

LISTUGUJ MI'GMAQ GOVERNMENT
Statement of Cash Flow
For The Year Ended March 31, 2011

	<u>2011</u>	(Restated) <u>2010</u>
<u>Cash Flows From Operating Activities</u>		
Cash Receipts From Funding Agreements	\$ 41,370,980	\$ 38,297,728
Cash Paid to Suppliers and Employees	(36,599,587)	(32,840,954)
Interest Received	-	9,669
Interest Paid	(125,412)	(113,718)
	<u>4,645,981</u>	<u>5,352,725</u>
<u>Cash Flows From Financing Activities</u>		
Proceeds From Long Term Debt	2,066,921	2,721,200
Principal Repayment of Long Term Debt	(1,059,154)	(1,250,286)
Repayment of Line of Credit	(330,000)	(500,000)
Increase in Funded Reserves	30,452	95,367
Increase in Contributed Surplus	380,567	9,895
CMHC Prior Year Adjustment	(1,318)	(55,484)
	<u>1,087,468</u>	<u>1,020,692</u>
<u>Cash Flows From Investing Activities</u>		
Acquisition of Capital Assets	(4,686,471)	(6,704,588)
Increase in Long Term Receivables	(387,344)	(319,062)
	<u>(5,073,815)</u>	<u>(7,023,650)</u>
<u>Increase (Decrease) in Cash and Cash Equivalents</u>	659,634	(650,233)
<u>Cash and Cash Equivalents (Deficiency), Beginning of Year</u>	(1,454,604)	(804,371)
<u>Cash and Cash Equivalents (Deficiency), End of Year (Note 13)</u>	<u>\$(794,970)</u>	<u>\$(1,454,604)</u>



LISTUGUJ MI'GMAO GOVERNMENT
Notes To The Financial Statements
For The Year Ended March 31, 2011

1. Basis of Presentation and Significant Accounting Policies

a. Basis of Presentation

These financial statements have been prepared in accordance with the Canadian generally accepted accounting principles for governments outlined in the Canadian Institute of Chartered Accountants Public Sector Accounting Board (PSAB) Handbook and the Year End Financial Reporting Handbook dated February 2010 produced by Indian and Northern Affairs Canada.

During the year, the First Nation has adopted the PSAB standards. The current financial statements are presented in accordance with the new basis. The financial information for the prior year has been updated and restated where appropriate.

The most significant changes related to the consolidation of funds and capitalization and amortization of tangible assets.

b. Accounting for Tangible Capital Assets

Tangible capital assets (TCA) are items that can be physically touched, are used to provide First Nation services, are used for First Nation administration purposes or are used for the construction and/or maintenance of other TCA owned by the First Nation, will be useful for a period of greater than one year, will be used by the First Nation on a regular basis and are not surplus properties held for resale or disposal.

Prior to PSAB implementing *PSAB 3150 - Tangible Capital Assets*, capital assets expenditures were valued at acquisition cost and recorded in the Capital Fund except for Section 95 Housing projects which were charged to operations in the year assets were acquired by not capitalized in the Capital Fund. The acquisition cost of capital assets and payments on capital debt, which were not funded from capital financing sources, were charged to operations and matched with the applicable revenue sources in the year of expenditures. These expenditures were also recorded as an addition to assets of the Capital Fund with a corresponding increase in investment in Capital Assets.

For fiscal years beginning on or after January 1, 2009, TCA information includes the actual or estimated original cost, their estimated useful lives and the related estimated accumulated amortization. For this transition, consideration would be given to the completeness of the TCA on files as well as the necessity to reduce any cost for which the future expected economic benefit is less than the net book value. Amortization rates are unchanged with the exception of amortization of Section 95 Housing and were reviewed and deemed appropriate by management.



