

Micmacs of Gesgapegiag Band
Consolidated Financial Statements
March 31, 2026

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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:

A blue ink signature of Roderick Larocque, consisting of stylized initials and a surname, written over a horizontal line.

Roderick Larocque

Chief

A blue ink signature of Amanda Larocque, consisting of stylized initials and a surname, written over a horizontal line.

Amanda Larocque

General Director

August 10, 2026



**Raymond Chabot
Grant Thornton**

Independent Auditor's Report

**Raymond Chabot
Grant Thornton LLP**
138 Route 132 West
New Richmond (Québec)
G0C 2B0

T 418 392-5001

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 consolidated statement of financial position as at March 31, 2026, 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, 2026, and the results of its operations, its remeasurement gains and losses, 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 \$29,368,535 (\$18,631,482 in 2025) 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 consolidated financial statements for the year ended March 31, 2025. If the deferred contributions related to tangible capital assets had been presented in revenues upon the acquisition of the related tangible capital asset, revenues would have been increased by \$10,892,072 in 2026 and \$4,611,321 in 2025 and excess of revenues over expenses would have been increased by the same amount, accumulated surplus would have increased by \$29,368,535 in 2026 and \$18,631,482 in 2025 and liabilities would have been reduced by the same amount.

Also, Micmacs of Gesgapegiag Band interest in Mi'gmawei Mawiomis Resources L.P., a limited partnership accounted at cost, is carried at \$100 on the statement of financial position as at March 31, 2026 and 2025, and Micmacs of Gesgapegiag Band share of Mi'gmawei Mawiomis Resources L.P.'s net income is not included in Micmacs of Gesgapegiag Band's income for the years ended March 31, 2026 and 2025 in accordance with the modified equity method, as required by Canadian public sector accounting standards. The effects of this departure on the consolidated financial statements for the years ended March 31, 2026 and 2025 have not been determined and the information to be provided has not been presented. Our opinion on the consolidated financial statements for the year ended March 31, 2025 was qualified accordingly because of the possible effects of this departure.

Also, Micmacs of Gesgapegiag Band interest in Salaweg Inc. and Mi'gmawei Mawiomis Business Corporation Inc., a limited partnership accounted at cost, is carried at \$33 333 and \$1 respectively on the statement of financial position as at March 31, 2026 and 2025 and Micmacs of Gesgapegiag Band share of Salaweg Inc.'s and Mi'gmawei Mawiomis Business Corporation Inc., net income are not included in Micmacs of Gesgapegiag Band's income for the years ended March 31, 2026 and 2025 in accordance with the modified equity method, as required by Canadian public sector accounting standards. The effects of this departure on the consolidated financial statements for the years ended March 31, 2026 and 2025 have not been determined and the information to be provided has not been presented. Our opinion on the consolidated financial statements for the year ended March 31, 2025 was qualified accordingly because of the possible effects of this departure.

Also, 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. The effects of this departure on the consolidated financial statements for the years ended March 31, 2026 and 2025 have not been determined. Our opinion on the consolidated financial statements for the year ended March 31, 2025 was qualified accordingly because of the possible effects of this departure.

Finally, the Organization did not apply the requirements of the section PS 3280, Assets Retirement Obligations, of the CPA Canada Public Sector Accounting Handbook. Therefore, as at March 31, 2026, the Organization did not measure or recognize any liability for asset retirement obligations and did not provide the related disclosures. This constitutes a departure from Canadian public sector accounting standards. The effects of this departure on the consolidated financial statements for the years ended March 31, 2026 and 2025 have not been determined. Our opinion on the consolidated financial statements for the year ended March 31, 2025 was qualified accordingly because of the possible effects of this departure.

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 achieve fair presentation;

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.

Raymond Chabot Grant Thornton LLP¹

New Richmond
August 10, 2026

¹ CPA auditor, public accountancy permit no. A131301

Micmacs of Gesgapegiag Band
Consolidated Financial Position
 March 31, 2026

	2026	2025
	\$	\$
FINANCIAL ASSETS		
Cash	6,591,181	5,459,678
Term deposits	12,000,000	7,360,000
Restricted cash and deposits (Note 3)	958,064	734,055
Accounts receivable (Note 4)	1,072,509	2,771,535
Due from government and other government organizations (Note 5)	9,701,343	7,601,248
Inventory	47,042	31,064
Investments (Note 6)	33,434	33,434
	<u>30,403,573</u>	<u>23,991,014</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 7)	6,867,479	3,691,071
Deferred revenues (Note 8)	11,056,090	17,924,452
Current portion of long-term debt (Note 9)	568,113	653,066
Long-term debt (Note 9)	3,683,456	3,805,066
Deferred contributions related to tangible capital assets (Note 10)	29,368,535	18,631,482
Reserve funds		
Replacement reserve (Note 11)	407,894	358,684
Operating reserve (Note 12)	535,977	599,153
Employee benefit obligations	876,705	556,285
	<u>53,364,249</u>	<u>46,219,259</u>
NET DEBT	<u>(22,960,676)</u>	<u>(22,228,245)</u>
NON-FINANCIAL ASSETS		
Prepaid expenses	242,636	108,887
Tangible capital assets (Note 13)	48,049,846	37,265,018
	<u>48,292,482</u>	<u>37,373,905</u>
ACCUMULATED SURPLUS (Note 14)	<u>25,331,806</u>	<u>15,145,660</u>
Contingencies (Note 19)		

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, 2026

	Unaudited budget (note 24)	2026	2025
	\$	\$	\$
Revenues			
Federal government transfers			
ISC Grant	13,349,337	14,728,160	14,400,227
ISC Fixed Contribution	10,139,079	10,566,579	10,790,281
ISC Set Contribution	964,998		368,210
ISC Flexible Contribution	644,920	2,476,557	762,182
ISC Block Contribution	209,587	77,800	260,316
Contribution receivable (payable) (Note 17)		51,880	(71,276)
Correction of receivable, deferred revenues and unexpended funding of prior years		444,811	(451,727)
Health Canada			210,000
Solicitor General of Canada	3,616,018	3,417,812	1,783,361
Canadian Heritage	250,000	250,000	258,000
First Nations Education Council	27,396	271,620	362,325
Revenue Canada	32,004	114,914	243,995
Canada Mortgage and Housing Corporation	150,000	231,829	618,873
Canada Economic Development		2,000	54,339
Department of Fisheries and Oceans	433,000	4,589,055	1,606,097
Environment and Climate Change Canada		200,000	269,720
Natural Resources Canada	600,000	150,000	
Library and Archives Canada			20,605
	<u>30,416,339</u>	<u>37,573,017</u>	<u>31,485,528</u>
Provincial government transfers			
Ministre de la Sécurité publique	4,242,910	4,385,509	3,440,622
Ministre de la Culture et des Communications	150,000	189,000	84,906
Ministre de l'Environnement, de la Lutte contre les changements climatiques, de la Faune et des Parcs	1,300,000	1,300,000	1,500,000
Ministre des Ressources naturelles et des Forêts	190,000	296,987	280,346
Secrétariat aux relations avec les Premières Nations et les Inuit	171,250	377,541	1,220,500
	<u>6,054,160</u>	<u>6,549,037</u>	<u>6,526,374</u>
Other			
First Nations Human Resources Development Commission of Quebec	455,269	523,178	654,582
Native Commercial Credit Corporation (SOCCA)	15,000		250,000
First Nations of Quebec and Labrador Health and Social Services Commission		1,646,998	979,059
Welfare injection	7,040	33,213	43,313
Gesgapegiag Human Resource Development Commission	54,265	21,599	9,531
Community services		19,890	23,670
Loss on disposal of tangible capital assets		(24,664)	(25,088)
Rental revenues	549,216	929,052	871,611

