

LISTUGUJ MI'GMAQ GOVERNMENT

SECTION 95 HOUSING
OPERATING AGREEMENT

FOR THE YEAR ENDED
MARCH 31, 2019

Please sign and return to
ALLEN, PAQUET & ARSENEAU LLP



Allen, Paquet & Arseneau LLP

CHARTERED PROFESSIONAL ACCOUNTANTS • COMPTABLES PROFESSIONNELS AGRÉÉS

LISTUGUJ MI'GMAO GOVERNMENT

SECTION 95 HOUSING OPERATING AGREEMENT

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FOR THE YEAR ENDED MARCH 31, 2019

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INDEPENDENT AUDITORS' REPORT

To The Members of
Listuguj Mi'gmaq Government

Opinion

We have audited the accompanying financial statements of Listuguj Mi'gmaq Government's program entitled Section 95 Housing Operating Agreement, which comprise the balance sheet as at March 31, 2019, and the statements of revenue and expenditures, changes in accumulated surplus (deficit), cash flow and funded reserves for the year then ended, and a summary of significant accounting policies and other explanatory information. These financial statements have been prepared by management of the Listuguj Mi'gmaq Government based on the funding agreement between Listuguj Mi'gmaq Government and Canada Mortgage and Housing Corporation (CMHC).

In our opinion, the financial statements of Listuguj Mi'gmaq Government's program entitled Section 95 Housing Operating Agreement for the year ended March 31, 2019 are prepared, in all material respects, in accordance with the funding agreement between the Listuguj Mi'gmaq Government and CMHC.

Basis of Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditors' Responsibilities for the Audit of the 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 financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting and Restriction on Use

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist Listuguj Mi'gmaq Government to comply with the reporting provisions of the funding agreement referred to above. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for Listuguj Mi'gmaq Government and CMHC and should not be used by parties other than the Listuguj Mi'gmaq Government and CMHC.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the funding agreement between the Listuguj Mi'gmaq Government and CMHC, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the organization 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 financial reporting process.

Independent Auditors' Report (cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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.

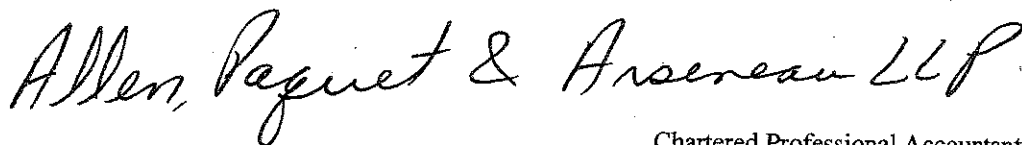
We also:

- Identify and assess the risks of material misstatement of the 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 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 ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 auditors' 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 financial statements, including the disclosures, and whether the 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.

Campbellton, NB

July 31, 2019



Chartered Professional Accountants

LISTUGUJ MI'GMAQ GOVERNMENT
Section 95 Housing Operating Agreement

Statutory Information

For The Year Ended March 31, 2019

Listuguj Mi'gmaq Government is located at: 17 Riverside West Street, Listuguj, QC, G0C 2R0

Chief: Darcy Gray
Councillors: Calvin Barnaby
Dolly Jane Barnaby
Chad Gedeon
Gordon Isaac Jr.
George Martin
Scott Martin
Gary Sr. Metallic
Sky Metallic
Wendell Metallic
Sheila Swasson
Marsha Vicaire

CMHC reference numbers under agreement:

16-202-699 phases 001 to 004

19-072-537 phases 001 to 021

Number of units: Pre-1997 program: 22 units, which includes one unit that is rented to an individual who lost her home due to a fire and is living there rent free
Post-1996 program: 76 units



LISTUGUJ MI'GMAQ GOVERNMENT
Section 95 Housing Operating Agreement

Statement of Revenue and Expenditures

For The Year Ended March 31, 2019

Program 16-202-699

| | <u>2019</u> | <u>2018</u> |
|--|-----------------|----------------|
| <u>Revenue</u> | | |
| Income-Tested Occupants (Program 16-202-699) | \$ 86,013 | \$ 87,976 |
| Federal Assistance (Program 16-202-699) | 26,818 | 31,895 |
| Retrofit Initiative Revenues (Program 16-202-699) | - | 100,000 |
| | <u>112,831</u> | <u>219,871</u> |
| <u>Expenditures</u> | | |
| Administration | 6,878 | 7,024 |
| Amortization | 37,533 | 50,442 |
| Annual Contribution - Replacement Reserve (Program 16-202-699) | 6,480 | 9,174 |
| Bad Debts | 11,421 | 12,296 |
| Bank Charges | 1,659 | - |
| Insurance | 7,433 | 9,052 |
| Mortgage Interest | 3,284 | 4,846 |
| Professional Fees | 1,800 | 1,800 |
| Repairs and Maintenance | 16,140 | 6,475 |
| Retrofit Initiative Expenses | - | 100,000 |
| Snow and Garbage Removal | 12,167 | 13,800 |
| Water and Sewerage | 4,400 | 4,400 |
| | <u>109,195</u> | <u>219,309</u> |
| <u>Operating Net Income</u> (Schedule A - Page 18) | 3,636 | 562 |
| <u>Transfer to Subsidy Surplus Reserve</u> | - | - |
| <u>Net Income For The Year - to Page 6</u> | <u>\$ 3,636</u> | <u>\$ 562</u> |