LISTUGUJ MI'GMAQ GOVERNMENT
Notes To The Financial Statements
For The Year Ended March 31, 2011

1. Basis of Presentation and Significant Accounting Policies (Cont'd)

b. Accounting for Tangible Capital Assets (Cont'd)

Amortization is calculated using methods which will reduce the original cost of capital assets to estimated residual values over the useful life of each asset using the following annual rates:

Buildings	4% Straight Line Basis
Infrastructures	4% Straight Line Basis
Paving	4% Straight Line Basis
Heavy Equipment	10% Straight Line Basis
Equipment and Furniture	20% Straight Line Basis
Boats	20% Straight Line Basis
Vehicles	20% Straight Line Basis

In the year of acquisition, 50% of the normal amortization is recorded.

Amortization in the Social Housing Program is provided on buildings purchased from loans at a rate equal to the annual principal reduction of the mortgage. A Replacement Reserve is maintained to provide for future asset replacement. This amortization is then changed to effect the above rates when converting to PSAB principles.

c. 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.

d. Revenue Recognition

Major sources of revenue are recorded on an accrual basis. Certain other sources of revenue are recorded on a cash basis.

e. Expenditure Recognition

Commitments for goods and services relating to the current fiscal period are accrued at the balance sheet date.

f. Social Housing Program

The Replacement Reserve Fund is funded by an annual charge against earnings rather than an appropriation of surplus.



LISTUGUJ MI'GMAQ GOVERNMENT
Notes To The Financial Statements
For The Year Ended March 31, 2011

	<u>2011</u>	<u>2010</u>
2. <u>Accounts Receivable</u>		
Accounts Receivable	\$ 6,038,993	\$ 7,092,764
Receivable from INAC - Contributions	790,745	644,509
Receivable from INAC - Other	<u>1,753,417</u>	<u>2,581,340</u>
	<u>\$ 8,583,155</u>	<u>\$ 10,318,613</u>
3. <u>Long Term Receivables</u>		
Mortgage Receivable, 4%, repayable in equal weekly instalments of \$114.70, principal and interest, due in June 2019	\$ 8,491	\$ 14,004
Mortgage Receivable, 4%, repayable in equal weekly instalments of \$109.76, principal and interest	2,910	6,354
Mortgage Receivable, 4%, repayable in equal weekly instalments of \$91.12, principal and interest	10,429	10,021
Mortgage Receivable, no repayment terms determined as at March 31, 2011	69,032	66,334
Mortgage Receivable, no repayment terms determined as at March 31, 2011	12,600	12,600
Lease to Own Housing Rents Receivable	<u>1,837,521</u>	<u>1,444,326</u>
	<u>\$ 1,940,983</u>	<u>\$ 1,553,639</u>

The lease to own housing rents receivable have been classified as long term receivables until paid.



LISTUGUJ MI'GMAO GOVERNMENT
Notes To The Financial Statements
For The Year Ended March 31, 2011

4. 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 term savings of \$99,620 (\$99,620 in 2010).

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. At the end of the fiscal year the replacement reserve included term savings of \$380 (\$380 in 2010).

5. Deferred Revenue

	<u>2011</u>	<u>2010</u>
First Line Childhood Family Services (Page 25)	\$ -	\$ 39,114
Fire Protection (Page 29)	27,500	9,800
Public Works (Page 30)	29,315	-
CMHC RRAP (Page 34)	-	16,000
CMHC - Disability Upgrade (Page 40)	-	3,500
Inter-Community Harmony (Page 66)	<u>24,212</u>	<u>20,000</u>
	<u>\$ 81,027</u>	<u>\$ 88,414</u>



LISTUGUJ MI'GMAQ GOVERNMENT
Notes To The Financial Statements
For The Year Ended March 31, 2011

