 Q3DB Pagtape Extension	445,027	787,207	1,232,234	1,288,487	56,253		(1,382)	(1,382)
408748 Q3AX Roads and Bridges QD88				22,150	22,150		(25,468)	(25,468)
408751 Q40U Community Buildings	12,800		12,800	12,800			(43,470)	(43,470)
408767 Q3BH Roads and Bridges							(322,814)	(322,814)
408774 Q40T Maintenance Management	238,065	31,999	270,064	550,275	280,211		(298,424)	(298,424)
408775 Q35E Maintenance Management	759,811	(390,057)	369,754	75,274	(294,480)			
408805 Q3BK Community Capital Facilities							237,659	237,659
410000 Community Beautification & Elder Assistance		20,536	20,536	160,536	140,000		2,397	2,397
Sub Total Public Works	2,007,463	178,172	2,185,635	2,410,045	174,479	(49,931)	(1,082,797)	(1,132,728)
<b>PUBLIC SECURITY</b>								
590104 Policing/COVID 19		222,616	222,616	222,616			17,103	17,103
590105 Policing Services		757,672	757,672	757,672			(579,049)	(579,049)
590106 Police Tickets		4,869	4,869	650		4,219	27,257	31,476
590107 Dog Catcher				7,811	7,811		17,195	17,195
590108 Emergency preparedness		14,250	14,250	14,250			(14,250)	(14,250)
590110 Q3BN Training - Fire Protection							68,476	68,476
590115 Q3AU Fire Protection QD88							89,246	89,246
590120 Q3BG Fire Protection		700	700	41,946	43,500	2,254	(26,388)	(24,134)
590125 Q3FN Preparedness Emergency							(8,613)	(8,613)
Sub Total Public Security	1,000,107	1,000,107	1,044,945	1,044,945	51,311	6,473	(409,023)	(402,550)

**Micmacs of Gesgapegiag**  
**Consolidated Operations and Accumulated Surplus (Deficit) by Program**  
 Year ended March 31, 2021

	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>BAND SUPPORT</b>								
630000 MMBC		18,000	18,000	1,700		16,300	(5,532)	10,768
630050 Coop Handicraft				5,111	5,111		(1,683)	(1,683)
630060 Walgwan Center		165,745	165,745	33,310		132,435	1,043,192	1,175,627
640000 Estuary Fishing Agreement		1,385,549	1,385,549	1,296,504	(89,045)	(6,483)	(356,546)	(356,546)
641010 Council department				228,085	221,602		(502,964)	(6,483)
641011 Q40L-Q31M Band Support Funding	461,986	877,098	1,339,084	1,420,217	81,892	759		(502,205)
641012 Mobilization		48,992	48,992	56,634	7,642			
641013 Cultural & Language		64,107	64,107	64,107				
641017 NGOM CPP/QPP and Private Pension Plans	112,628		112,628	112,628			(3,189)	(3,189)
641366 QZ9P Specific Claims Submission		20,000	20,000	20,000				
641843 Q32J before NG1E Fin Mgmt gov cap dev	203,333	(148,893)	54,440	54,440				
641845 NG1E Financial Management gov. Capacity Development							36,201	36,201
641850 Q32N Risk Management gov capacity Development		381,902	381,902	381,902				
641851 Risk Management	164,913	(164,913)						
Gesgapegiag Human Resource Development Commission		692,496	692,496	644,076		48,420	(64,904)	(16,484)
Gesgapegiag Natural Resources Inc.				103		(103)	66,681	66,578
Elimination of inter-organizational transactions upon consolidation		(10,000)	(10,000)	(10,000)				
Sub Total Band Support	942,860	3,330,083	4,272,943	4,308,817	227,202	191,328	211,256	402,584
<b>ECONOMIC DEVELOPMENT</b>								
650050 Daycare Center Rent		70,374	70,374	99,091		(28,717)	(20,085)	(48,802)
651025 Rod Lease		25,000	25,000	17,574		7,426	(30,287)	(22,861)
652000 Pastoral Agent Church		4,915	4,915	17,114	12,199		(4,642)	(4,642)
653000 Cascapedia Society		396,673	396,673	396,673			48,183	48,183

**Micmacs of Gesgapegiag**  
**Consolidated Operations and Accumulated Surplus (Deficit) by Program**  
 Year ended March 31, 2021