Micmacs of Gesgapegiag Band
Consolidated Operations
Year ended March 31, 2026

	Unaudited budget	2026	2025
	\$	\$	\$
Administration revenues	2,108,211	2,939,092	2,245,591
Forestry sales	1,489,927	512,069	577,494
Lodging revenues	115,000	88,974	
Gas, restaurant and rooms sales	625,000	539,272	406,139
Fisheries sales	11,688,565	15,717,017	11,372,949
Fishing leases	715,045	794,555	879,387
Fishing quota rental	320,000		
Other revenues	1,280,682	2,617,400	2,864,334
Deferred contribution related to tangible capital assets	(281,000)	(13,312,611)	(6,540,928)
Amortization of deferred contributions related to tangible capital assets		2,420,539	1,931,833
Deferred revenue from previous years (Note 8)	4,607,370	17,924,452	17,327,000
Less: Deferred revenue (Note 8)	(53,123)	(11,056,090)	(17,924,452)
	<u>23,696,467</u>	<u>22,333,935</u>	<u>15,946,025</u>
	<u>60,166,966</u>	<u>66,455,989</u>	<u>53,957,927</u>
Expenses			
Salaries and fringe benefits	20,440,773	21,646,832	18,593,378
Travel	849,721	690,130	756,868
Professional fees	480,405	647,165	401,776
Publicity and promotion		37	175
Material and equipment rental	534,386	378,975	333,463
Training and development	1,170,685	2,220,477	101,979
Fishing quota rental		24,825	
Fisheries purchases	3,626,784	3,997,858	3,206,383
Honoraria	394,096	216,348	169,187
Economic Stimulus Package		1,364,925	1,440,000
Contracted services	8,759,408	15,294,705	12,541,562
Membership fees	8,604	43,270	5,400
Materials and supplies	1,584,968	3,284,457	2,723,037
Office supplies and expenses	104,607	143,821	93,967
Repair and maintenance	652,263	699,524	1,152,910
Energy	885,922	808,873	694,726
Telecommunications	117,609	75,683	72,440
Insurance	536,178	838,366	615,166
Interest and bank charges	50,117	73,171	60,539
Interest on long-term debt	74,181	203,423	178,293
Doubtful accounts (recovered)		(872,561)	746,081
Administration charges	2,418,579	2,955,152	2,223,125
Room and board and educational allowances	320,182	561,237	510,958
Business contributions			9,000
Contributions to community activities	31,568	98,160	137,509
Band contributions	13,000	120,000	17,500
Program aids	756,402	704,713	570,733
Medical fees	131,946	479,603	313,294

Micmacs of Gesgapegiag Band

Consolidated Operations

Year ended March 31, 2026

	Unaudited budget	2026	2025
	\$	\$	\$
Tuition fees	262,422	225,393	268,901
Family support		2,082,350	
Other	75,897	1,483	67,147
Basic needs	1,199,398	1,449,041	1,170,325
Special needs	26,500	25,318	41,447
Purchase of equipment	7,278,851	4,109,952	2,728,157
Welfare injection	50,250	37,313	31,164
Registration fees	81,238	182,534	147,195
Placements	2,699,650	1,992,477	1,884,843
Redevances on quota		6,008	10,581
Purchases for resale		298,246	273,374
Variation of gas inventory		(15,978)	28,758
Annual contribution - replacement reserve		49,210	49,227
Expenses capitalized to tangible capital assets	(353,528)	(14,827,076)	(9,160,023)
Amortization of tangible capital assets		4,017,579	2,690,130
Transfer between programs	396,725		
	<u>55,659,787</u>	<u>56,333,019</u>	<u>47,900,675</u>
Excess of revenues over expenses	<u>4,507,179</u>	<u>10,122,970</u>	<u>6,057,252</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, 2026

	<u>2026</u>	<u>2025</u>
	\$	\$
Balance, beginning of year	15,145,660	9,263,212
Excess of revenues over expenses	10,122,970	6,057,252
	25,268,630	15,320,464
Adjustment to prior years (Note 18)	(63,176)	174,804
Balance, end of year	25,331,806	15,145,660

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, 2026

	<u>2026</u>	<u>2025</u>
	\$	\$
Excess of revenues over expenses	10,122,970	6,057,252
Adjustment to prior years (Note 18)	63,176	(174,804)
	<u>10,186,146</u>	<u>5,882,448</u>
Tangible capital assets		
Acquisition of tangible capital assets	(14,827,071)	(9,160,023)
Loss (gain) on disposal of tangible capital assets	24,664	25,088
Amortization of tangible capital assets	4,017,579	2,690,130
Total tangible capital assets	<u>(10,784,828)</u>	<u>(6,444,805)</u>
Use (acquisition) of prepaid expenses	(133,749)	25,779
Changes in net debt	(732,431)	(536,578)
Net debt, beginning of the year	<u>(22,228,245)</u>	<u>(21,691,667)</u>
Net debt, end of the year	<u>(22,960,676)</u>	<u>(22,228,245)</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, 2026

	<u>2026</u>	<u>2025</u>
	\$	\$
OPERATING ACTIVITIES		
Excess of revenues over expenses	10,122,970	6,057,252
Non-cash items		
Amortization of tangible capital assets	4,017,579	2,690,130
Adjustment of deferred contributions related to tangible capital assets from previous year	(155,021)	2,227
Amortization of deferred contributions related to tangible capital assets	(2,420,539)	(1,931,833)
Transfer to the replacement reserve fund for the year	49,210	49,227
Loss on disposal of tangible capital assets	24,664	25,088
	<u>11,638,863</u>	<u>6,892,091</u>
Net change in assets and liabilities	<u>(3,922,330)</u>	<u>(1,632,377)</u>
Cash flows from operating activities	<u>7,716,533</u>	<u>5,259,714</u>
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets and cash flows from capital activities	<u>(14,827,071)</u>	<u>(9,160,023)</u>
INVESTING ACTIVITIES		
Restricted cash and deposits and cash flows from investing activities	<u>(224,009)</u>	<u>224,100</u>
FINANCING ACTIVITIES		
Long-term loans	324,707	431,251
Repayment of long-term loans	(531,270)	(581,083)
Deferred contributions related to tangible capital assets	13,312,613	6,540,928
Cash flows from financing activities	<u>13,106,050</u>	<u>6,391,096</u>
Net increase in cash	<u>5,771,503</u>	<u>2,714,887</u>
Cash and cash equivalents, beginning of year	<u>12,819,678</u>	<u>10,104,791</u>
Cash and cash equivalents, end of year	<u>18,591,181</u>	<u>12,819,678</u>
CASH AND CASH EQUIVALENTS		
Cash	6,591,181	5,459,678
Term deposits	12,000,000	7,360,000
	<u>18,591,181</u>	<u>12,819,678</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, 2026

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 - 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., Gesgapegiag Business Corporation Inc. and Gesgapegiag Wealth Management Inc. which are wholly owned.

The consolidated financial statements also include investments in government businesses in which the Organization exercises joint control, that is, a 33% interest in Mi'gmawei Mawiomi Business Corporation, 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.

Micmacs of Gesgapegiag Band
Notes to Consolidated Financial Statements
March 31, 2026

2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition

Government transfers

Government transfers are recognized as revenue when authorized and when the Organization has satisfied any eligibility criteria unless the agreement stipulations create an obligation that meets the definition of a liability. In such a case, the government transfer is recognized as a liability under Government transfer liability.

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.

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).

At each reporting date, the Organization measures its financial assets and liabilities from transactions not concluded with related parties at amortized cost (including any impairment in the case of financial assets), whereas those from related party transactions are measured using the cost method (including any impairment in the case of financial assets).

Micmacs of Gesgapegiag Band
Notes to Consolidated Financial Statements
March 31, 2026

2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial assets and liabilities(Continued)

Subsequent measurement (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 frequently fluctuate 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 using the weighted average cost 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.

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

Micmacs of Gesgapegiag Band
Notes to Consolidated Financial Statements
 March 31, 2026

2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Non-financial assets (Continued)

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.

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.