	<u>2011</u>	<u>2010</u>
6. <u>Long Term Debt</u>		
Payable to the Province of New Brunswick, 10.69% repayable in annual instalments of \$300,000 per year, plus interest, due in July 2023 (see note on Page 98)	\$ 3,645,731	\$ 3,936,807
RBC Mortgage, 5.75%, repayable in equal monthly instalments of \$682, principal and interest, due in February 2014, secured by a ministerial guarantee (#30961)	59,146	63,996
RBC Mortgage, 5.75%, repayable in equal monthly instalments of \$1,669, principal and interest, due in February 2014, secured by a ministerial guarantee (#31052)	111,395	124,993
RBC Mortgage, 5.75%, repayable in equal monthly instalments of \$852, principal and interest, due in February 2014, secured by a ministerial guarantee (#31138)	84,179	89,702
RBC Mortgage, 5.75%, repayable in equal monthly instalments of \$2,215, principal and interest, due in February 2014, secured by a ministerial guarantee (#31222)	<u>199,638</u>	<u>214,992</u>
Balance Carried Forward	<u>4,100,089</u>	<u>4,430,490</u>



LISTUGUJ MI'GMAO GOVERNMENT
Notes To The Financial Statements
For The Year Ended March 31, 2011

	<u>2011</u>	<u>2010</u>
6. <u>Long Term Debt</u> (Cont'd)		
Balance Brought Forward	\$ 4,100,089	\$ 4,430,490
CMHC Mortgage, 2.69%, repayable in equal monthly instalments of \$1,534, principal and interest, due in August 2015, secured by a ministerial guarantee (#31354)	162,556	176,147
CMHC Mortgage, 2.69%, repayable in equal monthly instalments of \$1,436, principal and interest, due in August 2015, secured by a ministerial guarantee (#31361)	190,091	201,769
CMHC Mortgage, 4.28%, repayable in equal monthly instalments of \$1,480, principal and interest, due in December 2012, secured by a ministerial guarantee (#31557)	202,238	211,211
CMHC Mortgage, 3.16%, repayable in equal monthly instalments of \$1,495, principal and interest, due in June 2013, secured by a ministerial guarantee (#31558)	226,288	236,939
CMHC Mortgage, 2.69%, repayable in equal monthly instalments of \$577, principal and interest, due in August 2015, secured by a ministerial guarantee (#31718)	96,018	100,185
CMHC Mortgage, 2.69%, repayable in equal monthly instalments of \$1,199, principal and interest, due in August 2015, secured by a ministerial guarantee (#31719)	199,422	208,077
CMHC Mortgage, 4.45%, repayable in equal monthly instalments of \$1,039, principal and interest, due in June 2011, secured by a ministerial guarantee (#31780)	154,763	160,273
CMHC Mortgage, 4.91%, repayable in equal monthly instalments of \$2,320, principal and interest, due in September 2012, secured by a ministerial guarantee (#31897)	<u>342,779</u>	<u>353,663</u>
Balance Carried Forward	<u>5,674,244</u>	<u>6,078,754</u>



LISTUGUJ MI'GMAQ GOVERNMENT
Notes To The Financial Statements
For The Year Ended March 31, 2011

	<u>2011</u>	<u>2010</u>
6. <u>Long Term Debt</u> (Cont'd)		
Balance Brought Forward	\$ 5,674,244	\$ 6,078,754
CMHC Mortgage, 3.47%, repayable in equal monthly instalments of \$1,699, principal and interest, due in June 2013 (#31914)	291,149	273,046
CMHC Mortgage, 3.47%, repayable in equal monthly instalments of \$604, principal and interest, due in June 2013 (#31943)	103,490	96,974
CMHC Mortgage, 3.47%, repayable in equal monthly instalments of \$1,318, principal and interest, due in June 2013 (#31980)	225,892	211,784
CMHC Mortgage, 3.13%, repayable in equal monthly instalments of \$849, principal and interest, due in June 2015 (#32133)	162,105	167,200
CMHC Mortgage, 3.13%, repayable in equal monthly instalments of \$1,728, principal and interest, due in June 2015 (#32134)	350,141	360,000
CMHC Mortgage, 3.13%, repayable in equal monthly instalments of \$883, principal and interest, due in June 2015 (#32169)	178,956	184,000
CMHC Mortgage, 3.13%, repayable in equal monthly instalments of \$1,632, principal and interest, due in June 2015 (#32170)	321,265	331,000
RBC Loan, 5.75%, repayable in equal monthly instalments of \$6,202, principal and interest, due in February 2014, secured by a ministerial guarantee (#31487)	442,554	491,609
RBC Loan, 5.75%, repayable in equal monthly instalments of \$5,661, principal and interest, due in February 2014, secured by a ministerial guarantee (#31566)	<u>354,451</u>	<u>401,803</u>
Balance Carried Forward	<u>8,104,247</u>	<u>8,596,170</u>



