

FORT ALBANY FIRST NATION
CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2017

FORT ALBANY FIRST NATION

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YEAR ENDED MARCH 31, 2017

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MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of Fort Albany First Nation for the year ended March 31, 2017 are the responsibility of management and have been approved by Chief and Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. A summary of the significant accounting policies is described in Note 1 to the consolidated financial statements. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems appropriate in the circumstances, in order to ensure that the consolidated financial statements are presented fairly, in all material aspects.

Fort Albany First Nation's management is responsible for maintaining 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 Fort Albany First Nation's assets are appropriately accounted for and adequately safeguarded.

Fort Albany First Nation's Chief and Council are responsible for ensuring that management fulfills its responsibilities of financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements.

The Chief and Council meet periodically with management, as well as the external auditor, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging its responsibilities, and to review the consolidated financial statements and the external auditor's report.

The consolidated financial statements have been audited by MNP LLP in accordance with Canadian generally accepting auditing standards on behalf of the members. MNP LLP has full and free access to the Chief and Council with regard to audit requirements.

On behalf of Fort Albany First Nation:

for Robert Nakigeo

Chief
Deputy Chief

August 30, 2017

[Signature]

Chief Executive Officer

INDEPENDENT AUDITOR'S REPORT

To the Members of Fort Albany First Nation

We have audited the accompanying consolidated financial statements of Fort Albany First Nation which comprise the consolidated statement of financial position as at March 31, 2017 and the consolidated statements of operations and accumulated surplus, change in net debt and cash flows for the year then ended, and summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

Canadian public sector accounting standards require budget figures be reported in the statement of operations and accumulated surplus and change in net debt. No budget figures were available (Note 22).

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the consolidated financial statements present fairly, in all material respects, the financial position of Fort Albany First Nation as at March 31, 2017 and the results of its operations, changes in its net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other Matters

Prior period financial statements have been restated to include information related to portfolio investments, investment in a government business enterprise and amounts due to funding agency which was previously unavailable (Note 22).

Timmins, Ontario
August 30, 2017


MNP LLP
Chartered Professional Accountants
Licensed Public Accountants

STATEMENT 1

FORT ALBANY FIRST NATION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31

| | 2017 | 2016 (Note 22) |
|--|----------------------|----------------------|
| FINANCIAL ASSETS | | |
| Cash (Note 2) | \$ 1,773,644 | \$ 2,039,303 |
| Restricted cash and deposits | | |
| CMHC reserve fund (Note 2) | 119,856 | 119,928 |
| Funds held in trust - Ottawa (Note 3) | 463,295 | 454,863 |
| Accounts receivable (Note 4) | 2,168,284 | 1,409,005 |
| Portfolio investments (Note 5) | 662,929 | 176,998 |
| Loan receivable (Note 6) | 137,500 | 273,000 |
| Investment in government business enterprise (Note 13) | 2,690,946 | 2,244,678 |
| | 8,016,454 | 6,717,775 |
| FINANCIAL LIABILITIES | | |
| Bank indebtedness (Note 2) | 400,832 | 710,318 |
| Accounts payable and accruals (Note 7) | 4,611,572 | 2,624,606 |
| Long-term and callable debt (Note 8) | 6,532,750 | 5,148,235 |
| Deferred revenue (Note 9) | 1,398,152 | 627,029 |
| Landfill closure and post-closure liability (Note 16) | 500,000 | 400,000 |
| Due to related parties | 14,957 | - |
| Due to funding agency | 237,287 | 237,287 |
| | 13,695,550 | 9,747,475 |
| NET DEBT | (5,679,096) | (3,029,700) |
| NON-FINANCIAL ASSETS | | |
| Tangible capital assets (Schedule A) | 44,737,993 | 42,076,976 |
| Prepaid expenses | 240,298 | 68,600 |
| Inventory (Note 1) | 11,000 | 120,625 |
| | 44,989,291 | 42,266,201 |
| ACCUMULATED SURPLUS (Note 18) | \$ 39,310,195 | \$ 39,236,501 |

Contingencies (Note 11)

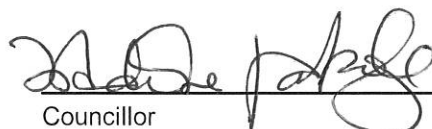
Contractual Obligations (Note 21)

Approved by:

for 
Chief

DEPUTY CHIEF

See accompanying notes.


Councillor

FORT ALBANY FIRST NATION

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

YEAR ENDED MARCH 31, 2017

| | 2017 | 2016 (Note 22) |
|---|----------------------|----------------------|
| REVENUES | | |
| Indigenous and Northern Affairs Canada | \$ 9,982,762 | \$ 8,812,044 |
| Health Canada | 2,135,079 | 2,098,659 |
| Ontario First Nations Limited Partnership (Note 12) | 1,448,994 | 1,279,925 |
| Province of Ontario | 2,817,332 | 2,806,637 |
| Nishnawbe Aski Nation | 431,405 | 167,114 |
| Payukotayno Child and Family Services | 79,168 | 103,898 |
| Mushkegowuk Council | 264,703 | 330,096 |
| Canada Mortgage and Housing Corporation | 260,424 | 268,793 |
| Rental | 398,710 | 363,860 |
| Impact Benefit Agreement receipts - De Beers | 371,757 | 825,200 |
| Equity in income of government business enterprise | 446,268 | 675,404 |
| Other (Note 17) | 3,456,077 | 4,163,859 |
| Deferred revenue - opening | 627,029 | 311,502 |
| Deferred revenue - closing | (1,398,152) | (627,029) |
| | 21,321,556 | 21,579,962 |
| EXPENDITURES (Note 20) | | |
| Administration and governance | 1,857,868 | 1,557,005 |
| Community development | 1,961,297 | 3,053,068 |
| Community services - O&M | 2,852,799 | 2,510,752 |
| Daycare | 489,133 | 477,612 |
| Education | 6,027,287 | 5,715,566 |
| Health services | 2,531,896 | 2,417,059 |
| Housing | 1,853,557 | 1,767,556 |
| Infrastructure | 462,344 | 664,926 |
| Social assistance | 3,211,681 | 3,259,219 |
| | 21,247,862 | 21,422,763 |
| ANNUAL SURPLUS (DEFICIT) | 73,694 | 157,199 |
| ACCUMULATED SURPLUS, BEGINNING OF YEAR | 39,236,501 | 39,079,302 |
| ACCUMULATED SURPLUS, END OF YEAR (Note 18) | \$ 39,310,195 | \$ 39,236,501 |