LISTUGUJ MI'GMAQ GOVERNMENT
Section 95 Housing Operating Agreement

Statement of Revenue and Expenditures

For The Year Ended March 31, 2019

Program 19-072-537

| | <u>2019</u> | <u>2018</u> |
|--|------------------|------------------|
| <u>Revenue</u> | | |
| Rent (Program 19-072-537) | \$ 268,615 | \$ 249,040 |
| Federal Assistance (Program 19-072-537) | 302,893 | 276,061 |
| Retrofit Initiative Revenues (Program 19-072-537) | - | <u>114,693</u> |
| | <u>571,508</u> | <u>639,794</u> |
| <u>Expenditures</u> | | |
| Administration | 21,489 | 19,923 |
| Amortization | 226,392 | 208,979 |
| Annual Contribution - Replacement Reserve (Program 19-072-537) | 65,853 | 59,853 |
| Bad Debts | 23,221 | 33,649 |
| Heat and Lights | 17,140 | 7,265 |
| Insurance | 28,465 | 27,305 |
| Mortgage Interest | 60,308 | 47,974 |
| Professional Fees | 9,275 | 10,746 |
| Repairs and Maintenance | 24,322 | 17,931 |
| Retrofit Initiative Expenses | - | 112,877 |
| Snow and Garbage Removal | 42,033 | 40,400 |
| Water and Sewerage | <u>15,200</u> | <u>15,200</u> |
| | <u>533,698</u> | <u>602,102</u> |
| <u>Operating Income</u> (Schedule B - Page 19) | 37,810 | 37,692 |
| <u>Transfer to Subsidy Surplus Reserve</u> | - | - |
| <u>Net Income For The Year - to Page 6</u> | <u>\$ 37,810</u> | <u>\$ 37,692</u> |



LISTUGUJ MI'GMAQ GOVERNMENT
Section 95 Housing Operating Agreement

Statement of Changes in Accumulated Surplus (Deficit)

For The Year Ended March 31, 2019

| | <u>2019</u> | <u>2018</u> |
|--|-------------------------|-------------------------|
| Balance, Beginning of Year | \$(358,248) | \$(284,989) |
| Prior Year Adjustments Requested by CMHC (Operating Fund) | (56,180) | (111,513) |
| Supplemental Subsidy by CMHC | <u>17,072</u> | <u>-</u> |
| Adjusted Balance | (397,356) | (396,502) |
| <u>Add (Deduct):</u> | | |
| Surplus Revenue Compared to Expenditures (16-202-699 Program) - Page 4 | 3,636 | 562 |
| Surplus Revenue Compared to Expenditures (19-072-537 Program) - Page 5 | <u>37,810</u> | <u>37,692</u> |
| Balance, End of Year - Page 7 | <u>\$(355,910)</u> | <u>\$(358,248)</u> |



LISTUGUJ MI'GMAQ GOVERNMENT
Section 95 Housing Operating Agreement

Balance Sheet as at March 31, 2019

| | <u>2019</u> | <u>2018</u> |
|---|---------------------|---------------------|
| <u>Assets</u> | | |
| <u>Current Assets</u> | | |
| Cash | \$ 202,827 | \$ 43,925 |
| Accounts Receivable - Retrofit Initiative | - | 214,693 |
| Accounts Receivable (16-202-699) (Note 2a) | 60,789 | 54,479 |
| Accounts Receivable (19-072-537) (Note 2b) | 166,383 | 147,666 |
| CMHC Subsidies Receivable (Note 2c) | <u>27,536</u> | <u>27,313</u> |
| | <u>457,535</u> | <u>488,076</u> |
| <u>Restricted Funds</u> | | |
| Replacement Reserve Fund (Program 16-202-699) (Note 3a) | 63,418 | 76,483 |
| Replacement Reserve Fund (Program 19-072-537) (Note 3b) | 478,051 | 460,457 |
| Operating Reserve Fund (Program 19-072-537) (Note 3d) | <u>442,016</u> | <u>429,473</u> |
| | <u>983,485</u> | <u>966,413</u> |
| <u>Capital Assets</u> | | |
| Capital Assets (Program 16-202-699) (Note 4) | 854,713 | 892,247 |
| Capital Assets (Program 19-072-537) (Note 5) | <u>5,492,446</u> | <u>5,718,838</u> |
| | <u>6,347,159</u> | <u>6,611,085</u> |
| <u>Total Assets</u> | <u>\$ 7,788,179</u> | <u>\$ 8,065,574</u> |
| <u>Liabilities</u> | | |
| <u>Current Liabilities</u> | | |
| Accounts Payable and Accrued Liabilities (Note 6) | \$ 33,635 | \$ 42,519 |
| Due to Listuguj Mi'gmaq Government Operating Fund | 598,348 | 733,788 |
| Long Term Debt Due Within One Year (Program 16-202-699) | 38,297 | 37,594 |
| Long Term Debt Due Within One Year (Program 19-072-537) | <u>229,655</u> | <u>227,974</u> |
| | <u>899,935</u> | <u>1,041,875</u> |
| <u>Long Term Debt</u> | | |
| Long Term Debt (Program 16-202-699) (Note 7) | 45,201 | 83,439 |
| Long Term Debt (Program 19-072-537) (Note 8) | <u>3,077,897</u> | <u>3,305,968</u> |
| | <u>3,123,098</u> | <u>3,389,407</u> |
| <u>Total Liabilities</u> | <u>4,023,033</u> | <u>4,431,282</u> |
| <u>Funded Reserves</u> | | |
| Replacement Reserve Fund (Program 16-202-699) (Page 9) | 63,418 | 76,483 |
| Replacement Reserve Fund (Program 19-072-537) (Page 9) | 587,831 | 520,162 |
| Operating Reserve Fund (Program 19-072-537) (Page 9) | <u>514,566</u> | <u>440,654</u> |
| | <u>1,165,815</u> | <u>1,037,299</u> |
| <u>Equity</u> | | |
| <u>Contributed Surplus</u> (Note 9) | <u>2,955,241</u> | <u>2,955,241</u> |
| <u>Accumulated Surplus (Deficit)</u> (Page 6) | (355,910) | (358,248) |
| <u>Total Equity</u> | <u>2,599,331</u> | <u>2,596,993</u> |
| | <u>\$ 7,788,179</u> | <u>\$ 8,065,574</u> |