Micmacs of Gesgapegiag Band
Notes to Consolidated Financial Statements
 March 31, 2026

2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

3 - RESTRICTED CASH AND DEPOSITS

	2026	2025
	\$	\$
Replacement reserve fund (Note 12)	358,771	99,494
Operating reserve fund (Note 13)	599,293	634,561
	<u>958,064</u>	<u>734,055</u>

4 - ACCOUNTS RECEIVABLE

	2026	2025
	\$	\$
Accounts receivable	2,579,839	4,489,645
Rents receivable	1,973,598	2,766,362
Advances	43,018	54,548
Indirect taxes receivable	286,395	143,882
	<u>4,882,850</u>	<u>7,454,437</u>
Doubtful accounts	3,810,341	4,682,902
	<u>1,072,509</u>	<u>2,771,535</u>

5 - DUE FROM GOVERNMENT AND OTHER GOVERNMENT ORGANIZATIONS

	2026	2025
	\$	\$
Federal government		
Indigenous Services Canada (ISC)	1,231,005	3,193,949
Health Canada	(14,765)	(14,765)
C.M.H.C.	15,483	225,385
Department of Fisheries and Oceans	4,398,633	905,702
First Nations Education Council	199,984	70,961
Canada Economic Development	2,000	
Environment and Climate Change Canada	679,990	129,990

Micmacs of Gesgapegiag Band
Notes to Consolidated Financial Statements
 March 31, 2026

5 - DUE FROM GOVERNMENT AND OTHER GOVERNMENT ORGANIZATIONS (Continued)

	<u>2026</u>	<u>2025</u>
	\$	\$
Provincial Government		
Finance Québec	1,000	1,000
Ministre de l'Environnement, de la Lutte contre les changements climatiques, de la Faune et des Parcs	520,000	
Ministre des Ressources Naturelles et des Forêts	229,544	100,019
Secrétariat aux relations avec les Premières Nations et les Inuit	777,541	511,250
Ministre de la Sécurité publique	585,828	1,445,747
Sûreté du Québec	525,241	632,672
Eastern Shores School Board	907	890
Ministre de la Culture et des Communications	173,000	29,000
Other		
First Nations of Quebec and Labrador Health and Social Services Commission	256,979	288,022
First Nation Human Resources Development Commission of Quebec	18,133	3,135
Other	100,840	78,291
	<u>9,701,343</u>	<u>7,601,248</u>

6 - INVESTMENTS

	<u>2026</u>	<u>2025</u>
	\$	\$
Mi'gmawei Mawiomi Resources L.P., government business partnership		
Capital	100	100
Mi'gmawei Mawiomi Business Corporation inc., joint arrangement		
1 common share, 33%	1	1
Salaweg inc., joint arrangement		
50 common share, 33%	33,333	33,333
	<u>33,434</u>	<u>33,434</u>

7 - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2026</u>	<u>2025</u>
	\$	\$
Trade accounts	5,534,632	2,580,202
Salaries payable	424,226	250,814
Government remittances	246,126	197,560
Accrued interest	13,156	13,156
Account payable to Mi'gmawei Mawiomi Resources L. P., government business partnership, without interest	649,339	649,339
	<u>6,867,479</u>	<u>3,691,071</u>

Micmacs of Gesgapegiag Band
Notes to Consolidated Financial Statements
 March 31, 2026

8 - DEFERRED REVENUES

	<u>2026</u>	<u>2025</u>
	\$	\$
Federal government		
110004 Q21G Mental wellness team (Listuguj)		486,985
110007 Q21H Mental Well before Q3YZ Emergency Mgmt Ass.	60,577	74,965
110017 Q21I Youth Mental Health	23,964	
110035 Q233 AHHRI Training		7,963
110026 Q02J Clinical and Client Care Other	12,015	12,065
110029 Q210 Indigenous Early Learning and Child Care program	1,027,318	220,905
110036 Q30W IHEF before Health plan	210,484	210,484
110040 Q2FY JP - Programs coordination	133,769	64,321
110041 JP - Programs Activities	770,189	1,693,798
110059 Community Mobilization before Food Security	336,553	108,132
110060 Social Service Child in Foster Allowance	666,514	567,578
212373 Q2C0 Operations - CFS	693,433	1,565,708
212384 Q2BX CFS Maintenance - Enhanced Prevent	467,283	
212388 Q2C3 Prevention/Least Disruptive Measure	465,078	3,500,783
212396 Post Majority care		7,829
212405 Q2C7 Representative Service	248,560	629,846
302306 Q2AL Basic Needs		25,523
309006 Q2AK Case management capacity		39,455
309009 Q2AM Services delivery infra		10,812
361014 Postsecondary (PSPP)	171,928	143,368
408191 Community Master Development Plan	19,664	
408567 Q3OF Ecocenter	41,379	41,379
408568 Q3OG Ecocenter O&M	12,195	209,679
408595 Q3X8 Water System Rehabilitation	139,301	635,495
408628 QA3N Main, Indian, Gitpu	161,064	500,000
408746 Lentug Street Extension		107,110
408748 Eagle Lane Resurface before Q3AX	81,129	677,626
590102 Policing Equipment initiative 2022-2023		198,206
590103 Policing Infrastructure of the Community		2,220,955
590104 Prevention of delinquency		89,608
590105 Policing Services	995,272	399,167
590110 Q3BN Training - Fire Protection	15,599	15,599
640001 Right Reconciliation Agreement	295,382	419,879
640004 Community-Based Access Acquisition	2,511,461	
641366 QZ9P Specific Claims Submission		128,458
641846 Q32K Capacity Development		64,468
641850 Q32N Risk Management gov capacity Development	68,659	
650051 Daycare renovations	55,563	173,362
708155 Tourism Marketing	72,720	
708170 Tourism Initiative	26,733	81,444
873000 Native protected area project	122,882	
875000 Qualipu	90,320	159,010
990017 Quadplex 2025	19,614	

Micmacs of Gesgapegiag Band
Notes to Consolidated Financial Statements
 March 31, 2026

8 - DEFERRED REVENUES (Continued)

	<u>2026</u>	<u>2025</u>
	\$	\$
Provincial government		
110090 Probation Officer (before 655700)	68,303	25,497
590111 Mental Health and Homelessness	218,794	248,000
641013 Cultural & Language	524,198	269,976
708199 Clean energy	19,433	4,361
Other		
656602 Surplus From the Grant/Education		1,884,653
655701 Snawei Maple Syrup	19,311	
708125 Basket Making/Beading	28,305	
990047 19 b Gasguso (fire)	111,501	
Gesgapegiag Human Resource Development Commission	49,643	
	<u>11,056,090</u>	<u>17,924,452</u>

9 - LONG-TERM DEBT

	<u>2026</u>	<u>2025</u>
	\$	\$
Bank of Montreal, secured by 4 housing units and by ISC, 5.98%, payable in monthly instalments of \$2,286, capital and interest, maturing in May 2029	160,741	177,359
Bank of Montreal, 5.20%, reimbursed during the year		5,204
Bank of Montreal, secured by 1 quadruplex and by ISC, 6.04%, payable in monthly instalments of \$1,712, capital and interest, maturing in July 2027	122,088	134,345
Bank of Montreal, secured by duplexes and by ISC, 5.26%, payable in monthly instalments of \$3,560, capital and interest, maturing in November 2028	265,840	292,809
Laurentian Bank, secured by a building with a net carrying amount of \$4,186 as at March 31, 2026, 3.59%, payable in monthly instalments of \$230, capital and interest, maturing in April 2027	3,026	5,616
Laurentian Bank, secured by a building with a net carrying amount of \$3,305 as at March 31, 2026, 6.49%, payable in monthly instalments of \$314, capital and interest, maturing in May 2028	20,874	23,213
Laurentian Bank, secured by a building with a net carrying amount of \$15,505 as at March 31, 2026, 2.24%, payable in monthly instalments of \$444, capital and interest, maturing in June 2026	12,253	17,198
Native Commercial Credit Corporation, secured by a hypothec on the universality of property and a guarantee from 9252-9106 Québec inc., subsidiary, 6.92%, payable in monthly instalments of \$1,640, capital and interest, maturing in March 2029	105,871	117,858

Micmacs of Gesgapegiag Band
Notes to Consolidated Financial Statements
 March 31, 2026

9 - LONG-TERM DEBT (Continued)