FORT ALBANY FIRST NATION

CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT

YEAR ENDED MARCH 31, 2017

| | 2017 | 2016 (Note 22) |
|---|-----------------------|-----------------------|
| ANNUAL SURPLUS (DEFICIT) | \$ 73,694 | \$ 157,199 |
| Acquisition and construction of tangible capital assets | (4,741,837) | (1,206,767) |
| Amortization of tangible capital assets | 2,080,820 | 2,099,162 |
| Loss on disposal of tangible capital assets | - | 75,851 |
| Usage (acquisition) of prepaid expenses | (171,698) | 211,289 |
| Utilization of inventory | 109,625 | 46,905 |
| | (2,723,090) | 1,226,440 |
| CHANGE IN NET DEBT | (2,649,396) | 1,383,639 |
| NET DEBT, BEGINNING OF YEAR | (3,029,700) | (4,413,339) |
| NET DEBT, END OF YEAR | \$ (5,679,096) | \$ (3,029,700) |

FORT ALBANY FIRST NATION

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2017

| | 2017 | 2016 (Note 22) |
|--|--------------------|--------------------|
| OPERATIONS | | |
| Annual surplus (deficit) | \$ 73,694 | \$ 157,199 |
| Add: Amortization of tangible capital assets | 2,080,820 | 2,099,162 |
| Loss on disposal of tangible capital assets | - | 75,851 |
| | 2,154,514 | 2,332,212 |
| CHANGES IN NON-CASH WORKING CAPITAL ACCOUNTS: | | |
| Accounts receivable | (759,279) | 237,380 |
| Loan receivable | 135,500 | (210,500) |
| Portfolio investments | (485,931) | (176,997) |
| Prepaid expenses | (171,699) | 211,290 |
| Restricted cash - CMHC reserve funds | 72 | 72 |
| Inventory | 109,625 | 46,905 |
| Accounts payable and accruals | 1,986,966 | 385,986 |
| Deferred revenue | 771,124 | 315,526 |
| Landfill closure and post-closure liability | 100,000 | - |
| Due to related parties | 14,957 | - |
| | 1,701,335 | 809,662 |
| INCREASE IN CASH FROM OPERATING ACTIVITIES | 3,855,849 | 3,141,874 |
| INVESTING ACTIVITIES | | |
| Increase in funds held in trust - Ottawa | (8,433) | (10,273) |
| Equity in income in government business enterprise | (446,268) | (675,404) |
| Acquisition and construction of tangible capital assets (net of financing) | (2,637,051) | (1,073,934) |
| DECREASE IN CASH FROM INVESTING ACTIVITIES | (3,091,752) | (1,759,611) |
| FINANCING ACTIVITIES | | |
| Repayment and forgiveness of long term debt | (720,270) | (656,964) |
| Repayment of callable debt | - | (35,569) |
| Repayment of bank indebtedness | (309,486) | (568,309) |
| DECREASE IN CASH FROM FINANCING ACTIVITIES | (1,029,756) | (1,260,842) |
| CHANGE IN CASH | (265,659) | 121,421 |
| CASH, beginning of year | 2,039,303 | 1,917,882 |
| CASH, end of year | \$ 1,773,644 | \$ 2,039,303 |

FORT ALBANY FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2017

NATURE OF ORGANIZATION

Fort Albany First Nation (the Nation) is an Indian Band located in the James Bay Region of Northern Ontario, and provides various services to its members. Fort Albany First Nation includes the Nation's members, government and all related entities that are accountable to the Nation and are either owned or controlled by the Nation.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements are the representation of management and have been prepared in accordance with generally accepted accounting principles for the public sector as recommended by the Public Sector Accounting Board of CPA Canada. Further, the consolidated financial statements are prepared on the going concern assumption that the Nation will be able to realize its assets and discharge its liabilities in the normal course of operations. Significant accounting policies are as follows:

(a) REPORTING ENTITY

The reporting entity includes the Fort Albany First Nation government and all related entities controlled by the Nation.

(b) PRINCIPLES OF CONSOLIDATION

All controlled entities are fully consolidated on a line-by-line basis except for commercial enterprises which meet the definition of government business enterprises, which are included in the consolidated financial statements on a modified equity basis. Inter-organizational balances and transactions are eliminated upon consolidation.

Organizations consolidated in Fort Albany First Nation's consolidated financial statements are as follows:

Fort Albany First Nation Band
Mundo Peetabeck Education Authority
Peetabeck Health Services

Fort Albany Power Corporation is accounted for on a modified equity basis.

(c) ASSET CLASSIFICATION

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale. Non-financial assets include tangible capital assets, prepaid expenses and inventory.

(d) PORTFOLIO INVESTMENTS

Portfolio investments not traded in an active market are recorded at cost, and are written down where there has been a loss in value that is other than a temporary decline.

(e) INVENTORY OF SUPPLIES

Inventory of supplies, comprised of coarse aggregate stockpiles for resale and use in operations is recorded at the lower of cost and net realizable value, with cost being determined on a first-in, first-out basis. All inventory is reported as non-financial assets as the proportion held for resale represents a minor portion of the reported amount.

FORT ALBANY FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) TANGIBLE CAPITAL ASSETS

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on the declining balance and straight line methods as follows:

| | | |
|-------------------------------------|-------------|-------------------|
| Land improvements | indefinite | |
| Buildings | 5% | declining balance |
| Vehicles | 30% | declining balance |
| Furnishing, equipment and computers | 20%-55% | declining balance |
| Water and wastewater systems | 10-50 years | straight line |
| Roads, bridges and sidewalks | 10-40 years | straight line |

One-half of the annual amortization is charged in the year of acquisition. Assets under construction are not amortized until the asset is available for productive use.

(g) NET DEBT

The Nation's financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt of the Nation is determined by its financial assets less its financial liabilities.

(h) REVENUE

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenditures are recognized as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

Funds from external parties and earnings thereon, when restricted by agreement or legislation, are accounted for as deferred revenue until used for the purpose specified. Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs, in the completion of specific work, or for the acquisition of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period the related expenditures are incurred, services performed or the tangible capital assets are acquired.

Government transfers are transfers from senior levels of government that are not the result of an exchange transaction and are not expected to be repaid in the future. Government transfers without eligibility criteria or stipulations are recognized as revenue when the transfer is authorized. A transfer with eligibility criteria is recognized as revenue when the transfer is authorized and all eligibility criteria have been met. A transfer with or without eligibility criteria but with stipulations is recognized as revenue in the period the transfer is authorized and all eligibility criteria have been met, except where and to the extent that the transfer gives rise to an obligation that meets the definition of a liability for the organization. Government transfers that meet the definition of a liability are recognized as revenue as the liability is extinguished.

Other revenues are recognized in the year that the events giving rise to the revenues occur and the revenues are earned. Amounts received which relate to revenues that will be earned in a subsequent year, are deferred and reported as liabilities.