Approved on Behalf of the Listuguj Mi'gmaq Government

Scott Hart Chief or Councillor
Wendell Metallo Councillor



Allen, Paquet & Arseneau LLP
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LISTUGUJ MI'GMAQ GOVERNMENT
Section 95 Housing Operating Agreement

Statement of Cash Flow

For The Year Ended March 31, 2019

| | <u>2019</u> | <u>2018</u> |
|---|-------------------|------------------|
| <u>Cash Flows From Operating Activities</u> | | |
| Cash Receipts From CMHC | \$ 544,181 | \$ 305,730 |
| Cash Receipts From Tenants | 329,601 | 330,903 |
| Payments for Operating Expenses | (381,096) | (573,685) |
| Payments for Mortgage Interest | (63,592) | (52,820) |
| | <u>429,094</u> | <u>10,128</u> |
| <u>Cash Flows From Financing Activities</u> | | |
| Mortgage Proceeds | - | 456,000 |
| Repayment of Mortgage Principal | (263,925) | (259,421) |
| Increase (Decrease) in Due From Listuguj Mi'gmaq Government Operating Fund | (135,440) | 406,082 |
| Increase (Decrease) in Due to Replacement Reserve Fund | 50,075 | (9,271) |
| Increase (Decrease) in Due to Operating Reserve Fund | 61,369 | (124,555) |
| CMHC Prior Year Adjustment | 17,729 | (35,596) |
| Increase in Contributed Surplus | - | 351,405 |
| | <u>(270,192)</u> | <u>784,644</u> |
| <u>Cash Flows From Investing Activity</u> | | |
| Purchase of Capital Assets | - | (807,405) |
| <u>Decrease in Unrestricted Cash During The Year</u> | 158,902 | (12,633) |
| <u>Unrestricted Cash, Beginning of Year</u> | <u>43,925</u> | <u>56,558</u> |
| <u>Unrestricted Cash, End of Year</u> | <u>\$ 202,827</u> | <u>\$ 43,925</u> |



LISTUGUJ MI'GMAQ GOVERNMENT
Section 95 Housing Operating Agreement

Statement of Funded Reserves

For The Year Ended March 31, 2019

| | <u>Capital</u> | <u>Interest</u> | <u>2019</u> | <u>Total</u> <u>2018</u> |
|---|---------------------|-----------------|---------------------|-----------------------------|
| <u>Replacement Reserve Fund</u> (16-202-699) (Note 3a) | | | | |
| Balance, Beginning of Year | \$ 76,483 | \$ - | \$ 76,483 | \$ 40,729 |
| <u>Add: Allocation For The Year</u> | 6,480 | - | 6,480 | 8,280 |
| CMHC Prior Year Adjustment | (19,545) | - | (19,545) | 27,474 |
| Balance, End of Year | <u>63,418</u> | <u>-</u> | <u>63,418</u> | <u>76,483</u> |
| <u>Replacement Reserve Fund</u> (19-072-537) (Note 3b) | | | | |
| Balance, Beginning of Year | 520,162 | - | 520,162 | 452,187 |
| <u>Add: Allocation For The Year</u> | 65,853 | - | 65,853 | 59,853 |
| CMHC Prior Year Adjustment | 1,816 | - | 1,816 | 8,122 |
| Balance, End of Year | <u>587,831</u> | <u>-</u> | <u>587,831</u> | <u>520,162</u> |
| <u>Subsidy Surplus Reserve Fund (Note 3c)</u> | | | | |
| Balance, Beginning of Year | - | - | - | - |
| <u>Add: CMHC Prior Year Adjustment</u> | - | - | - | - |
| Balance, End of Year | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <u>Operating Reserve Fund (Note 3d)</u> | | | | |
| Balance, Beginning of Year | 440,654 | - | 440,654 | 364,737 |
| <u>Add: Transfer From (To)</u> | | | | |
| General Surplus | 73,912 | - | 73,912 | 75,917 |
| Balance, End of Year | <u>514,566</u> | <u>-</u> | <u>514,566</u> | <u>440,654</u> |
| <u>Total Funded Reserves</u> | <u>\$ 1,165,815</u> | <u>\$ -</u> | <u>\$ 1,165,815</u> | <u>\$ 1,037,299</u> |