LISTUGUJ MI'GMAQ GOVERNMENT
Notes To The Financial Statements
For The Year Ended March 31, 2011

	<u>2011</u>	<u>2010</u>
6. <u>Long Term Debt</u> (Cont'd)		
Balance Brought Forward	\$ 8,104,247	\$ 8,596,170
RBC Loan, Prime Plus 1.75%, repayable in equal monthly instalments of \$2,917, principal plus interest, due in February 2012	32,084	67,084
RBC Loan, 5.94%, repayable in monthly instalments of \$7,738, principal and interest, due in March 2012	754,573	801,076
RBC Loan, repaid during the year	-	71,832
RBC Loan, repaid during the year	-	5,505
RBC Loan, 5.45%, repayable in equal monthly instalments of \$4,454, principal and interest, due in September 2014 (#32135)	696,639	715,499
RBC Loan, Prime Plus 2.85%, repayable in annual instalments of \$100,000, principal plus interest, due in April 2012	300,000	300,000
RBC Loan, 5.45%, repayable in equal monthly instalments of \$6,012, principal plus interest, due in May 2014, secured by a ministerial guarantee (#31672)	473,178	519,660
RBC Loan, 5.49%, repayable in equal monthly instalments of \$8,946, principal and interest, due in May 2015, secured by a ministerial guarantee (#31723)	773,909	837,371
RBC Loan, 7.5%, repayable in equal semi-annual instalments of \$55,351 payable on July 31 and January 31, principal and interest, due in January 2013	405,447	481,477
RBC Loan, Prime Plus 1.75%, repayable in equal monthly instalments of \$1,445, principal and interest, due in July 2015	<u>322,280</u>	<u>397,420</u>
Balance Carried Forward	<u>11,862,357</u>	<u>12,793,094</u>



LISTUGUJ MI'GMAQ GOVERNMENT
Notes To The Financial Statements
For The Year Ended March 31, 2011

	<u>2011</u>	<u>2010</u>
6. <u>Long Term Debt</u> (Cont'd)		
Balance Brought Forward	\$ 11,862,357	\$ 12,793,094
RBC Loan, 5.5%, repayable in equal monthly instalments of \$9,766, principal and interest, due in June 2016, secured by a ministerial guarantee (#31834)	919,262	984,521
RBC Loan, 5.59%, repayable in equal monthly instalments of \$8,669, principal and interest, due in December 2012, secured by a ministerial guarantee (#31981)	1,303,681	1,338,765
RBC Loan, 6.4%, repayable in equal monthly instalments of \$4,683, principal and interest, due in January 2013, secured by a ministerial guarantee (#32008)	649,267	665,388
RBC Capital Lease, repaid during the year	-	11,868
RBC Capital Lease, repaid during the year	-	4,078
RBC Loan, Prime Plus 2.85%, no set terms for repayment, interest only	675,000	675,000
RBC Loan, Prime Plus 1.75%, repayable in equal monthly instalments of \$1,151, principal and interest, due in June 2011	3,437	16,774
RBC Loan, Prime Plus 1.75%, repayable in equal monthly instalments of \$1,218, principal and interest, due in June 2011	3,650	17,761
RBC Loan, Prime Plus 1.75%, repayable in equal monthly instalments of \$2,042, principal and interest, due in August 2013	135,319	153,145
RBC Loan, 6.40%, repayable in equal monthly instalments of \$3,278, principal and interest, due in September 2013, secured by a ministerial guarantee (#32060)	<u>463,959</u>	<u>475,436</u>
Balance Carried Forward	<u>16,015,932</u>	<u>17,135,830</u>



LISTUGUJ M'GMAO GOVERNMENT
Notes To The Financial Statements
For The Year Ended March 31, 2011