FORT ALBANY FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED MARCH 31, 2017

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) MEASUREMENT UNCERTAINTY

In preparing the financial statements for the Nation, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenditures during the period. The main estimates used in preparing these financial statements include an allowance for doubtful accounts, amortization of tangible capital assets and landfill closure and post-closure liability. Actual results could differ from these estimates.

(j) PRIOR YEAR FUNDING ADJUSTMENTS

The Nation has entered into accountable contribution arrangements with several government funding agencies. These programs are subject to audit by the various governments, with potential audit adjustments repayable to the government. These adjustments are recorded in the financial statements in the year they become known.

(k) RECENT ACCOUNTING PRONOUNCEMENTS

PS 3210 Assets (New)

In June 2015, new PS 3210 Assets was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). The new section provides guidance for applying the definition of assets set out in PS 1000 Financial Statement Concepts. The main features of this standard are as follows:

- Assets are defined as economic resources controlled by a government as a result of past transactions or events and from which future economic benefits are expected to be obtained.
- Economic resources can arise from such events as agreements, contracts, other government's legislation, the government's own legislation, and voluntary contributions.
- The public is often the beneficiary of goods and services provided by a public sector entity. Such assets benefit public sector entities as they assist in achieving the entity's primary objective of providing public goods and services.
- A public sector entity's ability to regulate an economic resource does not, in and of itself, constitute control of an asset, if the interest extends only to the regulatory use of the economic resource and does not include the ability to control access to future economic benefits.
- A public sector entity acting as a trustee on behalf of beneficiaries specified in an agreement or statute is merely administering the assets, and does not control the assets, as future economic benefits flow to the beneficiaries.
- An economic resource may meet the definition of an asset, but would not be recognized if there is no appropriate basis for measurement and a reasonable estimate cannot be made, or if another Handbook Section prohibits its recognition. Information about assets not recognized should be disclosed in the notes.

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. Management expects no impact of the above pronouncement on its consolidated financial statements.

FORT ALBANY FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2017

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

PS 3320 Contingent Assets (New)

In June 2015, new PS 3320 Contingent Assets was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). The new section establishes disclosure standards on contingent assets. The main features of this standard are as follows:

- Contingent assets are possible assets arising from existing conditions or situations involving uncertainty. That uncertainty will ultimately be resolved when one or more future events not wholly within the public sector entity's control occurs or fails to occur. Resolution of the uncertainty will confirm the existence or non-existence of an asset.
- Passing legislation that has retroactive application after the financial statement date cannot create an existing condition or situation at the financial statement date.
- Elected or public sector entity officials announcing public sector entity intentions after the financial statement date cannot create an existing condition or situation at the financial statement date.
- Disclosures should include existence, nature, and extent of contingent assets, as well as the reasons for any non-disclosure of extent, and the bases for any estimates of extent made.
- When a reasonable estimate can be made, disclosure should include a best estimate and a range of possible amounts (or a narrower range of more likely amounts), unless such a disclosure would have an adverse impact on the outcome.

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. Management expects no impact of the above pronouncement on its consolidated financial statements.

PS 3380 Contractual Rights (New)

In June 2015, new PS 3380 Contractual Rights was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). This new section establishes disclosure standards on contractual rights, and does not include contractual rights to exchange assets where revenue does not arise. The main features of this standard are as follows:

- Contractual rights are rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future.
- Until a transaction or event occurs under a contract or agreement, an entity only has a contractual right to an economic resource. Once the entity has received an asset, it no longer has a contractual right.
- Contractual rights are distinct from contingent assets as there is no uncertainty related to the existence of the contractual right.
- Disclosures should include descriptions about nature, extent, and timing.

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. Management expects no impact of the above pronouncement on its consolidated financial statements.

FORT ALBANY FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2017

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

PS 3430 Restructuring Transactions (New)

In June 2015, new PS 3430 Restructuring Transactions was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). The new section establishes disclosure standards on contingent assets. The main features of this standard are as follows:

- A restructuring transaction is defined separately from an acquisition. The key distinction between the two is the absence of an exchange of consideration in a restructuring transaction.
- A restructuring transaction is defined as a transfer of an integrated set of assets and/or liabilities, together with related program or operating responsibilities that does not involve an exchange of consideration.
- Individual assets and liabilities transferred in a restructuring transaction are derecognized by the transferor at their carrying amount and recognized by the recipient at their carrying amount with applicable adjustments.
- The increase in net assets or net liabilities resulting from recognition and derecognition of individual assets and liabilities received from all transferors, and transferred to all recipients in a restructuring transaction, is recognized as revenue or as an expense.
- Restructuring-related costs are recognized as expenses when incurred.
- Individual assets and liabilities received in a restructuring transaction are initially classified based on the accounting policies and circumstances of the recipient at the restructuring date.
- The financial position and results of operations prior to the restructuring date are not restated.
- Disclosure of information about the transferred assets, liabilities and related operations prior to the restructuring date by the recipient is encouraged but not required.

The section is effective for new restructuring transactions that occur in fiscal periods beginning on or after April 1, 2018. Earlier application is encouraged. Management expects no impact of the above pronouncement on its consolidated financial statements.

2. CASH AND BANK INDEBTEDNESS

Under the terms of an agreement with Canada Mortgage and Housing Corporation (CMHC), Fort Albany First Nation must set aside funds annually for the repair, maintenance and replacement of worn out assets. These funds are to be held in a separate bank account and invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as otherwise approved by the CMHC with any interest earned to be credited as revenue to the Apartment Replacement and Subsidy Fund. At the year-end date, the respective monies on hand in the amount of \$119,856 were not sufficient to meet the CMHC reserve fund requirements. The deficiency amounted to \$51,484.

Mundo Peetabeck Education Authority, whose books and records are consolidated in these consolidated financial statements, is party to an RBC credit facility agreement bearing interest at the bank prime rate plus 1.80% with a borrowing limit of \$100,000. At the year-end date, the limit was temporarily increased to \$270,000 of which \$150,000 was utilized. Subsequent to the year-end date the limit reverted back to \$100,000. Included in bank indebtedness are overdraft balances of various consolidated entities.