LISTUGUJ MI'GMAQ GOVERNMENT
Section 95 Housing Operating Agreement

Notes To The Financial Statements

For The Year Ended March 31, 2019

1. Significant Accounting Policies

a. Accounting Estimates

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

b. Revenue Recognition

Operating revenues are recorded based on the accrual method of accounting and are recognized when they are earned, specifically when:

- Services are provided or products are delivered to customers.
- There is a clear proof that an arrangement exists.
- Amounts are fixed or can be determined.
- Our ability to collect is reasonably assured.

c. Capital Assets and Amortization

Capital assets are recorded at cost of acquisition less any subsidies received for the capital assets. CMHC 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 capital assets.

d. Expenditures

Expenditures are recorded according to the accrual basis of accounting.

e. Replacement Reserve

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

2. Accounts Receivable

a. Program 16-202-699

| | <u>2019</u> | <u>2018</u> |
|--|------------------|------------------|
| Accounts Receivable | \$ 148,314 | \$ 130,584 |
| Less: Allowance for Doubtful Accounts | (87,525) | (76,105) |
| | <u>\$ 60,789</u> | <u>\$ 54,479</u> |
| <u>Collecting Rate (Program 16-202-699)</u> | | |
| Collecting Rate for the Current Year | <u>77 %</u> | |
| Past Amounts Collected During the Current Year | <u>\$ 5,200</u> | |
| Lost Rent for Vacancies of the Current Year | <u>\$ 763</u> | |



LISTUGUJ MI'GMAQ GOVERNMENT
Section 95 Housing Operating Agreement

Notes To The Financial Statements

For The Year Ended March 31, 2019

| | | | |
|--|--|-------------------|-------------------|
| 2. <u>Account Receivable (Cont'd)</u> | | <u>2019</u> | <u>2018</u> |
| b. <u>Program 19-072-537</u> | | | |
| Accounts Receivable | | \$ 347,983 | \$ 306,046 |
| <u>Less: Allowance for Doubtful Accounts</u> | | <u>(181,600)</u> | <u>(158,380)</u> |
| | | <u>\$ 166,383</u> | <u>\$ 147,666</u> |
| c. <u>CMHC Subsidies Receivable</u> | | | |
| Program 16-202-699 | | \$ 2,235 | \$ 2,235 |
| Program 19-072-537 | | <u>25,301</u> | <u>25,078</u> |
| | | <u>\$ 27,536</u> | <u>\$ 27,313</u> |

3. Contractual Obligations

a. Replacement Reserve Fund (Program 16-202-699)

Under the agreement with Canada Mortgage and Housing Corporation, 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 CMHC from time to time. Any use of the funds from the account must be approved by CMHC. At the end of the fiscal year, the replacement reserve included the following elements:

| | | |
|--------------|------------------|------------------|
| Term Savings | \$ <u>63,418</u> | \$ <u>76,483</u> |
|--------------|------------------|------------------|

b. Replacement Reserve Fund (Program 19-072-537)

Under the agreement with Canada Mortgage and Housing Corporation, 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 CMHC from time to time. Any use of the funds from the account must be approved by CMHC. At the end of the fiscal year, the replacement reserve included the following elements:

| | | |
|--------------|-------------------|-------------------|
| Term Savings | \$ <u>478,051</u> | \$ <u>460,457</u> |
|--------------|-------------------|-------------------|



LISTUGUJ MI'GMAQ GOVERNMENT
Section 95 Housing Operating Agreement

Notes To The Financial Statements

For The Year Ended March 31, 2019

3. Contractual Obligations (Cont'd)

c. Subsidy Surplus Reserve Fund (Program 16-202-699)

Under the agreement with the Canada Mortgage and Housing Corporation, surplus federal assistance payments received may be kept in a subsidy surplus reserve, the balance of which may not exceed \$500 per unit plus interest. The funds in this reserve 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 CMHC from time to time. The funds in this account must only be used to make up the difference between the maximum federal assistance amount and the future subsidy needs of income-tested tenants. Withdrawals are first applied to interest, then to the principal. The current reserve balance is nil.

d. Operating Reserve Fund (Project 19-072-537)

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 CMHC. 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 thus 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:

| | | |
|--------------|-------------------|-------------------|
| Term Savings | \$ <u>442,016</u> | \$ <u>429,473</u> |
|--------------|-------------------|-------------------|

e. Canada Mortgage and Housing Corporation Subsidy

The First Nation receives a subsidy under a program administered by Canada Mortgage and Housing Corporation 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 First Nation and CMHC. The amount of assistance received in the 2018/19 fiscal year was \$330,436.



LISTUGUJ MI'GMAQ GOVERNMENT
Section 95 Housing Operating Agreement

Notes To The Financial Statements

For The Year Ended March 31, 2019

4. Capital Assets (Program 16-202-699)

| | <u>Cost</u> | <u>Accumulated Amortization</u> | <u>Net Book Value</u> | |
|-----------|---------------------|-------------------------------------|-----------------------|-------------------|
| | | | <u>2019</u> | <u>2018</u> |
| Land | \$ 11,500 | \$ - | \$ 11,500 | \$ 11,500 |
| Buildings | <u>1,578,726</u> | <u>735,513</u> | <u>843,213</u> | <u>880,747</u> |
| | <u>\$ 1,590,226</u> | <u>\$ 735,513</u> | <u>\$ 854,713</u> | <u>\$ 892,247</u> |