	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
	\$	\$	\$	\$	\$	\$	\$	\$
655000 Summer Student Employment Program		21,874	21,874	24,176	2,302		24,811	24,811
656600 Owned Source Revenue and Surplus		349,998	349,998	398,305	3,545,337	3,497,030	(8,641,570)	(5,144,540)
658500 Q3FP Pandemie	522,763	60,141	582,904	582,904			(17,250)	(17,250)
658501 Q3SJ Pandemie	198,393	(6,365)	192,028	192,028				
680000 Elections				763	763			
708110 Q40W Community Ec. Dev. Program	141,417	59,014	200,431	221,898	19,290	(2,177)	55,603	53,426
708111 Q3QP Ec dev Capacity & readiness	168,830	(55,644)	113,186	113,186				
708140 Chalets Ste-Helene							(381,144)	(381,144)
708145 Chalets Ste-Helene (operationnel)		124,597	124,597	183,796	9,000	(50,199)	(35,031)	(85,230)
708170 Tourism Initiative		7,378	7,378	7,378			(58,014)	(58,014)
708180 Community Park Project		2,700	2,700	11,352	4,000	(4,652)	(17,041)	(21,693)
708190 Q40 Lands, membership and Estates	11,101		11,101	40,455		(29,354)	8,549	(20,805)
708195 Land use planning Initiative		25,654	25,654	25,654				
708196 Interpretation center		10,000	10,000	10,000				
Elimination of inter-organizational transactions upon consolidation			(100,013)	(100,013)		100,013		100,013
<b>Sub Total Economic Development</b>	<b>1,042,504</b>	<b>1,096,309</b>	<b>2,138,813</b>	<b>2,242,334</b>	<b>3,592,891</b>	<b>3,489,370</b>	<b>(9,067,918)</b>	<b>(5,578,548)</b>
<b>COMMERCIAL</b>								
860000 Mid-shore Fisheries		4,993,561	4,993,561	3,146,660	(1,830,000)	16,901	20,970,841	20,987,742
860004 Sub-contract Other Species Mathilde		12,075	12,075			12,075		12,075
860005 Fisheries Training C4		58,688	58,688	21,142		37,546	586,926	624,472
860006 Natural Resources Administration		188,288	188,288	448,826	240,000	(20,538)	(844,200)	(864,738)
860007 Virginia Audrey/Mathilde		1,036,007	1,036,007	466,740		569,267	83,563	652,830
860010 Gesgapegiag Lobsterhut		260,942	260,942	392,716		(131,774)	45,690	(86,084)
860011 Lobster Whole Sale		1,701,577	1,701,577	1,250,423		451,154	188,283	639,437
860034 Ansalewit & Guiimu boats		4,689	4,689	317,624		(312,935)	278,138	(34,797)
860035 New Vessel and repairs		50,700	50,700	99,721	49,021			

**Micmacs of Gesgapegiag**  
**Consolidated Operations and Accumulated Surplus (Deficit) by Program**  
Year ended March 31, 2021

	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
	\$	\$	\$	\$	\$	\$	\$	\$
860036 Communal Fisheries		1,106,477	1,106,477	1,314,207		(207,730)	(184,249)	(391,979)
860037 Little Pax Knot bad	485,722	(436,701)	49,021		(49,021)			
870999 Forestry General		704,809	704,809	668,878		35,931	680,381	716,312
871000 Forestry Training		88,090	88,090	128,564	10,000	(30,474)	(205,859)	(236,333)
872000 Production/Forestry		290,498	290,498	253,325		37,173	3,032	40,205
872500 Community Firewood Assistance		256,000	256,000	105,659	(10,000)	140,341	(97,490)	42,851
9252-9106 Québec Inc. (Gesgapegiag Excavation)		297,037	297,037	356,188		(59,151)	(3,544,861)	(3,604,012)
Elimination of inter-organizational transactions upon consolidation								
Sub Total Commercial	485,722	10,612,737	11,098,459	8,970,673	(1,590,000)	537,786	17,960,195	18,497,981
<b>CAPITAL HOUSING</b>								
990000 Housing Construction Sixplex							87,748	87,748
990002 Small Repair Q40S	107,000		107,000	107,000			(27,333)	(27,333)
990007 Construction Article 95				96,000	96,000			
990009 Q38L Planning Design and Construction							(7,157)	(7,157)
990011 Q40R Housing Councils	14,000	21,509	35,509	38,109	2,600		(42,152)	(42,152)
990019 Q3BL Special services	40,000		40,000	57,750	17,750			
990022 Building insurance house		(139,614)	(139,614)			(199,614)	139,614	
990025 Elder's house repairs				12,273				
990027 CHMC repairs				31,808			(31,808)	(31,808)
990028 ISC repairs	164,369	(101,827)	62,542	62,542				
990030 Sixplex 24 Gasgusi Lane		(332)	(332)					
999001 Mortgage Payments		94,789	94,789	19,060				
999002 Replacement reserve pre 96		20,153	20,153	20,153				
999003 Replacement reserve post 97		11,501	11,501	11,501				
999990 Amortization of tangible capital assets		595,432	595,432	970,000				
Micmacs Housing Corporation		576,037	576,037	371,255				
							(6,387,868)	(6,772,436)
							(1,523,567)	(1,318,785)