Cash is comprised of the following:

| | 2017 | 2016 |
|--------------------------------|---------------------|---------------------|
| Social Services | \$ 41,319 | \$ 21,980 |
| Health Services | 109,708 | - |
| Operating | 1,622,617 | 2,016,533 |
| Tangible Capital Asset account | - | 790 |
| | \$ 1,773,644 | \$ 2,039,303 |

FORT ALBANY FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED MARCH 31, 2017

3. FUNDS HELD IN TRUST - OTTAWA

Trust funds held by the federal government arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

| | Opening Balance | Additions | Withdrawal | 2017 |
|------------------------------|-----------------|-----------|------------|------------|
| Trust Funds - Ottawa: | | | | |
| Revenue | \$ 454,863 | \$ 8,432 | \$ - | \$ 463,295 |

4. ACCOUNTS RECEIVABLE

| | 2017 | 2016 |
|--|---------------------|---------------------|
| Due from government: | | |
| Indigenous and Northern Affairs Canada (INAC) | \$ 820,503 | \$ 282,599 |
| Canada Mortgage and Housing Corporation | 14,038 | 14,038 |
| Health Canada | 60,636 | 120,152 |
| Ministry of Community and Social Services | 181,193 | 226,805 |
| | 1,076,370 | 643,594 |
| Due from members: | | |
| Rent receivable | 855,923 | 627,147 |
| Due from others: | | |
| Nishnawbe Aski Nation | 35,860 | 28,161 |
| Payukotayno - James and Hudson Bay Family Services | - | 23,636 |
| Mushkegowuk Council | 92,020 | 17,094 |
| Other | 1,005,651 | 769,151 |
| | 1,133,531 | 838,042 |
| | 3,065,824 | 2,108,783 |
| Less: allowance for doubtful accounts | (897,540) | (699,778) |
| | \$ 2,168,284 | \$ 1,409,005 |

5. PORTFOLIO INVESTMENTS

Portfolio investments consists of:

A 25% interest in Kimesskanemenow Limited Partnership, a partnership controlled by several Nation bands whose primary business activity is the annual construction and maintenance of a winter road from Moosonee to Attawapiskat, Ontario. The investment is carried at cost, being the initial contribution and adjusted by the annual net income (loss) each year.

A 25% interest in Creewest Limited Partnership, a partnership controlled by several Nation bands whose primary business activity is the participation in contracting opportunities from development projects within the traditional territories of the Limited Partners, in order to generate income for the Limited Partners and employment opportunities for their respective memberships. The investment is carried at cost, being the initial contribution and adjusted by the annual net income (loss) each year.

6. LOAN RECEIVABLE

The loan receivable from Kimesskanemenow Limited Partnership (Note 5), is non-interest bearing and unsecured with no fixed terms of repayment.

FORT ALBANY FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)
YEAR ENDED MARCH 31, 2017
7. ACCOUNTS PAYABLE AND ACCRUALS

| | 2017 | 2016 |
|--------------------------------|---------------------|---------------------|
| Trade accounts payable | \$ 3,175,624 | \$ 1,355,424 |
| Government remittances payable | 1,203,525 | 1,062,843 |
| Other accrued liabilities | 232,423 | 206,339 |
| | \$ 4,611,572 | \$ 2,624,606 |

8. LONG-TERM AND CALLABLE DEBT

| | 2017 | 2016 |
|---|-----------|------------|
| RBC term loan, bearing interest at 5.0%, repaid during the year. | \$ - | \$ 192,596 |
| CMHC mortgage advance, bearing interest at 0.72%. | 1,104,785 | - |
| RBC term loan, bearing interest at the RBC prime rate plus 1.75%, repayable in full on September 17, 2017, secured by the assignment of Indigenous and Northern Affairs Canada funding. | 1,000,000 | - |
| RBC term loan, bearing interest at 4.75%, repayable at \$9,695 per month principal and interest, secured by building and assignment of rents, renewable November 2016, maturing November 2031. | 1,226,519 | 1,283,642 |
| CMHC mortgage, bearing interest at 2.04%, repayable at \$3,193 per month principal and interest, renewable March 2019, maturing March 2034. | 550,455 | 577,319 |
| CMHC mortgage, bearing interest at 1.95%, repayable at \$5,558 per month principal and interest, renewable June 2019, maturing May 2034. | 972,967 | 1,020,310 |
| CMHC mortgage, non-interest bearing, forgivable at \$58,933 per annum, maturing October 2025. Terms of forgiveness stipulate the building financed with the facility must continue to operate as an emergency shelter for women and children who are victims of family violence. | 466,933 | 516,800 |
| CMHC mortgage, bearing interest at 1.39%, repayable at \$3,597 per month principal and interest, renewable August 2017, maturing August 2037. | 766,977 | 799,289 |
| CMHC mortgage, non-interest bearing, forgivable at \$396 per month, maturing March 2019. Terms of forgiveness stipulate the building financed with the facility must continue to operate as a rental unit for band members with a total household income at or below a stipulated income threshold during the period. | 9,500 | 14,250 |
| CMHC mortgage, non-interest bearing, forgivable at \$342 per month, maturing September 2018. Terms of forgiveness stipulate the building financed with the facility must continue to operate as a rental unit for band members with a total household income at or below a stipulated income threshold during the period. | 6,150 | 10,250 |
| CMHC mortgage, non-interest bearing, forgivable at \$396 per month, maturing September 2018. Terms of forgiveness stipulate the building financed with the facility must continue to operate as a rental unit for band members with a total household income at or below a stipulated income threshold during the period. | 7,125 | 11,875 |
| CMHC mortgage, non-interest bearing, forgivable at \$396 per month, maturing September 2018. Terms of forgiveness stipulate the building financed with the facility must continue to operate as a rental unit for band members with a total household income at or below a stipulated income threshold during the period. | 7,125 | 11,875 |

FORT ALBANY FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED MARCH 31, 2017

8. LONG-TERM AND CALLABLE DEBT (CONT'D)

CMHC mortgage payable, non-interest bearing, forgivable at \$396 per month, maturing June 2018. Terms of forgiveness stipulate the building financed with the facility must continue to operate as a rental unit for band members with a total household income at or below a stipulated income threshold during the period.

5,938 10,688

RBC capital lease, bearing interest at 5.00%, repayable at \$19,646 per month principal and interest. The lease matures on March 2018 and is secured by 2007 and 2012 coarse aggregate crushers with a carrying value of \$544,513.

216,104 451,854

CMHC mortgage payable, non-interest bearing, forgivable at \$396 per month, maturing February 2021. Terms of forgiveness stipulate the building financed with the facility must continue to operate as a rental unit for band members with a total household income at or below a stipulated income threshold during the period.

18,604 23,354

CMHC mortgage payable, non-interest bearing, forgivable at \$396 per month, maturing February 2021. Terms of forgiveness stipulate the building financed with the facility must continue to operate as a rental unit for band members with a total household income at or below a stipulated income threshold during the period.

18,604 23,354

CMHC mortgage payable, non-interest bearing, forgivable at \$396 per month, maturing February 2021. Terms of forgiveness stipulate the building financed with the facility must continue to operate as a rental unit for band members with a total household income at or below a stipulated income threshold during the period.

18,604 23,354

CMHC mortgage payable, non-interest bearing, forgivable at \$396 per month, maturing February 2021. Terms of forgiveness stipulate the building financed with the facility must continue to operate as a rental unit for band members with a total household income at or below a stipulated income threshold during the period.