5. Capital Assets (Program 19-072-537)

| | <u>Cost</u> | <u>Accumulated Amortization</u> | <u>Net Book Value</u> | |
|-----------|---------------------|-------------------------------------|-----------------------|---------------------|
| | | | <u>2019</u> | <u>2018</u> |
| Buildings | \$ <u>7,515,415</u> | \$ <u>2,022,969</u> | \$ <u>5,492,446</u> | \$ <u>5,718,838</u> |

6. Accounts Payable and Accrued Liabilities

| | <u>2019</u> | <u>2018</u> |
|---------------------------|------------------|------------------|
| Other Payables | \$ 482 | \$ 9,591 |
| Accrued Professional Fees | 9,200 | 9,200 |
| Accrued Mortgage Payments | <u>23,953</u> | <u>23,728</u> |
| | <u>\$ 33,635</u> | <u>\$ 42,519</u> |

7. Long Term Debt (Program 16-202-699)

| | <u>Portion Due Within One Year</u> | <u>2019</u> | <u>2018</u> |
|---|--|------------------|------------------|
| Project #001, CMHC File #16-202-699 RBC Mortgage, Prime plus 0.55%, repayable in equal monthly instalments of \$628, principal and interest, renewable in February 2020, due in July 2020 | \$ 7,213 | \$ 10,351 | \$ 17,388 |
| Project #003, CMHC File #16-202-699 RBC Mortgage, Prime plus 0.55%, repayable in equal monthly instalments of \$778, principal and interest, renewable in February 2020, due in May 2022 | 8,235 | 28,275 | 36,405 |
| Project #004, CMHC File #16-200-699 RBC Mortgage, Prime plus 0.55%, repayable in equal monthly instalments of \$2,033, principal and interest, renewable in February 2020, due in January 2021 | <u>22,849</u> | <u>44,872</u> | <u>67,240</u> |
| | <u>\$ 38,297</u> | <u>83,498</u> | <u>121,033</u> |
| <u>Less: Amount Due Within One Year</u> | | <u>38,297</u> | <u>37,594</u> |
| | | <u>\$ 45,201</u> | <u>\$ 83,439</u> |



LISTUGUJ M'GMAQ GOVERNMENT
Section 95 Housing Operating Agreement

Notes To The Financial Statements

For The Year Ended March 31, 2019

| | <u>Portion Due Within</u> <u>One Year</u> | <u>2019</u> | <u>2018</u> |
|--|--|----------------|----------------|
| 8. <u>Long Term Debt (Program 19-072-537)</u> | | | |
| Project #001, CMHC File #19-072-537 CMHC Mortgage, 1.08%, repayable in equal monthly instalments of \$1,466, principal and interest, renewable in August 2020, due in May 2021 | \$ 17,283 | \$ 36,220 | \$ 53,318 |
| Project #002, CMHC File #19-072-537 CMHC Mortgage, 1.08%, repayable in equal monthly instalments of \$1,341, principal and interest, renewable in August 2020, due in May 2024 | 15,311 | 79,578 | 94,726 |
| Project #003, CMHC File #19-072-537 CMHC Mortgage, 1.97%, repayable in equal monthly instalments of \$1,264, principal and interest, renewable in December 2022, due in November 2026 | 13,179 | 106,760 | 119,691 |
| Project #004, CMHC File #19-072-537 CMHC Mortgage, 2.5%, repayable in equal monthly instalments of \$1,406, principal and interest, renewable in June 2023, due in May 2027 | 13,941 | 123,396 | 137,098 |
| Project #005, CMHC File #19-072-537 CMHC Mortgage, 1.08% repayable in equal monthly instalments of \$522, principal and interest, renewable in August 2020, due in August 2028 | 5,696 | 55,637 | 61,273 |
| Project #006, CMHC File #19-072-537 CMHC Mortgage, 1.08%, repayable in equal monthly instalments of \$1,085, principal and interest, renewable in August 2020, due in August 2028 | 11,830 | 115,556 | 127,262 |
| Project #007, CMHC File #19-072-537 CMHC Mortgage, 1.14%, repayable in equal monthly instalments of \$815, principal and interest, renewable in June 2021, due in June 2029 | <u>8,752</u> | <u>93,808</u> | <u>102,463</u> |
| Amount Carried Forward | <u>85,992</u> | <u>610,955</u> | <u>695,831</u> |



