

**Première Nation Malécite de Viger**  
**Extracts of Consolidated Financial Statements**  
**March 31, 2019**

Independent Auditors' Report	2 to 4
Consolidated Financial Position	5
Consolidated Operations and Accumulated Surplus	6
Consolidated Statement of Operations by Activities - Summary	7
Table of salaries, fees, travel expenses and other remuneration paid to elected or appointed officials	8
Table of salaries, fees, travel expenses and other remuneration paid to the general manager	9

## Independent Auditor's Report

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To the Head Chief and Council Chiefs of the Grand Council of  
Première Nation Malécite de Viger

### Opinion

We have audited the consolidated financial statements of the Grand Council of Première Nation Malécite de Viger (hereafter "the Entity"), which comprise the consolidated balance sheet as at March 31, 2019, and the consolidated statements of earnings and retained earnings and cash flows for the year then ended, and notes to consolidated financial statements, including a summary of significant accounting policies, and the consolidated schedules.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

### 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 Entity 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.

### 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 accounting standards for private enterprises, 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 Entity'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 Entity'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 Entity to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

*Raymond Chabot Grant Thornton S.E. N.C. R. L.*<sup>1</sup>

Rivière-du-Loup  
July 22, 2019

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<sup>1</sup> CPA auditor, CA public accountancy permit no. A106596

## Première Nation Malécite de Viger Consolidated Financial Position

March 31, 2019

	2019	2018
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash (note 5)	1,058,650	1,738,679
Term deposits, 0.5% to 2.21%, maturing in march 2020	5,020,000	2,500,000
Accounts receivable (note 6)	108,862	143,842
Funds in trust from the federal government (note 7)	319,579	312,325
Inventories held for sale (note 8)	18,148	14,749
Accounts receivable from Government and other organizations (note 9)	3,458,140	612,198
Investments, at cost (note 10)	392,436	429,097
Total financial assets	<u>10,375,815</u>	<u>5,750,890</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (note 11)	375,047	492,086
Accounts payable to Government and other Gouvernement organizations (note 12)		1,126
Deferred revenues (note 13)	585,741	362,259
Long-term debt (note 14)	975,573	1,241,138
Related obligations under employee benefits (note 15)	65,050	43,548
Total liabilities	<u>2,001,411</u>	<u>2,140,157</u>
	<u>8,374,404</u>	<u>3,610,733</u>
<b>FINANCIAL ASSETS</b>		
<b>NON-FINANCIAL ASSETS</b>		
Investment properties (note 16)	262,437	266,912
Tangible capital assets (note 17)	2,159,264	2,163,975
Fishing rights	2,628,275	2,748,369
Prepaid expenses (note 18)	70,346	24,548
Total non-financial assets	<u>5,120,322</u>	<u>5,203,804</u>
<b>Accumulated surplus</b>	<u>13,494,726</u>	<u>8,814,537</u>
Contingent liabilities (note 20)		

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

On behalf of the Council Members

\_\_\_\_\_  
Head Chief

\_\_\_\_\_  
Chief Counselor

\_\_\_\_\_  
Chief Counselor

\_\_\_\_\_  
Chief Counselor

\_\_\_\_\_  
Chief Counselor

**Première Nation Malécite de Viger**  
**Consolidated Operations and Accumulated Surplus**

Year ended March 31, 2019

	Budget (note 24)	2019	2018
	\$	\$	\$
<b>Revenues</b>			
Federal government (1)			
A.A.N.C.	3,601,136	4,159,685	1,099,383
F.N.E.C.	23,741	23,741	29,966
Fisheries and Oceans Canada	202,000	64,648	73,874
L.F.N.C.	194,000	225,957	243,881
National Energy Board		4,154	
Health Canada		9,716	
Provincial government (2)			
Secretariat with the business autochtones	185,000	460,731	
MCCCF	30,000	8,000	25,000
MFFP	90,000	90,435	90,435
Groupement Forestier de Kamouraska			36,700
Transcanada			66,076
Subsidies on fixed assets and fishing rights - Fisheries and Oceans Canada		162,759	135,302
Commercial activities	4,212,533	5,487,961	4,303,041
Interest - Intrust investment (note 7)		7,254	6,491
Gain on disposal of tangible capital assets			28,905
Other revenues	8,295	101,143	64,832
	<u>8,546,705</u>	<u>10,806,184</u>	<u>6,203,886</u>
<b>Operating expenses</b>			
Education	325,500	324,921	375,151
Health	101,000	12,347	(433)
Economic development	728,394	956,776	1,222,157
Community services	127,418	244,895	157,267
Band administration	1,481,704	1,808,653	985,230
Employability programs	200,321	225,957	243,881
Commercial activities	1,506,068	2,285,770	1,662,697
Depreciation of fixed assets	110,600	166,485	145,053
Depreciation of fishing rights	79,500	120,094	120,094
	<u>4,660,505</u>	<u>6,145,898</u>	<u>4,911,097</u>
<b>Annual surplus</b>	<u>3,886,200</u>	<u>4,660,286</u>	<u>1,292,789</u>
Accumulated surplus, beginning of year		8,910,968	7,558,572
Accumulated surplus redress, beginning of year		(76,528)	(36,824)
Adjusted balance		<u>8,834,440</u>	<u>7,521,748</u>
Accumulated surplus, end of year		<u>13,494,726</u>	<u>8,814,537</u>