18,604 23,354

RBC loan bearing interest at 4.99%, repayable in monthly blended payments of \$807. The loan matures in December 2019 and is secured by 2014 GMC Sierra truck with a carrying value of \$17,812.

24,833 33,052

RBC loan bearing interest at 4.90%, repayable in monthly blended payments of \$2,018. The loan matures in February 2020 and is secured by two GMC school buses with a carrying value of \$44,639.

63,917 84,447

RBC loan bearing no interest, repayable in monthly fixed principal payments of \$631. The loan matures in January 2021 and is secured by a 2015 Chevrolet Silverado truck with a carrying value of \$25,486.

29,006 36,572

\$ 6,532,750 \$ 5,148,235

All of the above CMHC debt facilities are secured by Band Council Resolution, Ministerial Guarantee from Indigenous and Northern Affairs Canada, assignment of fire insurance, and specific housing units.

Principal portion repayable/forgivable in the next five years and thereafter is as follows:

| | |
|------------|---------------------|
| 2018 | \$ 1,514,331 |
| 2019 | 293,857 |
| 2020 | 280,974 |
| 2021 | 255,529 |
| 2022 | 237,380 |
| Thereafter | 3,950,679 |
| | \$ 6,532,750 |

FORT ALBANY FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED MARCH 31, 2017

9. DEFERRED REVENUE

Details of the deferred revenue balance are as follows:

| | Opening Balance | Revenue recognized | Deferral Recorded | 2017 |
|-----------------------------|-----------------|--------------------|-------------------|--------------|
| INAC | | | | |
| Special Education | \$ - | \$ - | \$ 764,852 | \$ 764,852 |
| End of Life Vehicle Project | - | - | 118,877 | 118,877 |
| Housing | - | - | 73,601 | 73,601 |
| Renovations and additions | - | - | 175,000 | 175,000 |
| Minor Capital | 13,156 | (13,156) | - | - |
| Elementary | 103,558 | (103,558) | - | - |
| Secondary | 125,235 | (125,235) | - | - |
| Planning, Design and | | | | |
| Payukotayno Child and | | | | |
| Family Services | 16,546 | (16,546) | 9,659 | 9,659 |
| Other | 368,534 | (368,534) | 256,163 | 256,163 |
| | \$ 627,029 | \$ (627,029) | \$ 1,398,152 | \$ 1,398,152 |

10. FINANCIAL INSTRUMENTS

The Nation is exposed to various risks through its financial instruments. The following analysis provides information about the Nation's risk exposure and concentration as of March 31, 2017.

Credit Risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Nation is exposed to credit risk from members and customers. An allowance for doubtful accounts (\$897,540; 2016 - \$699,778) is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Nation has a significant number of members/customers which minimizes concentration of credit risk.

Interest Rate Risk

The Nation has interest bearing credit facilities on which prevailing interest rate fluctuations apply and fixed rate interest bearing credit facilities which are renewable before maturity. Accordingly, there is a financial risk to the Nation's annual surplus that arises from fluctuations in prevailing interest rates and the degree of volatility of these rates. The Nation does not utilize derivative instruments to reduce its exposure to interest rate risk.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Nation is exposed to this risk mainly in respect of its receipt of funds from its funders and other related sources, long-term debt, and accounts payable.

11. CONTINGENCIES

The Nation has entered into contribution agreements with various federal and provincial government departments. Funding received under these contribution agreements is subject to repayment if the Nation fails to comply with the terms and conditions of the agreements.

In addition, in the normal course of its operations, the Nation becomes involved in legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded on the Nation's consolidated financial statements. Included in accounts payable and accruals is \$204,561 in respect of such claims.

The Nation operates a solid waste landfill site, sewage lagoons and waste storage facilities adjacent to the reserve lands. The Ontario Ministry of the Environment has identified certain non-compliance issues in relation to these facilities and has issued action directives which, at the date of these consolidated financial statements, have not been completed. Management has engaged a consultant to evaluate the deficiencies and make recommendations pertaining thereto. Resolution of these matters will require future expenditures by the Nation which may or may not be offset by specific funding arrangements. The net expenditure amount, which may be material, is not determinable at the financial statement date and, accordingly, no provision has been made in these consolidated financial statements in relation to these items.

FORT ALBANY FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED MARCH 31, 2017

11. CONTINGENCIES (CONT'D)

The Nation has a number of credit facilities with CMHC that contain provisions for forgiveness of the liabilities over time pursuant to covenants. Failure to meet these covenants could result in the credit facilities being converted from forgivable to repayable (Note 8).

12. DISTRIBUTIONS FROM ONTARIO FIRST NATIONS LIMITED PARTNERSHIP

Commencing with the 2012 fiscal year and in each fiscal year thereafter during the initial and renewal terms of the agreement between the Province of Ontario and Ontario First Nations Limited Partnership (OFNLP), the Province of Ontario shall pay to OFNLP 12 monthly payments equal to one-twelfth of 1.7% of the aggregate provincial gross gaming revenues. OFNLP then distributes to the Nation its share of these revenues according to a formula used for that purpose. The use of these funds, according to agreements, is restricted to community development, health, education, cultural development and economic development.

The Nation holds a unit in the Ontario First Nations Limited Partnership, and a share in a related company Ontario First Nations General Partner Inc. - the carrying values of which are nominal and are therefore not recorded in these consolidated financial statements.

13. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISE

Fort Albany Power Corporation is a corporation established by the Nation to provide hydro-electric power distribution to members of the community.

The following table provides condensed supplementary financial information for the year ended as indicated, which was the most recent available at the date of these consolidated financial statements:

| | December 2016 Fort Albany Power Corp. | December 2015 Fort Albany Power Corp. |
|------------------------|--|---|
| Financial Position | | |
| Current assets | \$ 2,315,610 | \$ 1,627,579 |
| Other assets | 1,582,388 | 1,457,293 |
| Total Assets | 3,897,998 | 3,084,872 |
| Current liabilities | 876,774 | 470,639 |
| Long-term liabilities | 330,278 | 369,555 |
| Total liabilities | 1,207,052 | 840,194 |
| Net Assets | \$ 2,690,946 | \$ 2,244,678 |
| Results of operations: | | |
| Revenue | \$ 2,459,714 | \$ 2,487,802 |
| Expenses | (2,013,447) | (1,833,339) |
| Net Income | \$ 446,267 | \$ 654,463 |

14. ECONOMIC DEPENDENCE

The Nation receives a major portion of its revenue from Indigenous and Northern Affairs Canada, Health Canada, the Province of Ontario and other funding agencies. The nature and extent of this revenue is of such significance that the Nation is economically dependent on these sources of revenue.

15. BUDGET FIGURES

Budget figures have not been presented as the information was not available from the management of certain entities.