LISTUGUJ MI'GMAO GOVERNMENT
Section 95 Housing Operating Agreement

Notes To The Financial Statements

For The Year Ended March 31, 2019

8. Long Term Debt (Post-1997 Program) (Cont'd)

| | Portion Due Within <u>One Year</u> | <u>2019</u> | <u>2018</u> |
|--|---------------------------------------|------------------|------------------|
| Amount Brought Forward | \$ 85,992 | \$ 610,955 | \$ 695,831 |
| Project #008, CMHC File #19-072-537 CMHC Mortgage, 1.84%, repayable in equal monthly instalments of \$1,784, principal and interest, renewable in September 2022, due July 2030 | 17,558 | 217,519 | 234,772 |
| Project #009, CMHC File #19-072-537 CMHC Mortgage, 2.5%, repayable in equal monthly instalments of \$1,523, principal and interest, renewable in June 2023, due in April 2031 | 13,696 | 189,439 | 202,949 |
| Project #010, CMHC File #19-072-537 CMHC Mortgage, 2.5%, repayable in equal monthly instalments of \$541, principal and interest, renewable in June 2023, due in April 2031 | 4,868 | 67,336 | 72,138 |
| Project #011, CMHC File #19-072-537 CMHC Mortgage, 2.5%, repayable in equal monthly instalments of \$1,182, principal and interest, renewable in June 2023, due in April 2031 | 10,626 | 146,978 | 157,460 |
| Project #012, CMHC File #19-072-537 CMHC Mortgage, 1.39%, repayable in equal monthly instalments of \$732, principal and interest, renewable in June 2020, due to May 2033 | 7,267 | 112,294 | 119,465 |
| Project #013, CMHC File #19-072-537 CMHC Mortgage, 1.39%, repayable in equal monthly instalments of \$1,468, principal and interest, renewable in June 2020, due in May 2035 | 14,177 | 253,816 | 267,807 |
| Project #014, CMHC File #19-072-537 CMHC Mortgage, 1.39%, repayable in equal monthly instalments of \$750, principal and interest, renewable in June 2020, due in May 2035 | <u>7,246</u> | <u>129,723</u> | <u>136,874</u> |
| Amount Carried Forward | <u>161,430</u> | <u>1,728,060</u> | <u>1,887,296</u> |



LISTUGUJ M'GMAQ GOVERNMENT
Section 95 Housing Operating Agreement

Notes To The Financial Statements

For The Year Ended March 31, 2019

8. Long Term Debt (Post-1997 Program)(Cont'd)

| | Portion Due Within <u>One Year</u> | <u>2019</u> | <u>2018</u> |
|---|---------------------------------------|---------------------|---------------------|
| Amount Brought Forward | \$ 161,430 | \$ 1,728,060 | \$ 1,887,296 |
| Project #015, CMHC File #19-072-537 CMHC Mortgage, 1.39%, repayable in equal monthly instalments of \$1,396, principal and interest, renewable in June 2020, due in May 2034 | 13,672 | 227,905 | 241,398 |
| Project #16, CMHC File #19-072-537 CMHC Mortgage, 1.43%, repayable in equal monthly instalments of \$1,112, principal and interest, renewable in April 2022, due in March 2037 | 10,394 | 210,831 | 221,087 |
| Project #17, CMHC File #19-072-537 CMHC Mortgage, 1.86%, repayable in equal monthly instalments of \$1,190, principal and interest, renewable in August 2022, due in August 2037 | 10,245 | 221,898 | 231,969 |
| Project #18, CMHC File #19-072-537 CMHC Mortgage, 2.7%, repayable in equal monthly instalments of \$517, principal and interest, renewable in November 2023, due in September 2038 | 3,724 | 93,945 | 97,670 |
| Project #19, CMHC File #19-072-537 CMHC Mortgage, 1.04%, repayable in equal monthly instalments of \$640, principal and interest, renewable in October 2020, due to October 2039 | 6,232 | 141,679 | 147,849 |
| Project #20, CMHC File #19-072-537 CMHC Mortgage, 1.84%, repayable in equal monthly instalments of \$1,073, principal and interest, renewable in September 2022, due in September 2042 | 8,454 | 244,916 | 253,216 |
| Project #21, CMHC File #19-072-537 CMHC Mortgage, 2.39%, repayable in equal monthly instalments of \$2,147, principal and interest, renewable in February 2023, due in February 2041 | 15,504 | 438,318 | 453,457 |
| | <u>\$ 229,655</u> | <u>3,307,552</u> | <u>3,533,942</u> |
| <u>Less: Amount Due Within One Year</u> | | <u>229,655</u> | <u>227,974</u> |
| | | <u>\$ 3,077,897</u> | <u>\$ 3,305,968</u> |



LISTUGUJ MI'GMAQ GOVERNMENT
Section 95 Housing Operating Agreement

Notes To The Financial Statements

For The Year Ended March 31, 2019

| | <u>2019</u> | <u>2018</u> |
|-------------------------------|---------------------|---------------------|
| 9. <u>Contributed Surplus</u> | | |
| Listuguj Mi'gmaq Government | \$ 1,489,813 | \$ 1,489,813 |
| Indigenous Services Canada | <u>1,465,428</u> | <u>1,465,428</u> |
| | <u>\$ 2,955,241</u> | <u>\$ 2,955,241</u> |

10. Financial Instruments

a. Credit Risk

The Listuguj Mi'gmaq Government is exposed to normal credit risk on the accounts receivable from its tenants.

b. Fair Values

The carrying amount of current assets and current liabilities approximates their fair value due to the short term maturities of these items.

The long term debt is carried at an amount which approximates the fair value as the outstanding interest rates are close to or at market rates.

11. Management of Net Assets

The objective of Listuguj Mi'gmaq Government in managing its net assets is to remain a sustainable operation while fulfilling its overall mandate as prescribe by the Section 95 Housing Operating Agreement program. It achieves its objective by strong day to day management of its cash flows and by regularly monitoring revenues and expenditures against its annual operating and capital budgets. When necessary, Listuguj Mi'gmaq Government takes prompt action to raise additional revenues when actual revenues do not meet its budget and to reduce expenditures or curtail programs when alternate sources of revenue can not be found.