	<u>2011</u>	<u>2010</u>
6. <u>Long Term Debt</u> (Cont'd)		
Balance Brought Forward	\$ 16,015,932	\$ 17,135,830
RBC Loan, 6.15%, repayable in equal monthly instalments of \$4,575, principal and interest, due in October 2013, secured by a ministerial guarantee (#32070)	659,324	676,040
RBC Loan, Prime plus 2.5%, repayable in equal monthly instalments of \$5,000, plus interest, due in April 2014	185,000	245,000
RBC Loan, 6.4%, repayable in equal monthly instalments of \$1,405, principal and interest, due in April 2014, secured by a ministerial guarantee (#32107)	202,661	207,343
RBC Capital Lease, 6.59%, repayable in equal monthly instalments of \$1,233, principal and interest, due in December 2011	3,699	18,491
RBC Capital Lease, 6.01%, repayable in equal monthly instalments of \$1,135, principal and interest, due in February 2012	5,674	19,290
GMAC Loan, 0%, repayable in equal monthly instalments of \$509, due in July 2012	8,144	14,252
GMAC Loan, 0%, repayable in equal monthly instalments of \$509, due in July 2012	8,144	14,252
GMAC Loan, 0%, repayable in equal monthly instalments of \$509, due in July 2012	8,144	14,252
RBC Capital Lease, 6.07%, repayable in equal monthly instalments of \$4,309, principal and interest, due in May 2015	215,440	225,000
RBC Capital Lease, 5.58%, repayable in equal monthly instalments of \$1,706, principal and interest, due in April 2013	<u>42,662</u>	<u>-</u>
Balance Carried Forward	<u>17,354,824</u>	<u>18,569,750</u>



LISTUGUJ MI'GMAO GOVERNMENT
Notes To The Financial Statements
For The Year Ended March 31, 2011

	<u>2011</u>	<u>2010</u>
6. <u>Long Term Debt</u> (Cont'd)		
Balance Brought Forward	\$ 17,354,824	\$ 18,569,750
RBC Capital Lease, 5.13%, repayable in equal monthly instalments of \$8,045, principal and interest, due in September 2016	426,394	425,000
RBC Loan, 5.1%, repayable in equal monthly instalments of \$5,384, principal and interest, due in November 2015, includes \$109,100 undistributed at year end	900,621	-
RBC Loan, prime plus 2.85%, repayable in equal monthly instalments of \$8,930, principal plus interest, due in March 2016	750,000	-
CMHC Mortgage, 4.03%, repayable in equal monthly instalments of \$1,475, principal and interest, due in June 2016	<u>279,600</u>	<u>-</u>
	<u>\$ 19,711,439</u>	<u>\$ 18,994,750</u>

The agreement for the Payable to the Province of New Brunswick calls for all interest, which is presently not being paid or accrued, to be waived as long as scheduled principal payments are made. All payments are up to date as at March 31, 2011.

Principal repayment of long term debt for the next five years are due as follows:

2012	\$ 1,529,783
2013	1,513,833
2014	1,538,869
2015	1,428,383
2016	<u>1,384,932</u>
	<u>\$ 7,395,800</u>



LISTUGUJ MI'GMAQ GOVERNMENT
Notes To The Financial Statements
For The Year Ended March 31, 2011

	<u>2011</u>	<u>2010</u>
7. <u>Band Trust Funds</u>		
<u>Capital</u>		
Balance, Beginning and End of Year	\$ <u>585</u>	\$ <u>585</u>
<u>Revenue</u>		
Balance, Beginning of Year	\$ 14,733	\$ 14,147
Net Changes	<u>560</u>	<u>586</u>
Balance, End of Year	\$ <u>15,293</u>	\$ <u>14,733</u>

These amounts are on deposit with the Government of Canada and are audited by the Auditor General of Canada. They are not included in these financial statements except to the extent they are received from Ottawa.

8. Comparative Figures

Certain of the comparative figures as at March 31, 2010 and for the year then ended have been restated to conform to the presentation adopted for the current year.