	<u>2026</u> \$	<u>2025</u> \$
Canada Mortgage and Housing Corporation forgivable loan, without interest, forgiveness earned of \$11,110 yearly, maturing in August 2027	15,739	26,848
Canada Mortgage and Housing Corporation forgivable loan, without interest, forgiveness earned of \$11,720 yearly, maturing in August 2027	16,603	28,322
Native Commercial Credit Corporation, 6.35%, payable in monthly instalments of \$9,326, capital and interest, maturing in March 2029	489,047	567,169
Bank of Montreal, 6.49%, payable in monthly instalments of \$1,792, capital and interest, maturing in July 2027	197,053	207,412
Loan, secured by equipment with a net carrying amount of \$70,391 as at March 31, 2026, 4.35%, payable in monthly instalments of \$3,784, capital and interest, maturing in November 2027	72,287	112,697
Loan, secured by equipment with a net carrying amount of \$163,627 as at March 31, 2026, 4.35%, payable in monthly instalments of \$4,334, capital and interest, maturing in July 2027	67,253	115,198
Scotia Bank, 3.00%, payable in monthly instalments of \$1,038, capital and interest, maturing in May 2029	42,333	53,332
Scotia Bank, 10.15%, payable in monthly instalments of \$1,484, capital and interest, maturing in November 2029	53,427	65,248
Royal Bank, 9.99%, payable in monthly instalments of \$1,694, capital and interest, maturing in November 2029	46,133	61,042
Native Commercial Credit Corporation, 5.74% (6.92% as at March 31, 2025), payable in monthly instalments of \$2,112, capital and interest, maturing in December 2028	62,512	82,884
Caisse Desjardins, secured by automotive equipment with a net carrying amount of \$31,182 as at March 31, 2026, 8.49%, payable in monthly instalments of \$2,249, capital and interest, maturing in April 2027	27,849	51,369
Project # 13, C.M.H.C., mortgage (19-072-495/002), 0.83%, reimbursed during the year		789
Project # 14, C.M.H.C., mortgage (19-072-495/003), authorized amount of \$129,000, secured by 4 housing units, 0.98%, payable in monthly instalments of \$583, capital and interest, maturing in April 2026	582	7,532

Micmacs of Gesgapegiag Band
Notes to Consolidated Financial Statements
 March 31, 2026

9 - LONG-TERM DEBT (Continued)

	<u>2026</u> \$	<u>2025</u> \$
Project # 15, C.M.H.C., mortgage (19-072-495/004), authorized amount of \$187,395, secured by 5 housing units, 2.27%, payable in monthly instalments of \$875, capital and interest, maturing in April 2027	11,227	21,347
Project # 16, C.M.H.C., mortgage (19-072-495/005), authorized amount of \$92,538, secured by 3 housing units, 3.81%, payable in monthly instalments of \$442, capital and interest, maturing in February 2028	9,800	14,638
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, maturing in June 2030	12,867	15,698
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, maturing in June 2030	13,489	16,458
Project # 18, C.M.H.C., mortgage (19-072-495/008), authorized amount of \$253,800, secured by a sixplex, 1.57%, payable in monthly instalments of \$1,127, capital and interest, maturing in December 2030	55,549	68,092
Project # 19, C.M.H.C., mortgage (19-072-495/009), authorized amount of \$172,000, secured by 2 duplexes, 3.04%, payable in monthly instalments of \$774, capital and interest, maturing in April 2032	51,571	59,178
Project # 20, C.M.H.C., mortgage (19-072-495/010), authorized amount of \$104,000, secured by 1 quadruplex, 3.74%, payable in monthly instalments of \$495, capital and interest, maturing in May 2033	37,342	41,807
Project # 21, C.M.H.C., mortgage (19-072-495/011), authorized amount of \$120,600, secured by 1 duplex, 3.30%, payable in monthly instalments of \$572, capital and interest, maturing in September 2032	40,112	45,561
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, maturing in October 2035	80,098	87,778
Project # 23, C.M.H.C., mortgage (19-072-495/013), authorized amount of \$1,200,000, secured by 10 housing units, 2.27%, payable in monthly instalments of \$5,073, capital and interest, maturing in March 2037	592,436	639,349

Micmacs of Gesgapegiag Band
Notes to Consolidated Financial Statements
 March 31, 2026

9 - LONG-TERM DEBT (Continued)

	<u>2026</u> \$	<u>2025</u> \$
Project # 24, C.M.H.C., mortgage (19-072-495/014), authorized amount of \$104,000, secured by 1 housing unit, 2.27%, payable in monthly instalments of \$440, capital and interest, maturing in March 2037	51,343	55,409
Project # 25, C.M.H.C., mortgage (19-072-495/015), authorized amount of \$255,149, secured by 1 duplex, 3.52%, payable in monthly instalments of \$1,252, capital and interest, maturing in May 2043	193,801	201,902
Project # 26, C.M.H.C., mortgage (19-072-495/016), authorized amount of \$245,200, secured by 1 duplex, 4.49%, payable in monthly instalments of \$851, capital and interest, maturing in October 2048	231,519	150,791
Project # 27, C.M.H.C., mortgage (19-072-495/017), authorized amount of \$122,600, secured by 1 housing unit, 3.58%, payable in monthly instalments of \$617, capital and interest, maturing in January 2049	115,718	42,128
Project # 28, C.M.H.C., mortgage (19-072-495/018), authorized amount of \$154,000, secured by 1 housing unit, 4.49%, payable in monthly instalments of \$851, capital and interest, maturing in October 2048	145,407	146,503
Project # 29, C.M.H.C., mortgage (19-072-495/019), authorized amount of \$237,000, secured by 1 duplex, 4.49%, payable in monthly instalments of \$1,493, capital and interest, maturing in October 2043	218,204	128,851
Project # 30, C.M.H.C., mortgage (19-072-495/020), authorized amount of \$273,000, secured by 1 duplex, 4.49%, payable in monthly instalments of \$1,509, capital and interest, maturing in October 2048	257,768	202,851
Project # 31, C.M.H.C., mortgage (26765297), authorized amount of \$178,475, secured by 1 housing unit, 3.95%, payable in monthly instalments of \$934, capital and interest, maturing in June 2049	170,827	175,247
Project # 32, C.M.H.C., mortgage (26860817), authorized amount of \$191,100, secured by 1 housing unit, 3.18%, payable in monthly instalments of \$1,334, capital and interest, maturing in March 2040	180,980	191,100
	4,251,569	4,458,132
Current portion	568,113	653,066
	<u>3,683,456</u>	<u>3,805,066</u>

The estimated instalments on long-term debt for the next five years are \$568,113 in 2027, \$740,546 in 2028, \$1,997,409 in 2029, \$519,095 in 2030 and \$267,777 in 2031.

Micmacs of Gesgapegiag Band
Notes to Consolidated Financial Statements
March 31, 2026

10 - DEFERRED CONTRIBUTIONS RELATED TO TANGIBLE CAPITAL ASSETS

	<u>2026</u>	<u>2025</u>
	\$	\$
Balance, beginning of year	18,631,482	14,020,161
ISC		
110000 Medical Transportation NIHB/MT		52,929
212374 QA1V First Nation Child Housing fund (FNCHF)	859,589	
212388 Q2C3 Prevention/Least Disruptive Measure	20,000	190,943
408568 Q3OG Ecocenter O&M		69,594
408595 Q3X8 Water System Rehabilitation	94,010	49,769
408628 QA3N Main, Indian, Gitpu	3,386,465	
408746 Lentug Street Extension		797,137
408748 Eagle Lane Resurface before Q3AX	477,258	698,835
408749 Q3X9 Gasgusi extension before Q3CD		172,559
990017 Quadplex 2025	483,533	
990024 Big house 2019		162,708
990049 New Construction Nipugt		425,213
Environment and Climate Change Canada		
873000 Native protected area project	46,854	
First Nations of Quebec and Labrador Health and Social Services Commission		
110029 Q210 Indigenous Early Learning and Child Care program	274,347	300,605
650051 Daycare renovations	117,800	
Department of Fisheries and Oceans		
590125 Rangers	146,419	
640001 Right Reconciliation Agreement	44,000	
860006 Natural Resources Administration	8,126	
860007 Northsore 35 feet	500,070	
860052 Replace Anselwit		128,180
Secrétariat aux Affaires Autochtones		
708152 Expansion at the Cache	266,291	1,024,720
Solicitor General of Canada		
590102 Policing Equipments initiative 2022-2023	32,508	437,008
590103 Policing Infrastructure of the Community	6,473,402	1,998,321
590105 Policing Services	11,910	
C.M.H.C. - ISC		
990008 Rapid House Init. Phase 3 Sixplex 1 A-F Amu		32,406
Other		
990047 19 B Gasgusi (fire)	70,031	
Other - Contribution adjustment	(155,021)	(20,602)
Amortization (a)	(2,420,539)	(1,909,004)
Balance, end of year	<u>29,368,535</u>	<u>18,631,482</u>

(a) As at March 31, 2025, the amortization of deferred contributions related to tangible capital assets reported in the consolidated statement of operations includes a non-cash transaction in the amount of \$22,829 related to the forgiveness of two forgivable loans from CMHC.