LISTUGUJ MI'GMAQ GOVERNMENT
Section 95 Housing Operating Agreement

Schedule A
Statement of Revenue and Expenditures - Detailed

For The Year Ended March 31, 2019

Program 16-202-699

| | <u>#001</u> | <u>#002</u> | <u>#003</u> | <u>#004</u> | <u>Total</u> |
|--|-----------------|-----------------|-----------------|-------------------|-----------------|
| <u>Revenue</u> | | | | | |
| Income-Tested Occupants | \$ 16,200 | \$ 17,100 | \$ 16,500 | \$ 36,213 | \$ 86,013 |
| Federal Assistance | 4,335 | - | 5,319 | 17,164 | 26,818 |
| | <u>20,535</u> | <u>17,100</u> | <u>21,819</u> | <u>53,377</u> | <u>112,831</u> |
| <u>Expenditures</u> | | | | | |
| Administration | 1,296 | 1,368 | 1,320 | 2,894 | 6,878 |
| Amortization | 7,037 | - | 8,129 | 22,367 | 37,533 |
| Annual Contribution | | | | | |
| - Replacement Reserve | 1,440 | - | 1,440 | 3,600 | 6,480 |
| Bad Debts (Recovered) | 1,638 | (86) | (446) | 10,315 | 11,421 |
| Bank Charges | - | 1,659 | - | - | 1,659 |
| Insurance | 1,659 | - | 1,659 | 4,115 | 7,433 |
| Mortgage Interest | 446 | - | 1,043 | 1,795 | 3,284 |
| Professional Fees | 450 | 450 | 450 | 450 | 1,800 |
| Repairs and Maintenance | 2,087 | 5,245 | 612 | 8,196 | 16,140 |
| Snow and Garbage Removal | 2,212 | 2,212 | 2,212 | 5,531 | 12,167 |
| Water and Sewerage | 800 | 800 | 800 | 2,000 | 4,400 |
| | <u>19,065</u> | <u>11,648</u> | <u>17,219</u> | <u>61,263</u> | <u>109,195</u> |
| <u>Operating Surplus (Deficit)</u> | 1,470 | 5,452 | 4,600 | (7,886) | 3,636 |
| <u>Transfer to Subsidy Surplus Reserve</u> | | | | | |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <u>Surplus (Deficit) For The Year</u> | <u>\$ 1,470</u> | <u>\$ 5,452</u> | <u>\$ 4,600</u> | <u>\$(7,886)</u> | <u>\$ 3,636</u> |



LISTUGUJ MI'GMAQ GOVERNMENT
Section 95 Housing Operating Agreement

Schedule B
Statement of Revenue and Expenditures

For The Year Ended March 31, 2019

Program 19-072-537

| | <u>#001</u> | <u>#002</u> | <u>#003</u> | <u>#004</u> | <u>#005</u> |
|--|-----------------|-----------------|-----------------|------------------|--------------------|
| <u>Revenue</u> | | | | | |
| Rent | \$ 19,560 | \$ 18,000 | \$ 17,200 | \$ 21,600 | \$ 7,275 |
| Federal Assistance | <u>16,579</u> | <u>16,579</u> | <u>13,940</u> | <u>17,222</u> | <u>11,221</u> |
| | <u>36,139</u> | <u>34,579</u> | <u>31,140</u> | <u>38,822</u> | <u>18,496</u> |
| | | | | | |
| <u>Expenditures</u> | | | | | |
| Administration | 1,526 | 1,479 | 1,376 | 1,728 | 579 |
| Amortization | 16,124 | 16,123 | 12,931 | 13,702 | 8,671 |
| Annual Contribution | | | | | |
| - Replacement Reserve | 2,520 | 1,580 | 2,100 | 2,700 | 753 |
| Bad Debts (Recovered) | 1,425 | 1,425 | 3,700 | (1,180) | 380 |
| Heat and Lights | - | - | - | - | 17,140 |
| Insurance | 1,868 | 1,865 | 1,990 | 2,422 | 644 |
| Mortgage Interest | 719 | 718 | 2,233 | 3,066 | 973 |
| Professional Fees | 250 | 200 | 450 | 450 | 338 |
| Repairs and Maintenance | 902 | 901 | - | 501 | 2,495 |
| Snow and Garbage Removal | 3,042 | 3,042 | 2,212 | 3,318 | 1,106 |
| Water and Sewerage | <u>1,100</u> | <u>1,100</u> | <u>800</u> | <u>1,200</u> | <u>400</u> |
| | <u>29,476</u> | <u>28,433</u> | <u>27,792</u> | <u>27,907</u> | <u>33,479</u> |
| | | | | | |
| <u>Operating Surplus (Deficit)</u> | 6,663 | 6,146 | 3,348 | 10,915 | (14,983) |
| | | | | | |
| <u>Transfer to Subsidy Surplus Reserve</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | | | | | |
| <u>Surplus (Deficit) For The Year</u> | <u>\$ 6,663</u> | <u>\$ 6,146</u> | <u>\$ 3,348</u> | <u>\$ 10,915</u> | <u>\$(14,983)</u> |