FORT ALBANY FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED MARCH 31, 2017

16. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

Canadian public sector accounting standards require the disclosure of the net present value of landfill closure and post-closure care expenditures. Closure of the landfill involves capping the site with a compacted impermeable clay layer, a layer of topsoil, the re-introduction of a vegetative cover and the construction of surface drainage controls. Post-closure care involves routine inspections, cap maintenance, and ground water sampling and analysis, if applicable. The reported liability is based on estimates and assumptions using information available to management. Future events may result in significant changes to the estimated total expenditures, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, if and when applicable.

17. OTHER REVENUE

The balance reported as "Other Revenue" on the Consolidated Statement of Operations and Accumulated Surplus consists of the following:

| | 2017 | 2016 |
|--|---------------------|---------------------|
| Fair market value adjustment - Portfolio investments | \$ 485,931 | \$ 176,997 |
| Kimesskanemenow Corporation | 1,293,980 | 1,387,409 |
| Insurance proceeds | 75,000 | 750,000 |
| Labour and other charges - Capital projects | 335,999 | - |
| Loss on disposals of tangible capital assets | - | (75,851) |
| Province of Ontario | | |
| Ministry of Health and Long Term Care | 383,306 | 418,185 |
| Ministry of Aboriginal Affairs | 189,842 | 159,502 |
| Ministry of Natural Resources | - | 4,914 |
| User fees | 84,953 | 78,936 |
| Other | 607,066 | 1,263,767 |
| | \$ 3,456,077 | \$ 4,163,859 |

18. ACCUMULATED SURPLUS

Accumulated surplus consists of restricted and unrestricted amounts and equity in tangible capital assets as follows:

| | 2017 | 2016 |
|-----------------------------------|----------------------|----------------------|
| Unrestricted surplus (deficit) | \$ (787,582) | \$ 2,467,678 |
| Restricted surplus | | |
| Funds held in trust - Ottawa | 463,295 | 454,863 |
| OFNLP - Equity | 956,709 | 117,466 |
| CMHC Replacement Reserve | 171,340 | 344,985 |
| Equity in tangible capital assets | 38,506,433 | 35,851,509 |
| | \$ 39,310,195 | \$ 39,236,501 |

FORT ALBANY FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED MARCH 31, 2017

19. SEGMENTED INFORMATION

Fort Albany First Nation is a diversified local government that provides a wide range of services to its members, including water, fire protection, roadworks, technical services, recreation, social services, health services, education, social housing and economic development among others. For management reporting purposes, the Nation's operations and activities are organized and reported by fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with specific regulations, requirements or limitations.

The Nation's services are provided by departments and their activities are recorded in these funds. Certain departments that have been disclosed in the segmented information, along with the services they provide, are as follows:

ADMINISTRATION AND GOVERNANCE

-Manages the administrative operations of the Nation. Those costs that relate directly to the administration of the various segments have been allocated to the appropriate segment. Undertakes Nation operated governance initiatives through the activities of Chief and Council and other activities relating to reserve lands, membership matters and other governance initiatives.

COMMUNITY DEVELOPMENT

-Undertakes activities of the Ontario First Nations Limited Partnership (OFNLP) Fund, which derives revenue from gaming facilities located in the Province of Ontario.

COMMUNITY SERVICES- O&M

-Provides contract management services, heavy equipment operations, bulk fuel operations, general labour services and other related activities.

DAYCARE

-Manages the activities of the local children's' daycare program.

ECONOMIC DEVELOPMENT

-Manages the development of economic opportunities for Nation entities and provides support to member entities as well as operates cable television and internet services throughout the community.

EDUCATION

-Provides elementary and secondary education instructional services and provides financial support to post-secondary students.

HEALTH SERVICES

-Provides a variety of health care programs and support to Nation members.

HOUSING

-Provides housing to members under CMHC programs and reports on the respective revenue and expenditures.

INFRASTRUCTURE

-Manages Nation infrastructure programs including facilities operations and maintenance, capital projects, water and waste water plant operations and other related activities.

SOCIAL ASSISTANCE

-Administers the provision of social assistance to qualifying members.

For each reported segment, revenues and expenditures represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1.

FORT ALBANY FIRST NATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED MARCH 31, 2017

20. EXPENDITURES BY OBJECT

The following is a summary of expenditures by object.

| | 2017 | 2016 |
|---------------------------------------|---------------|---------------|
| Administration | \$ 321,940 | \$ 299,071 |
| Amortization | 2,080,820 | 2,099,162 |
| Bad debts (recovered) | 274,206 | 379,965 |
| Insurance | 367,637 | 533,958 |
| Interest on long term debt | 141,788 | 171,329 |
| Investment in tangible capital assets | (4,741,837) | (1,198,530) |
| Materials and supplies | 1,135,375 | 907,195 |
| Operations and maintenance | 1,823,317 | 1,345,105 |
| Other | 169,870 | 118,128 |
| Professional fees | 555,240 | 812,930 |
| Program delivery | 2,534,187 | 2,560,289 |
| Social assistance | 2,599,675 | 2,648,310 |
| Subcontracts | 5,581,740 | 2,624,717 |
| Travel | 759,637 | 685,457 |
| Wages and employee benefits | 7,644,267 | 7,435,677 |
| Total | \$ 21,247,862 | \$ 21,422,763 |

21. CONTRACTUAL OBLIGATIONS

The Nation has entered into a contract to construct 10 detached housing units in the amount of \$2,500,000 with an expected completion date in the 2018 fiscal year.

22. PRIOR PERIOD ADJUSTMENT AND COMPARATIVE FIGURES

Prior period comparative figures have been restated to account for the reported balance of investments in government business enterprises arising from financial information which was previously unavailable. The effect of these changes on the 2016 comparative figures were as follows: an increase in investment in government business enterprises of \$433,436; an increase in government business enterprise revenue of \$433,436; an increase in annual surplus of \$433,436; a decrease in net debt of \$433,436; and an increase in ending accumulated surplus of \$433,436.

Prior period comparative figures have been restated to account for the reported balance of Due to Funding Agencies arising from financial information which was previously unavailable. The effect of these changes on the 2016 comparative figures were as follows: an increase in Due to Funding Agencies of \$237,287; an increase in Due from Related Parties of \$237,287; an increase in Due to Related Parties of \$237,287; and a decrease in opening and ending accumulated surplus of \$237,287.

Prior period comparative figures have been restated to account for the reported balance of portfolio investments arising from financial information which was previously unavailable. The effect of these changes on the 2016 comparative figures were as follows: an increase in portfolio investments of \$176,997; an increase other revenue of \$176,997; an increase in annual surplus of \$176,997; a decrease in net debt of \$176,997; and an increase in ending accumulated surplus of \$176,997.