Micmacs of Gesgapegiag Band
Notes to Consolidated Financial Statements
 March 31, 2026

10 - DEFERRED CONTRIBUTIONS RELATED TO TANGIBLE CAPITAL ASSETS (Continued)

The Organization chose to defer contributions related to tangible capital assets and not to follow the accounting standards for this purpose. This choice was made with the aim of ensuring better management in relation to the use of the Organization's surplus.

In addition, in the calculation of financial indicators carried out by Indigenous Services Canada, the balance of Deferred contributions related to tangible capital assets must be excluded from non-financial assets and added to the total of accumulated surplus.

11 - REPLACEMENT RESERVE FUND

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>2026</u>	<u>2025</u>
	\$	\$
Cash	358,771	99,494
Reserve fund		
Balance, beginning of year	358,684	99,457
Annual contribution - replacement reserve	49,210	49,227
Supplemental funding (note 19)		210,000
Balance, end of year	<u>407,894</u>	<u>358,684</u>

During the year, an amount of \$259,165 was transferred to the replacement reserve (\$234,067 was withdrawn from the replacement reserve in 2025)..

With the exception of interest earned during the year, no amount has been transferred to the reserve for 2026 (nothing was transferred in 2025).

12 - OPERATING RESERVE (Post-1996 Program)

Once all costs and expenses are paid, particularly the allocation to the replacement reserve, the First Nation keeps all excess income in an operating reserve. The First Nation agrees to keep the funds and accrued interest in the operating fund in a separate bank account or to invest it only in accounts or instruments insured by the Canada Deposit Insurance Corporation, or as agreed by common consent by the First Nation and Canada Mortgage and Housing Corporation. The housing project's operating reserve is to be used only for the operating expenses of housing projects that made undertakings as part of the 1997 On-reserve Housing Program.

Micmacs of Gesgapegiag Band
Notes to Consolidated Financial Statements
 March 31, 2026

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

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:

	2026	2025
	\$	\$
Cash	599,293	634,562
Reserve fund		
Balance, beginning of year	599,153	634,349
Adjustment requested by C.M.H.C. (Note 18)	(63,176)	(35,196)
Balance, end of year	535,977	599,153

During the year, \$35,269 was withdrawn from the operating reserve (nothing was transferred in 2025).

Following the analysis of the financial statements of March 31, 2025, the C.M.H.C. approved the use of the operating reserve to cover the deficit for the year 2025.

13 - TANGIBLE CAPITAL ASSETS

			2026	2025
	Cost	Accumulated amortization	Net carrying amount	Net carrying amount
	\$	\$	\$	\$
Land	380,586		380,586	380,586
Buildings	37,654,794	18,412,362	19,242,432	14,060,748
Sanitation system	7,470,417	6,959,208	511,209	585,028
Automotive equipment	5,521,651	4,159,808	1,361,843	1,613,095
Material and equipment	7,616,978	4,902,414	2,714,564	2,099,877
Roads	9,395,052	1,092,703	8,302,349	4,908,380
Gravel pit	100,000		100,000	100,000
Boat	5,548,157	1,076,598	4,471,559	4,285,308
Building in construction	10,965,304		10,965,304	9,231,996
	84,652,939	36,603,093	48,049,846	37,265,018

During the year, acquisitions of tangible capital assets amounted to \$14,827,071. The depreciation expense for the year amounts to \$4,017,579.

14 - ACCUMULATED SURPLUS

The accumulated surplus of the organization includes the reserve for the purchase of boats. At the end of the year, the balances of the various surpluses are as follows:

	2026	2025
	\$	\$
Reserve for the purchase of boats	1,761,211	1,761,211
Accumulated surplus	23,570,595	13,384,449
	25,331,806	15,145,660

Micmacs of Gesgapegiag Band

Notes to Consolidated Financial Statements

March 31, 2026

15 - BANK LOANS

The bank loan, for an authorized amount of \$1,000,000, bears interest at prime rate plus 1.5% (5.95%; 6.45% as at March 31, 2025) 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.

17 - CONTRIBUTION RECEIVABLE (PAYABLE)

	2026	2025
	\$	\$
Federal government		
110000 Medical Transportation NIHB/MT		9,163
212383 Q2BY CFS Maintenance - Enhanced Prevent	51,880	(51,004)
212450 Healing for men		(29,435)
	<u>51,880</u>	<u>(71,276)</u>

18 - ADJUSTMENT TO PRIOR YEARS

After the review of the financial statements for the year ended March 31, 2025 by the Organization and at the request of C.M.H.C., the following adjustments were required:

	2026	2025
	\$	\$
Micmacs Housing Corporation		
Adjustment to operating reserve	(63,176)	(35,196)
Adjustment to replacement reserve		210,000
	<u>(63,176)</u>	<u>174,804</u>

19 - CONTINGENCY

As at March 31, 2026, the Organization is contingently liable as an endorser in long-term debts for members of the community for an estimated amount of \$329,000 (\$388,000 in 2025).

The Organization has entered into contribution agreements with various federal and provincial government departments. Funding provided under these agreements is subject to repayment if the Organization does not comply with the terms and conditions of those agreements.

20 - LIABILITY FOR REMEDIATION OF CONTAMINATED SITES

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

Micmacs of Gesgapegiag Band
Notes to Consolidated Financial Statements
 March 31, 2026

21 - ECONOMIC DEPENDENCE

The Organization receives 41% (49% in 2025) of its revenues from Indigenous Services Canada (ISC).

22 - FINANCIAL RISKS

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 fulfill 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>2026</u>	<u>2025</u>
	\$	\$
Cash	6,591,181	5,459,678
Term deposits	12,000,000	7,360,000
Restricted cash and deposits	958,064	734,055
Accounts receivable	2,579,839	4,489,645
Rents receivable	1,973,598	2,766,362
Advances	43,018	54,548
Government transfers receivable	9,701,343	7,601,248
	<u>33,847,043</u>	<u>28,465,536</u>

The Organization's management considers that all the 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.

Micmacs of Gesgapegiag Band
Notes to Consolidated Financial Statements
 March 31, 2026

22 - FINANCIAL RISKS (Continued)

Financial risks (Continued)

Credit risk (Continued)

The carrying amount of impaired accounts receivable totals \$3,810,341 as at March 31, 2026 (\$4,682,902 as at March 31, 2025).

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 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.

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, 2025) would not have a significant impact on the Organization's excess of revenues over expenses for the year.

Liquidity risk

The Organization's liquidity risk represents the risk that the Organization could encounter difficulty in meeting obligations associated with its financial liabilities. The Organization is, therefore, exposed to liquidity risk with respect to all of the financial liabilities recognized in the 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, 2026, 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	7,744,184			
Long-term debt	359,158	358,576	1,987,263	1,546,472
	<u>8,103,342</u>	<u>358,576</u>	<u>1,987,263</u>	<u>1,546,472</u>

23 - TRUST FUNDS HELD BY ISC

Micmacs of Gesgapegiag Band
Notes to Consolidated Financial Statements
 March 31, 2026

23 - TRUST FUNDS HELD BY ISC (Continued)

	<u>March 31, 2025</u>	<u>Addition 2026</u>	<u>Withdrawals 2026</u>	<u>March 31, 2026</u>
	\$	\$	\$	\$
Revenue	50,185	1,762		51,947
Capital	647			647
	<u>50,832</u>	<u>1,762</u>		<u>52,594</u>

The trust funds arise from money 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.