| <u>#006</u> | <u>#007</u> | <u>#008</u> | <u>#009</u> | <u>#010</u> | <u>#011</u> | <u>#012</u> |
|---------------|-----------------|-----------------|-----------------|--------------------|-----------------|-----------------|
| \$ 7,200 | \$ 8,400 | \$ 21,000 | \$ 15,125 | \$ 6,000 | \$ 12,600 | \$ 7,800 |
| <u>11,221</u> | <u>12,199</u> | <u>24,423</u> | <u>20,685</u> | <u>7,418</u> | <u>16,020</u> | <u>8,924</u> |
| <u>18,421</u> | <u>20,599</u> | <u>45,423</u> | <u>35,810</u> | <u>13,418</u> | <u>28,620</u> | <u>16,724</u> |
| 579 | 672 | 1,680 | 1,210 | 480 | 1,008 | 624 |
| 8,671 | 8,655 | 17,254 | 13,510 | 4,802 | 10,482 | 7,171 |
| 2,250 | 2,400 | 6,300 | 5,000 | 2,000 | 4,000 | 2,000 |
| 380 | 38 | - | 1,740 | 3,000 | (1,074) | - |
| - | - | - | - | - | - | - |
| 644 | 797 | 2,789 | 1,992 | 797 | 1,594 | 663 |
| 973 | 1,120 | 4,159 | 4,615 | 1,640 | 3,581 | 1,610 |
| 337 | 450 | 450 | 450 | 450 | 450 | 450 |
| 2,495 | 23 | 160 | 185 | - | 1,425 | 122 |
| 1,106 | 1,106 | 3,871 | 2,765 | 1,106 | 2,212 | 1,106 |
| <u>400</u> | <u>400</u> | <u>1,400</u> | <u>1,000</u> | <u>400</u> | <u>800</u> | <u>400</u> |
| <u>17,835</u> | <u>15,661</u> | <u>38,063</u> | <u>32,467</u> | <u>14,675</u> | <u>24,478</u> | <u>14,146</u> |
| 586 | 4,938 | 7,360 | 3,343 | (1,257) | 4,142 | 2,578 |
| - | - | - | - | - | - | - |
| <u>\$ 586</u> | <u>\$ 4,938</u> | <u>\$ 7,360</u> | <u>\$ 3,343</u> | <u>\$ (1,257)</u> | <u>\$ 4,142</u> | <u>\$ 2,578</u> |



| #013 | #014 | #015 | #016 | #017 | #018 |
|-----------------|-------------------|-----------------|-----------------|-------------------|-----------------|
| \$ 13,872 | \$ 6,936 | \$ 13,368 | \$ 13,200 | \$ 12,204 | \$ 6,300 |
| <u>17,779</u> | <u>9,231</u> | <u>19,061</u> | <u>16,541</u> | <u>11,966</u> | <u>8,616</u> |
| <u>31,651</u> | <u>16,167</u> | <u>32,429</u> | <u>29,741</u> | <u>24,170</u> | <u>14,916</u> |
| 1,110 | 555 | 1,069 | 1,056 | 976 | 504 |
| 13,991 | 7,151 | 13,492 | 10,256 | 10,072 | 3,725 |
| 4,400 | 2,400 | 4,800 | 4,800 | 3,450 | 2,000 |
| 3,415 | 1,938 | (566) | 3,175 | 2,512 | 1,413 |
| - | - | - | - | - | - |
| 2,041 | 797 | 1,277 | 1,327 | 1,244 | 663 |
| 3,623 | 1,852 | 3,261 | 3,085 | 4,213 | 2,380 |
| 450 | 450 | 450 | 450 | 450 | 450 |
| 177 | 4,151 | 1,062 | 166 | 703 | 390 |
| 2,212 | 2,212 | 1,106 | 2,212 | 1,659 | 1,106 |
| <u>800</u> | <u>400</u> | <u>800</u> | <u>800</u> | <u>600</u> | <u>400</u> |
| <u>32,219</u> | <u>21,906</u> | <u>26,751</u> | <u>27,327</u> | <u>25,879</u> | <u>13,031</u> |
| (568) | (5,739) | 5,678 | 2,414 | (1,709) | 1,885 |
| - | - | - | - | - | - |
| <u>\$(568)</u> | <u>\$(5,739)</u> | <u>\$ 5,678</u> | <u>\$ 2,414</u> | <u>\$(1,709)</u> | <u>\$ 1,885</u> |



| <u>#019</u> | <u>#020</u> | <u>#021</u> | <u>Total</u> |
|-------------------|-----------------|-----------------|------------------|
| \$ 7,925 | \$ 10,200 | \$ 22,850 | \$ 268,615 |
| <u>8,565</u> | <u>10,804</u> | <u>23,899</u> | <u>302,893</u> |
| <u>16,490</u> | <u>21,004</u> | <u>46,749</u> | <u>571,508</u> |
| 634 | 816 | 1,828 | 21,489 |
| 6,170 | 8,300 | 15,139 | 226,392 |
| 2,000 | 2,400 | 6,000 | 65,853 |
| 1,500 | - | - | 23,221 |
| - | - | - | 17,140 |
| 810 | 995 | 1,246 | 28,465 |
| 1,505 | 4,572 | 10,410 | 60,308 |
| 450 | 450 | 950 | 9,275 |
| 2,934 | 484 | 5,046 | 24,322 |
| 1,106 | 1,106 | 3,322 | 42,033 |
| <u>400</u> | <u>400</u> | <u>1,200</u> | <u>15,200</u> |
| <u>17,509</u> | <u>19,523</u> | <u>45,141</u> | <u>533,698</u> |
| (1,019) | 1,481 | 1,608 | 37,810 |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <u>\$(1,019)</u> | <u>\$ 1,481</u> | <u>\$ 1,608</u> | <u>\$ 37,810</u> |