Certain figures presented for comparative purposes have been reclassified to conform with the current year's presentation.

FORT ALBANY FIRST NATION

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

YEAR ENDED MARCH 31, 2017

| | General Capital Assets | | | | Infrastructure | | Totals | |
|--|------------------------|----------------------|---------------------------------|-------------------------------------|----------------------------|---------------------|----------------------|----------------------|
| | Land Improvements | Buildings | Vehicles and Moveable Equipment | Furnishing, Equipment and Computers | Roads, Streets and Bridges | Water and Sewer | 2017 | 2016 |
| Cost | | | | | | | | |
| Opening costs | \$ 1,704,903 | \$ 44,803,038 | \$ 717,177 | \$ 3,355,025 | \$ 7,695,138 | \$ 13,441,624 | \$ 71,716,905 | \$ 71,425,588 |
| Additions during the year | - | 4,477,654 | 92,741 | 171,442 | - | - | 4,741,837 | 1,206,767 |
| Disposals and write downs | - | - | - | - | - | - | - | (915,450) |
| Closing costs | 1,704,903 | 49,280,692 | 809,918 | 3,526,467 | 7,695,138 | 13,441,624 | 76,458,742 | 71,716,905 |
| Accumulated Amortization | | | | | | | | |
| Opening accum'd amortization | - | 17,998,378 | 496,476 | 1,992,866 | 3,984,726 | 5,167,483 | 29,639,929 | 28,380,366 |
| Amortization | - | 1,319,879 | 79,597 | 239,189 | 173,323 | 268,832 | 2,080,820 | 2,099,162 |
| Disposals and write downs | - | - | - | - | - | - | - | (839,599) |
| Closing accum'd amortization | - | 19,318,257 | 576,073 | 2,232,055 | 4,158,049 | 5,436,315 | 31,720,749 | 29,639,929 |
| Net Book Value of Tangible Capital Assets | \$ 1,704,903 | \$ 29,962,435 | \$ 233,845 | \$ 1,294,412 | \$ 3,537,089 | \$ 8,005,309 | \$ 44,737,993 | \$ 42,076,976 |

SCHEDULE B

FORT ALBANY FIRST NATION

CONSOLIDATED SCHEDULE OF SEGMENTED INFORMATION

YEAR ENDED MARCH 31, 2017

| | Administration and governance | | Community Development | |
|--|-------------------------------|--------------------|-----------------------|---------------------|
| | 2017 | 2016 | 2017 | 2016 |
| REVENUES | | | | |
| Indigenous and Northern Affairs Canada | \$ 1,336,085 | \$ 1,347,473 | \$ 876,298 | \$ 906,501 |
| Nishnawbe Aski Nation | - | - | 63,941 | 5,000 |
| Health Canada | - | - | - | - |
| Payukotayno Child and Family Services | - | - | - | - |
| Other | 273,475 | 238,993 | 304,179 | 951,105 |
| Rental | - | - | 24,600 | 7,200 |
| Canada Mortgage and Housing Corporation | - | - | - | - |
| Mushkegowuk Council | 25,505 | 31,940 | 67,486 | 98,940 |
| OFNLP | - | - | 1,448,994 | 1,279,925 |
| Province of Ontario - MCSS | - | - | - | - |
| IBA | - | - | 371,757 | 825,200 |
| Equity in income of business enterprises | - | - | 446,268 | 675,404 |
| | 1,635,065 | 1,618,406 | 3,603,523 | 4,749,275 |
| Deferred Revenue - Opening | 134,900 | - | - | - |
| Deferred Revenue - Closing | (134,900) | (134,900) | (140,583) | - |
| Total revenues | 1,635,065 | 1,483,506 | 3,462,940 | 4,749,275 |
| EXPENDITURES | | | | |
| Administration | 34,003 | 23,400 | 28,731 | 24,806 |
| Bad debts (recovered) | - | 131,434 | 44,914 | - |
| Insurance | 73,802 | 151,634 | 5,987 | 9,383 |
| Interest on long term debt | - | - | - | - |
| Materials and supplies | 228,986 | 92,298 | 62,134 | 44,505 |
| Operations and maintenance | 41,359 | 16,932 | 134,686 | 101,444 |
| Other | 60,153 | 387 | 8,815 | 117,742 |
| Professional fees | 154,965 | 200,993 | 189,258 | 233,629 |
| Program delivery | 46,920 | 20,424 | 773,850 | 937,962 |
| Social assistance | - | - | - | - |
| Subcontracts | 116,998 | 76,694 | 1,631,205 | 211,356 |
| Travel | 122,619 | 139,715 | 64,181 | 63,958 |
| Wages and employee benefits | 771,939 | 804,450 | 518,574 | 692,192 |
| | 1,651,744 | 1,658,361 | 3,462,335 | 2,436,977 |
| Capital Adjustments: | | | | |
| Amortization | 47,492 | 49,635 | 38,899 | 40,284 |
| Investment in tangible capital assets | (11,850) | (33,267) | (1,538,886) | (28,599) |
| Total Expenditures | 1,687,386 | 1,674,729 | 1,962,348 | 2,448,662 |
| Surplus (Deficit) before transfers | (52,321) | (191,223) | 1,500,592 | 2,300,613 |
| Transfers between programs | (170,483) | 117,721 | 1,058 | (604,402) |
| Surplus (deficit) for year | \$ (222,804) | \$ (73,502) | \$ 1,501,650 | \$ 1,696,211 |