24 - 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, 2026

25 - 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		
	2026	2026	2025	2026	2026	2025	2026	2026	2025
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues									
Federal government transfers	2,990,001	2,997,691	3,933,747	7,969,687	9,271,983	7,686,279	8,186,433	7,964,029	8,026,684
Provincial government transfers	77,314	116,112	110,195						
Other revenues	503,751	1,644,371	(978,514)	9,648	3,037,613	(297,810)		7,035	(186,133)
Total Revenues	3,571,066	4,758,174	3,065,428	7,979,335	12,309,596	7,388,469	8,186,433	7,971,064	7,840,551
Expenses									
Salaries and fringe benefits	1,861,383	1,592,714	1,626,403	2,209,480	2,548,953	2,270,340	3,077,784	3,005,443	2,534,014
Amortization									
Other expenses	1,709,703	1,975,183	1,335,893	5,455,871	9,945,663	4,764,236	2,897,981	2,481,502	3,950,714
Total expenses	3,571,086	3,567,897	2,962,296	7,665,351	12,492,616	7,034,576	5,975,765	5,486,945	6,484,728
Transfers between programs		(1,185,194)	(71,529)	(60,432)	183,019	(93,421)	(2,178,940)	(2,484,119)	(1,355,823)
Excess (deficiency) of revenues over expenses		6,103	31,603	253,552	(1)	260,472	31,728		

Micmacs of Gesgapegiag Band
Notes to Consolidated Financial Statements
Year ended March 31, 2026

25 - SEGMENT DISCLOSURES (Continued)

	Public Works			Public Security			Band Support		
	Unaudited Budget 2026	2026	2025	Unaudited Budget 2026	2026	2025	Unaudited Budget 2026	2026	2025
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues									
Federal government transfers	3,912,101	4,853,518	4,848,585	3,616,018	4,156,759	1,783,361	1,124,004	5,045,067	2,164,502
Provincial government transfers				4,165,596	4,269,397	3,330,427	1,510,000	1,489,000	1,584,906
Other revenues	2,398,035	(2,189,260)	(2,963,774)	2,191,651	(4,624,123)	(2,329,369)	4,155,208	5,453,316	9,087,003
Total Revenues	6,310,136	2,664,258	1,884,811	9,973,265	3,802,033	2,784,419	6,789,212	11,987,383	12,836,411
Expenses									
Salaries and fringe benefits	759,448	844,151	666,605	2,576,244	2,401,806	1,883,155	3,932,888	3,452,801	3,729,939
Amortization									
Other expenses	5,629,530	1,230,420	1,669,879	7,487,010	1,396,389	975,609	2,346,562	4,140,283	3,954,472
Total expenses	6,388,978	2,074,571	2,336,484	10,063,254	3,798,195	2,858,764	6,279,450	7,593,084	7,684,411
Transfers between programs	122,326	(199,606)	457,883	82,974	44,714	74,345	1,663,547	4,556,876	1,520,977
Excess (deficiency) of revenues over expenses	43,484	390,081	6,210	(9,015)	48,552		2,173,309	8,951,175	6,672,977

Micmacs of Gesgapegiag Band
Notes to Consolidated Financial Statements
Year ended March 31, 2026

25 - SEGMENT DISCLOSURES (Continued)

	Economic Development			Commercial			Capital Housing		
	Unaudited Budget 2026	2026	2025	Unaudited Budget 2026	2026	2025	Unaudited Budget 2026	2026	2025
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues									
Federal government transfers	165,573	276,151	231,773	1,033,000	1,204,796	967,863	1,419,522	1,803,023	1,842,734
Provincial government transfers	111,250	498,849	1,361,432	190,000	175,679	139,414			
Other revenues	216,444	(16,888)	(780,545)	13,520,244	16,394,063	12,153,497	701,486	2,627,807	2,241,670
Total Revenues	493,267	758,112	812,660	14,743,244	17,774,538	13,260,774	2,121,008	4,430,830	4,084,404
Expenses									
Salaries and fringe benefits	348,000	633,212	392,829	5,239,242	6,506,016	4,651,917	434,324	663,740	838,167
Amortization					58,340	59,277		3,959,244	2,630,853
Other expenses	222,644	546,481	548,802	7,586,304	8,943,857	7,928,700	1,488,684	8,841	1,488,871
Total expenses	570,644	1,179,693	941,631	12,825,546	15,508,213	12,639,894	1,921,008	4,631,825	4,957,891
Transfers between programs	27,500	421,584	94,993	(63,700)	(2,808,540)	(1,432,593)		1,471,267	805,168
Excess (deficiency) of revenues over expenses	(49,877)	3	(33,978)	1,863,998	(542,215)	(811,713)	200,000	1,270,272	(68,319)

Micmacs of Gesgapegiag Band
Notes to Consolidated Financial Statements
Year ended March 31, 2026

25 - SEGMENT DISCLOSURES (Continued)

	Total		
	Unaudited		
	Budget 2026	2026	2025
	\$	\$	\$
Revenues			
Federal government transfers	30,416,339	37,573,017	31,485,528
Provincial government transfers	6,054,160	6,549,037	6,526,374
Other revenues	23,696,467	22,333,935	15,946,025
Total Revenues	60,166,966	66,455,989	53,957,927
Expenses			
Salaries and fringe benefits	20,440,773	21,646,832	18,593,378
Amortization		4,017,579	2,690,130
Other expenses	34,822,289	30,668,608	26,617,167
Total expenses	55,263,062	56,333,019	47,900,675
Transfers between programs	(396,725)		
Excess (deficiency) of revenues over expenses	4,507,179	10,122,970	6,057,252

Micmacs of Gesgapegiag

Consolidated Operations and Accumulated Surplus (Deficit) by Program

Year ended March 31, 2028

	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
	\$	\$	\$	\$	\$	\$	\$	\$
HEALTH								
110000 Medical Transportation Q01G-Q01H-Q01D	175,217		175,217	174,517		700	(35,144)	(34,444)
110001 Mental wellness	768,333		768,333	152,971	(613,362)			
110002 Q30I Emerging Technologies	16,293		16,293	16,293				
110003 Medical Transportation Q010, Q01E	145,955	8,019	153,974	149,571		4,403		4,403
110004 Q21G Mental wellness team (Listuguj)	28,307	486,985	515,292	175,123	(340,169)			
110007 Q21H Mental Well	60,577	14,388	74,965	74,965				
110008 Q40E Healthy Child Develop	186,944		186,944	145,020	(41,924)		4,813	4,813
110009 Q40H Environmental - Public Health	13,502		13,502	13,502			255,661	255,661
110015 Q23Y/Q40K Health Planning & Management HPM	664,674	31,031	695,705	510,731	(184,974)		(305,411)	(305,411)
110016 Q40A Clinical and Client Care CCC	200,781	1,717	202,498	202,498			128,398	128,398
110017 Q21I Youth Mental Health	23,964	(23,964)						
110025 Q40J O&M before QA0X Minor projects	188,063		188,063	188,063				
110026 Q02J Clinical and Client Care - Anti-Racism	12,065	50	12,115	12,115				
110029 Q21U Indigenous Early Learning and Child Care program		214,441	214,441	214,441				
110030 Children's Oral Health Initiative and D	56,454	44,116	100,570	100,570			111	111
110035 Q233 AHHRI Training-Prof. developpement	7,936	7,963	15,899	15,899				
110040 Q2FY JP-Service coordination	50,000	40,552	90,552	90,552				
110041 JP - Programs Activities	471,445	438,558	910,003	910,003				
110059 Community Mobilization before Food Security		76,975	76,975	76,975				
110060 Social Service Child in Foster Allowance		15,978	15,978	15,978			49,217	49,217
110067 Cancer control		(4,628)	(4,628)		4,628		12,334	12,334
110075 Q40I Blood Borne disease and Sexually Transmitted	103,675		103,675	103,675				
110081 CHR, Healthy Leaving	135,690		135,690	126,297	(9,393)			
110090 Probation Officer (before 655700)		73,306	73,306	73,306			4,980	4,980
110091 Q226 Tobacco	13,199		13,199	13,199				
110099 Q01T Traditional Healer	11,613		11,613	11,613			(11,894)	(11,894)