**Micmacs of Gesgapeagiag**  
**Consolidated Operations and Accumulated Surplus (Deficit) by Program**  
 Year ended March 31, 2021

	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
	\$	\$	\$	\$	\$	\$	\$	\$
Elimination of inter-organizational transactions upon consolidation		(100,013)	(100,013)			(100,013)		(100,013)
Sub Total Capital Housing	325,369	977,635	1,303,004	1,797,451	128,623	(365,824)	(9,000,986)	(9,366,810)
<b>PRIOR PERIOD FINANCIAL</b>								
999999 Discontinued projects							6,657,591	6,657,591
<b>TOTAL</b>	<b>14,855,931</b>	<b>18,960,826</b>	<b>33,816,757</b>	<b>29,996,148</b>	<b>3,820,609</b>	<b>3,820,609</b>	<b>5,780,006</b>	<b>9,600,615</b>

**Micmacs of Gesgapegiag Band**  
**Schedule of Salaries, Honoraria, Travel Expenses and Other Remuneration**  
 March 31, 2021

	Position title	Number of months	Honoraria	Remuneration	Expenses
			\$	Note 1	Note 2
			\$	\$	\$
<b>Elected officials:</b>					
John Martin	Chief	12		92,731	1,186
Dorothy Gedeon	Councillor	12	15,150	26,461	
Christianne B. Jerome	Councillor	12	17,863	5,000	146
Amy Martin	Councillor	12	17,750	8,425	845
Armand Martin	Councillor	12	14,730	25,762	122
Douglas Martin	Councillor	9	13,025	13,461	229
Gary Luc Martin	Councillor	9	7,500	21,894	1,980
Tammy Martin	Councillor	12	16,400		857
Mitchell Syvret-Caplin	Councillor	8	10,000	29,240	
			112,418	222,974	5,365

Note 1: "Remuneration" means any salaries, wages, commissions, bonuses, fees, dividends and any other monetary benefits — other than the reimbursement of expenses — and non-monetary benefits. Examples are provided in the supporting document which accompanies this document on the Internet sites of Crown-Indigenous Relations and Northern Affairs Canada and Indigenous Services Canada, in the section entitled: "Supplementary Information".

Note 2: As per the First Nations Financial Transparency Act: "expenses" include the costs of transportation, accommodation, meals, hospitality and incidental expenses.

**Micmacs of Gesgapegiag Band**  
**Schedule of Salaries, Honoraria, Travel Expenses and Other Remuneration**  
 March 31, 2021

	Position title	Number of months	Actual or Approved Salary Range	
			From	To
			\$	\$
<b>Unelected officials:</b>				
Clement Bernard	Director General	4	82,919	101,265
Frederic Vicaire	Director General	8	82,919	101,265
Christina Burnsed	Director of Fisheries	12	58,768	70,216
Francine Ross	Financial Controller	12	63,554	75,949
Hollie Larocque	Director of Economic Development and Land	12	57,785	69,051
Amanda Larocque	Director of Health and Wellness	12	86,180	102,994
Franklin Condo	Director of Public Security	6	67,600	80,787
Marvin Condo	Director of Public Security	6	67,600	80,787
Maxime Condo Jr	Director of Public Works, Infrastructure and Housing	12	51,997	62,153
Ken Arsenault	Director of Forestry	12	60,701	72,543
Treena Metallic	Director of Learning, Training and Employment	12	86,432	101,483