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

(1) Federal subsidies for operations (note 4)

(2) Provincial subsidies for operations (note 4)

**Première Nation Malécite de Viger**  
**Consolidated Statement of Operations by Activities - Summary**  
Year ended March 31, 2019

	Revenues	Operating expenses	Surplus (deficit) for the year 2019	Surplus (deficit) for the year 2018
	\$	\$	\$	\$
Administration (NGOF-001)	302,073	1,297,846	(995,773)	(659,858)
Administration of Indian Inscriptions (NPG7-001)	8,681	56,611	(47,930)	(42,195)
Education (NP5A-001)	324,921	324,921		
Community buildings (NTMW-001)	17,642	97,570	(79,928)	(132,294)
O.D.E.C. (NT45-001)	93,059	94,164	(1,105)	(104,850)
General assembly and elections	990	176,193	(175,203)	
Negotiations (NG8R-001)	349,356	480,100	(130,744)	
Claims research (NGBL-001)				(1,005)
Forest management - Territoire de Parke	60,651	52,561	8,090	91,528
Cultural Project (NP1W-001)	45,131	45,302	(171)	(7,794)
Pow-Wow (NP1W-001)	28,167	25,739	2,428	
Community hunting and fishing	12,580	39,316	(26,736)	(711)
Health Service	12,347	12,347		433
Craft Sales	19,089	34,184	(15,095)	(11,725)
First Nations Council on Education	23,741	30,164	(6,423)	
Oil pipeline energy (consultation)	4,154		4,154	53,400
Consultation Assistance F.I.A. (consultation)	417,731	151,229	266,502	(146,095)
Indian Route				(11,040)
Ressources PPA	90,435	90,442	(7)	(38)
Aolians	921,000		921,000	259,788
Council of elders		17,810	(17,810)	(14,895)
Fishing boats	4,602,024	2,344,471	2,257,553	2,042,067
Aboriginal camps	100	430	(330)	
Aboriginal Fund for Species at Risk - A.F.S.R.	4,907	4,907		(517)
Port of Gros-Cacouna (NTE7-001)	18,800	18,800		
Capacity development (NG1C-001)	95,710	95,710		
Rebuilding Aboriginal Nations (NG9V-001)	267,605	267,605		
Société de développement Wulustuk inc.	14,640	21,357	(6,717)	(21,410)
Érablière Malécite S.E.C.		27,782	(27,782)	
Société de gestion Toku	93,052	112,380	(19,328)	
	7,828,586	5,919,941	1,908,645	1,292,789
Transfer from L.F.N.C. (Page 28)	225,957	225,957		
Claims - Railway	2,751,641		2,751,641	
<b>Operating fund surplus as at March 31, 2019 (including L.F.N.C. and adjustments)</b>	<b>10,806,184</b>	<b>6,145,898</b>	<b>4,660,286</b>	<b>1,292,789</b>

**Première Nation Malécite de Viger**

Schedule B

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

Year ended March 31, 2019

<b>Name</b>	<b>Title</b>	<b>Number of months</b>	<b>Salaries and fees \$</b>	<b>Other remuneration \$</b>	<b>Total remuneration \$</b>	<b>Total of travel expenses \$</b>
TREMBLAY, Jacques	Grand Chief	12	65,000		65,000	18,108
JENNISS, Pierre	Chief Counselor	12	75,000		75,000	21,247
MORAIS, Kévin	Chief Counselor	12	60,000		60,000	16,111
BRIÈRE, Claude	Chief Counselor	10.5	60,154		60,154	11,350
LAROCHE, Amélie	Chief Counselor	12	68,000		68,000	7,632



**Première Nation Malécite de Viger**

Schedule C

**Table of salaries, fees, travel expenses and other remuneration  
paid to the general manager**

Year ended March 31, 2019

<b>Name</b>	<b>Title</b>	<b>Number of months</b>	<b>Salaries and fees \$</b>	<b>Other remuneration \$</b>	<b>Total remuneration \$</b>	<b>Total of travel expenses \$</b>
PELLETIER, François	General Manager	8	52,291		52,291	
DUBÉ, Pascal	Interim Manager	10	72,453		72,453	20,215