Micmacs of Gesgapegiag

Consolidated Operations and Accumulated Surplus (Deficit) by Program

Year ended March 31, 2026

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Micmacs of Gesgapegiag

Consolidated Operations and Accumulated Surplus (Deficit) by Program

Year ended March 31, 2028

	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
	\$	\$	\$	\$	\$	\$	\$	\$
361006 Innovation in Education program		13,293	13,293	13,293				
361007 Student Services		6,127	6,127	561,711	555,583			
361012 Breakfast/FNSSP/Early Literacy							463	463
361013 NP1M New Paths Language & Culture		30,227	30,227	439,958	409,731		(1,449)	(1,449)
361014 Postsecondary (PSPP)		164,733	164,733	164,733				
361300 NTHL Schools - O&M				249,694	249,694		154,319	154,319
362105 Q2JB-Q3R0-Q40Y Instructional Services Formula Seq. 1	7,193,077	32,430	7,225,507	2,250,176	(4,975,331)		701,107	701,107
362145 NP18 Student Transportation Services		707	707	254,172	253,465		465,971	465,971
362165 Professional Development	9,113		9,113	56,187	47,074			
362175 Adult Education				59,555	59,555			
362234 Band Operated School - Special Education		307	307	635,994	635,687		(19,185)	(19,185)
362270 Q40Z Post-Secondary Student Support Pro	505,004		505,004	669,364	164,360		(123,400)	(123,400)
368500 Q40Q - Education Facilities Capital				111,304	111,304			
Sub Total Education	7,707,194	263,870	7,971,064	5,486,945	(2,484,119)		1,175,386	1,175,386
PUBLIC WORKS								
408190 Q40W Lands, membership and Estates	142,492	6,437	148,929	129,082	(19,847)		(20,805)	(20,805)
408191 Community Master Development Plan	31,694	(19,884)	12,030	12,030				
408595 Q40N Wastewater & Water Systems	955,402	20,175	975,577	532,923	(442,654)		(762,758)	(762,758)
408598 Q3OG Ecocenter O&M	162,408	(12,195)	150,213	150,213				
408595 Q3X8 Water System Rehabilitation		402,184	402,184	131,342		270,842	6,009	276,851
408628 QA3N Main, Indian, Gitpu	3,047,529	(3,047,529)						
408746 Lentug Street Extension		107,110	107,110	107,110				
408748 Eagle Lane Resurface before Q3AX		119,239	119,239			119,239		119,239
408750 Q3AZ Municipal services (tools)				7,227	7,227			
408751 Q40U Community Buildings	147,052		147,052	45,550	(101,502)		(43,470)	(43,470)
408774 Q40T Maintenance Management	576,620	25,304	601,924	417,295	(184,629)		(278,976)	(278,976)
408779 Q38T Solid Waste				153,099	153,099			
410000 Community Beautification & Elder Assistance				388,700	388,700		2,396	2,396

Micmacs of Gesgapegiag

Consolidated Operations and Accumulated Surplus (Deficit) by Program

Year ended March 31, 2026

	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
	\$	\$	\$	\$	\$	\$	\$	\$
Sub Total Public Works	5,063,197	(2,398,939)	2,664,258	2,074,571	(199,606)	390,081	(1,095,604)	(705,523)
PUBLIC SECURITY								
590102 Policing Equipments initiative 2022-2023		145,869	145,869	145,869				
590103 Policing Infrastructure of the Community		62,622	62,622	14,070		48,552		48,552
590104 Prevention of delinquency		89,608	89,608	89,608				
590105 Policing Services		2,684,941	2,684,941	2,684,941			(799,606)	(799,606)
590106 Police Tickets		1,870	1,870	1,836	(234)		36,442	36,442
590107 Dog Catcher				13,415	13,415		17,195	17,195
590110 Q3BN Training - Fire Protection							68,476	68,476
590111 Mental Health and Homelessness		222,708	222,708	222,706				
590115 Q40U Fire Protection Before Q3AU							89,246	89,246
590120 Q40T-Q40U Fire Protection	338,733	1,886	340,619	372,152	31,533		(24,133)	(24,133)
590125 Rangers		253,795	253,795	253,795				
Sub Total Public Security	338,733	3,463,300	3,802,033	3,798,195	44,714	48,552	(612,380)	(563,828)
BAND SUPPORT								
630000 MMBC		22,443	22,443	3,581	(18,862)		10,768	10,768
630050 Coop Handicraft		6,976	6,976	6,976			(1,684)	(1,684)
630060 Walgwan Center		182,130	182,130	88,054	(94,076)		1,156,043	1,156,043
640000 Estuary Fishing Agreement		1,300,000	1,300,000	251,432	(1,048,569)		(356,546)	(356,546)
640001 Right Reconciliation Agreement		550,975	550,975	358,141	(192,834)			
640004 Community-Based Access Acquisition		357,245	357,245		(357,245)			
641010 Council department		11,253	11,253	349,086	337,833		(6,484)	(6,484)
641011 Q40L-Q31M Band Support Funding	536,923	3,197,121	3,734,044	1,837,589	(1,896,455)		(590,649)	(590,649)
641013 Cultural & Language	89,874	426,529	516,403	516,403				
641017 Q40M Band Employee Benefit	138,249		138,249	138,249			(3,189)	(3,189)
641018 Human resources				331,257	331,257			
641366 QZ9P Specific Claims Submission		128,458	128,458	128,458				

Micmacs of Gesgapegiag

Consolidated Operations and Accumulated Surplus (Deficit) by Program

Year ended March 31, 2028

	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
	\$	\$	\$	\$	\$	\$	\$	\$
641848 Q32K Capacity Development		64,468	64,468	64,468				
641850 Q32N Risk Management gov capacity Development	212,172	(68,659)	143,513	143,513				
650050 Daycare Center Rent		62,577	62,577	42,541	(20,036)		(102,480)	(102,480)
650051 Daycare renovations							64,371	64,371
651025 Rod Lease		82,744	82,744	7,400	(75,344)			
652000 Church		6,750	6,750	38,010	31,260		(11,106)	(11,106)
653000 Cascapedia Society		711,811	711,811	711,811			48,183	48,183
655000 Summer Student Employment Program		32,537	32,537	73,795	41,258		24,811	24,811
655700 Plamugwet		521,253	521,253	475,825		45,428	(109,688)	(64,260)
655701 Snawel Maple Syrup		14,689	14,689	14,689				
656600 Owned Source Revenue		979,736	979,736	1,523,074	4,995,642	4,452,304	(2,605,588)	1,846,716
656601 Surplus from the grant/Contribution		45,742	45,742		2,463,829	2,509,571	3,616,400	6,125,971
656602 Surplus From the Grant/Education Gesgapegiag Human Resource Development Commission		1,864,653	1,864,653		59,218	1,943,871	(93,646)	1,850,225
Gesgapegiag Natural Resources Inc.		488,734	488,734	488,734			15,259	15,259
Sub Total Band Support	977,218	11,010,165	11,987,383	7,583,084	4,556,876	8,951,175	1,116,262	10,067,436
ECONOMIC DEVELOPMENT								
708110 Q40W Community Ec. Dev. Program	203,431	114,688	318,119	352,862	34,743		(200,508)	(200,508)
708125 Basket Making/Beadng		29,585	29,585	329,585	300,000			
708140 Chalets Ste-Helene Renovations		155,000	155,000	178,265	23,265			
708145 Chalets Ste-Helene (operationnel)		94,174	94,174	157,747	63,576	3	(158,235)	(158,232)
708155 Tourism Marketing	70,720	(70,720)						
708160 Rustic Camp ground		287	287	287				
708170 Tourism Initiative		54,711	54,711	54,711			(58,013)	(58,013)
708180 Community Park Project							(24,921)	(24,921)
708199 Clean energy		106,236	106,236	106,236				
Sub Total Economic Development	274,151	483,961	758,112	1,179,693	421,564	3	(441,677)	(441,674)