9. Subsidy Surplus Reserve Fund

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 presently nil.

10. Operating Reserve Fund

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. The current reserve balance is nil.



LISTUGUJ MI'GMAO GOVERNMENT
Notes To The Financial Statements
For The Year Ended March 31, 2011

11. Tangible Capital Assets

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	
			<u>2011</u>	<u>2010</u>
Land	\$ 311,500	\$ -	\$ 311,500	\$ 311,500
Buildings	42,587,484	13,689,981	28,897,503	28,481,439
Infrastructures	27,800,359	12,297,166	15,503,193	15,425,453
Paving	1,299,336	287,572	1,011,764	1,015,896
Heavy Equipment	6,554,633	4,190,521	2,364,112	2,721,189
Equipment and Furniture	4,177,528	3,275,139	902,389	1,033,718
Boats	5,972,963	4,817,601	1,155,362	635,502
Vehicles	<u>1,998,432</u>	<u>1,518,958</u>	<u>479,474</u>	<u>582,343</u>
	<u>\$ 90,702,235</u>	<u>\$ 40,076,938</u>	<u>\$ 50,625,297</u>	<u>\$ 50,207,040</u>

12. Contingent Liabilities

The Listuguj Mi'gmaq Government have been assessed amounts payable for CSST (Commission de la santé et de la sécurité du travail) in excess of amounts believed to be owing by management and in excess of amounts being carried on the books of account as liabilities. The First Nation is in the process of negotiating amounts payable and believe that recorded amounts are in line with what the actual settlement amounts will be.

13. Cash and Cash Equivalents (Deficiency), End of Year

Cash	\$ 3,550,261	\$ 5,542,382
<u>Less: Bank Overdraft</u>	<u>4,345,231</u>	<u>6,996,986</u>
	<u>\$(794,970)</u>	<u>\$(1,454,604)</u>

14. Economic Dependence

The Listuguj Mi'gmaq Government receives a substantial portion of its revenues pursuant to a funding arrangement with Indian and Northern Affairs Canada. Many of the program services carried out by the First Nation are dependent on the continued receipt of this funding.



LISTUGUJ MI'GMAQ GOVERNMENT
Notes To The Financial Statements
For The Year Ended March 31, 2011

15. Financial Instruments

a. Credit Risk

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

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.

16. Commitments

During the 2007 fiscal year Listuguj Mi'gmaq Government signed compensation agreements with eight senior management employees for a term of five years. These agreements expire during the 2012 fiscal year.



LISTUGUJ MI'GMAQ GOVERNMENT
Management's Responsibility For Financial Reporting
March 31, 2011

The accompanying financial statements of the Listuguj Mi'gmaq Government are the responsibility of management and have been approved by the Chief and a Councillor on behalf of Council.

The financial statements have been prepared by management in accordance with the significant accounting policies outlined in Note 1 to the financial statements. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

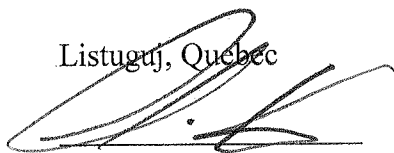
The Listuguj Mi'gmaq Government maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Listuguj Mi'gmaq Government's assets are appropriately accounted for and adequately safeguarded.

The Listuguj Mi'gmaq Government is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

Council also 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 annual report, the financial statements and the external auditors' report.

The financial statements have been audited by Allen, Paquet & Arseneau LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. Allen, Paquet & Arseneau LLP have full and free access to the Chief and Council, and have been properly engaged as the external auditors.

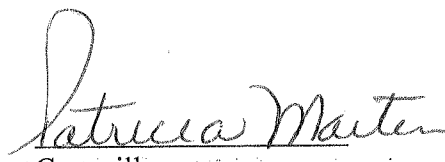
Listuguj, Quebec



Chief

Oct 26 / 11

Date



Councillor

Oct 26, 2011

Date



Allen, Paquet & Arseneau LLP

Chartered Accountants • Comptables agréés CA*