Micmacs of Gesgapegiag

Consolidated Operations and Accumulated Surplus (Deficit) by Program

Year ended March 31, 2026

	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
	\$	\$	\$	\$	\$	\$	\$	\$
COMMERCIAL								
860000 Amelie Zoe before Omega		1,537,504	1,537,504	1,498,589	(387,943)	(329,029)	13,048,251	12,719,223
860001 Amstel		1,713,288	1,713,288	1,157,591	(550,325)	5,372	3,474,859	3,480,231
860002 Enmali		1,662,380	1,662,380	900,840	(761,540)		5,332,324	5,332,324
860003 Virginia Audrey		189,509	189,509	167,009	(22,500)		981,800	981,800
860005 Fisheries Training C4		47,963	47,963	21,543	(26,420)			
860006 Natural Resources Administration		303,866	303,866	645,762	404,748	62,852	(760,935)	(698,083)
860007 Northsore 35 feet		(148,598)	(148,598)	1	148,599			
860008 Lobsters trap course		(11,859)	(11,859)	141,282	153,141			
860010 Gesgapegiag Lobsterhut		324,661	324,661	436,952	112,291		(88,611)	(88,611)
860011 Lobster Whole Sale		4,566,843	4,566,843	4,302,220	(264,623)		763,721	763,721
860023 Capacity Support		40,219	40,219	60,923	20,704			
860030 Lease to Aghamw before Additional Quota		717,142	717,142	311,705	(405,437)			
860034 Ansalewit & Guuimu boats							(63,656)	(63,656)
860035 New Vessel and repairs		915,951	915,951	655,846	(260,105)			
860040 Apaqt Getanteget		792,917	792,917	592,480	(200,437)			
860041 Uktan		597,706	597,706	456,164	(141,542)		195,000	195,000
860042 Kiskamsi & Little Pax		886,659	886,659	643,993	(242,666)		243,004	243,004
860043 Gitpu		943,756	943,756	708,154	(235,602)		177,288	177,288
860044 Knot too Bad		167,302	167,302	194,322	27,020		186,075	186,075
860045 Ansalewit				5,169	5,169		(130,095)	(130,095)
860051 Nnijinu		783,635	783,635	569,413	(214,222)			
870999 Forestry General		259,380	259,380	218,214		41,166	1,307,511	1,348,677
872000 Production/Forestry		307,106	307,106	546,365		(239,259)	(161,276)	(400,535)
872500 Community Firewood Assistance		60,000	60,000	79,205		(19,205)	(98,661)	(117,866)
873000 Native protected area project		286,355	286,355	299,505	13,150		(15,250)	(15,250)
875000 Qualipu		259,829	259,829	259,829				
9252-9106 Québec inc. (Gesgapegiag Excavation)		578,258	578,258	642,366		(64,108)	(2,885,968)	(2,950,076)

Micmacs of Gesgapegiag

Consolidated Operations and Accumulated Surplus (Deficit) by Program

Year ended March 31, 2028

	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
	\$	\$	\$	\$	\$	\$	\$	\$
Gesgapegiag Business Corporation							(18,389)	(18,389)
Elimination of inter-organizational transactions upon consolidation		(7,230)	(7,230)	(7,230)				
Sub Total Commercial		17,774,538	17,774,538	15,508,213	(2,808,540)	(542,215)	21,486,992	20,944,783
CAPITAL HOUSING								
990000 7 Pagtape		34,133	34,133	7,222		26,911		26,911
990002 Q40S Small Repair	262,681		262,681		(262,681)		(27,333)	(27,333)
990004 ISC Renos	469,462	5,275	474,737	595,268	120,531			
990009 Rapid Housing Init. Phase 3 - Duplex 28 AB Gasgusi				1,147	1,147			
990010 Rapid housing Init. Phase 3 - Duplex 28 AB Gasgusi				804	804			
990011 Q40R Housing Councils	240,433	73,502	313,935	449,035	135,100		(87,057)	(87,057)
990014 National Housing Co-Investment Fund							(181,590)	(181,590)
990015 Indigenous Government Offer				24,821	24,821			
990017 Quadplex 2025	503,147	(503,147)						
990019 Q3BL Special services				82,734	82,734		(48,401)	(48,401)
990023 17 A-B Duplex				162	162			
990037 34 Pagtape				250	250			
990040 1 bedroom houses				194	194			
990051 3-5-7-9-11 Nipugt							(6,675)	(6,675)
999001 Mortgage Payments		380,523	380,523	(218,322)		598,845	(1,288,959)	(688,114)
999003 Replacement reserve post 97		46,577	46,577	57,793	11,218			
999990 Amortization of tangible capital assets	2,476,711	2,476,711	3,792,168	1,358,989	41,532		(7,288,084)	(7,226,552)
Micmacs Housing Corporation	1,195,521	1,195,521	592,535			602,986	(1,487,751)	(884,765)
Elimination of inter-organizational transactions upon consolidation		(753,988)	(753,988)	(753,988)				
Sub Total Capital Housing	1,475,723	2,955,107	4,430,830	4,631,825	1,471,287	1,270,272	(10,393,850)	(9,123,578)

Micmacs of Gesgapegiag

Consolidated Operations and Accumulated Surplus (Deficit) by Program

Year ended March 31, 2026

	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
	\$	\$	\$	\$	\$	\$	\$	\$
PRIOR PERIOD FINANCIAL								
999999 Discontinued projects				7		(7)	4,951,567	4,951,560
TOTAL	27,849,096	38,606,893	66,455,989	56,333,019	0.00	10,122,970	15,208,830	25,331,806

Micmacs of Gesgapegiag Band

Table March 31, 2026

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Independent Auditor's Report

To the Directors of
Micmacs of Gesgapegiag Band

**Raymond Chabot
Grant Thornton LLP**
138, 132 Road West
New Richmond (Québec)
G0C 2B0

T 418 392-5001

Opinion

We have audited the accompanying table of salaries, fees, travel expenses and other remuneration paid to elected or appointed officials for the year ended March 31, 2026, presented in Schedule B (hereafter the "financial information") of Micmacs of Gesgapegiag Band (hereafter the "entity"). This financial information has been prepared by management on the agreement with Aboriginal Affairs and Northern Development Canada (hereafter the "agreement").

In our opinion, the financial information in the Schedule B is prepared, in all material respects, in accordance with the agreement.

Basis for opinion

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 opinion.

Observation - Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention with that fact that the basis of accounting is described in agreement. The financial information is prepared to meet the requirements of the agreement. As a result, the financial information may not be suitable for another purpose. Our report is intended solely for Micmacs of Gesgapegiag Band and Aboriginal Affairs and Northern Development Canada and should not be distributed to others parties.

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;

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.

Raymond Chabot Grant Thornton LLP

New Richmond
August 10, 2026

¹ CPA auditor, public accountancy permit no. A131301

Micmacs of Gesgapegiag Band

Schedule B

Table of salaries, fees, travel expenses and other remuneration paid to elected or appointed officials

Year ended March 31, 2026

Name	Title	Number of months	Honoraria \$	MOG Remuneration ¹ \$	Fisheries Remuneration \$	Other Remuneration \$	Total Remuneration \$	Total of travel expenses ² \$
LAROCQUE, Roderick	Chief	12	600		531,322	136,875 ³	668,797	2,504
MARTIN, John	Councillor	12	15,000	121,155			136,155	7,052
CONDO, Angelique	Councillor	12	15,000	28,997			43,997	
CONDO, Tracy	Councillor	12	14,618	17,344			31,962	4,235
GEDEON, Shanon	Councillor	12	15,000	67,541			82,541	3,767
MARTIN, Shawn	Councillor	12	15,000	90,890			105,890	15,472
PRESTON, Paul	Councillor	12	15,000		188,497		203,497	5,004
GEDEON, Dorothy	Councillor	12	15,000	24,073			39,073	1,847
CONDO, Aaron	Councillor	12	15,000	26,728			41,728	6,081

¹ MOG Remuneration means any salaries, wages, commissions, bonuses, fees, dividends and any other monetary benefits Received as an employee of MOG - other than the reimbursement of expenses - and non monetary benefits.

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

³ Roderick LAROCQUE other remuneration corresponds to his MOG chief remuneration.