SCHEDULE B

FORT ALBANY FIRST NATION

CONSOLIDATED SCHEDULE OF SEGMENTED INFORMATION

YEAR ENDED MARCH 31, 2017

| | Daycare | | Education | |
|--|--------------------|--------------------|---------------------|---------------------|
| | 2017 | 2016 | 2017 | 2016 |
| REVENUES | | | | |
| Indigenous and Northern Affairs Canada | \$ 69,723 | \$ 68,443 | \$ 5,850,484 | \$ 4,857,650 |
| Nishnawbe Aski Nation | - | - | - | - |
| Health Canada | - | - | - | - |
| Payukotayno Child and Family Services | - | - | - | - |
| Other | 2,000 | - | 274,452 | 322,134 |
| Rental | - | - | 77,950 | 85,950 |
| Canada Mortgage and Housing Corporation | - | - | - | - |
| Mushkegowuk Council | 42,136 | 42,136 | - | - |
| OFNLP | - | - | - | - |
| Province of Ontario - MCSS | 333,624 | 345,530 | - | - |
| IBA | - | - | - | - |
| Equity in income of business enterprises | - | - | - | - |
| | 447,483 | 456,109 | 6,202,886 | 5,265,734 |
| Deferred Revenue - Opening | - | - | 308,044 | 232,514 |
| Deferred Revenue - Closing | - | - | (834,777) | (308,044) |
| Total revenues | 447,483 | 456,109 | 5,676,153 | 5,190,204 |
| EXPENDITURES | | | | |
| Administration | 5,761 | 5,494 | 165,214 | 179,851 |
| Bad debts (recovered) | - | - | - | 28,072 |
| Insurance | 385 | 534 | - | - |
| Interest on long term debt | - | - | 5,145 | 6,538 |
| Materials and supplies | 84,577 | 44,862 | 147,673 | 141,955 |
| Operations and maintenance | 17,686 | 23,082 | 918,311 | 719,935 |
| Other | - | - | - | - |
| Professional fees | - | 225 | 130,484 | 95,719 |
| Program delivery | 390 | - | 865,512 | 860,371 |
| Social assistance | - | - | - | - |
| Subcontracts | 7,643 | 14,945 | - | - |
| Travel | 20,543 | 24,745 | 310,136 | 196,668 |
| Wages and employee benefits | 322,221 | 289,874 | 3,008,925 | 2,847,267 |
| | 459,206 | 403,761 | 5,551,400 | 5,076,376 |
| Capital Adjustments: | | | | |
| Amortization | 20,428 | 21,503 | 642,050 | 670,836 |
| Investment in tangible capital assets | (700) | - | (166,162) | (31,646) |
| Total Expenditures | 478,934 | 425,264 | 6,027,288 | 5,715,566 |
| Surplus (Deficit) before transfers | (31,451) | 30,845 | (351,135) | (525,362) |
| Transfers between programs | (10,200) | (52,348) | - | - |
| Surplus (deficit) for year | \$ (41,651) | \$ (21,503) | \$ (351,135) | \$ (525,362) |

SCHEDULE B

FORT ALBANY FIRST NATION

CONSOLIDATED SCHEDULE OF SEGMENTED INFORMATION

YEAR ENDED MARCH 31, 2017

| | Health Services | | Housing | |
|--|-------------------|--------------------|---------------------|---------------------|
| | 2017 | 2016 | 2017 | 2016 |
| REVENUES | | | | |
| Indigenous and Northern Affairs Canada | \$ - | \$ - | \$ 791,653 | \$ 531,709 |
| Nishnawbe Aski Nation | 367,464 | 162,114 | - | - |
| Health Canada | 2,135,079 | 2,098,659 | - | - |
| Payukotayno Child and Family Services | 79,168 | 103,898 | - | - |
| Other | 105,144 | 32,186 | 410,999 | 6,134 |
| Rental | - | - | 296,160 | 270,710 |
| Canada Mortgage and Housing Corporation | - | - | 210,557 | 214,393 |
| Mushkegowuk Council | - | - | 108,801 | 110,700 |
| OFNLP | - | - | - | - |
| Province of Ontario - MCSS | - | - | - | - |
| IBA | - | - | - | - |
| Equity in income of business enterprises | - | - | - | - |
| | 2,686,855 | 2,396,857 | 1,818,170 | 1,133,646 |
| Deferred Revenue - Opening | 21,682 | 19,644 | - | 59,345 |
| Deferred Revenue - Closing | (11,025) | (21,682) | (276,867) | - |
| Total revenues | 2,697,512 | 2,394,819 | 1,541,303 | 1,192,991 |
| EXPENDITURES | | | | |
| Administration | 21,362 | 25,565 | 21,246 | 3,016 |
| Bad debts (recovered) | - | (1,471) | 228,864 | 221,930 |
| Insurance | - | - | 108,836 | 187,280 |
| Interest on long term debt | - | - | 80,238 | 59,028 |
| Materials and supplies | 148,442 | 137,994 | 143,568 | 113,107 |
| Operations and maintenance | 255,758 | 186,245 | 179,223 | 71,658 |
| Other | - | - | 900 | - |
| Professional fees | 36,854 | 47,941 | - | (640) |
| Program delivery | 478,586 | 436,636 | 36,990 | 5,076 |
| Social assistance | - | - | - | - |
| Subcontracts | - | - | 2,541,045 | 590,246 |
| Travel | 210,826 | 204,876 | 11,098 | 9,670 |
| Wages and employee benefits | 1,451,004 | 1,420,640 | 625,040 | 383,209 |
| | 2,602,832 | 2,458,426 | 3,977,048 | 1,643,580 |
| Capital Adjustments: | | | | |
| Amortization | 86,066 | 62,369 | 373,995 | 354,363 |
| Investment in tangible capital assets | (157,000) | (103,736) | (2,557,485) | (320,201) |
| Total Expenditures | 2,531,898 | 2,417,059 | 1,793,558 | 1,677,742 |
| Surplus (Deficit) before transfers | 165,614 | (22,240) | (252,255) | (484,751) |
| Transfers between programs | - | - | (60,000) | (89,815) |
| Surplus (deficit) for year | \$ 165,614 | \$ (22,240) | \$ (312,255) | \$ (574,566) |

SCHEDULE B

FORT ALBANY FIRST NATION

CONSOLIDATED SCHEDULE OF SEGMENTED INFORMATION

YEAR ENDED MARCH 31, 2017

| | Infrastructure | | Social Services | |
|--|------------------|------------------|------------------|--------------------|
| | 2017 | 2016 | 2017 | 2016 |
| REVENUES | | | | |
| Indigenous and Northern Affairs Canada | \$ 100,000 | \$ - | \$ 368,435 | \$ 335,695 |
| Nishnawbe Aski Nation | - | - | - | - |
| Health Canada | - | - | - | - |
| Payukotayno Child and Family Services | - | - | - | - |
| Other | 178,774 | 812,302 | 415,194 | 451,775 |
| Rental | - | - | - | - |
| Canada Mortgage and Housing Corporation | 49,867 | 54,400 | - | - |
| Mushkegowuk Council | 20,774 | 29,428 | - | - |
| OFNLP | - | - | - | - |
| Province of Ontario - MCSS | - | - | 2,483,708 | 2,461,107 |
| IBA | - | - | - | - |
| Equity in income of business enterprises | - | - | - | - |
| | 349,415 | 896,130 | 3,267,337 | 3,248,577 |
| Deferred Revenue - Opening | 162,402 | - | - | - |
| Deferred Revenue - Closing | - | (162,402) | - | - |
| Total revenues | 511,817 | 733,728 | 3,267,337 | 3,248,577 |
| EXPENDITURES | | | | |
| Administration | 1,514 | 1,644 | 18,663 | 11,573 |
| Bad debts (recovered) | - | - | - | - |
| Insurance | 18,634 | 117 | - | - |
| Interest on long term debt | 56,405 | 105,763 | - | - |
| Materials and supplies | 91,310 | 80,926 | 97,945 | 111,587 |
| Operations and maintenance | 8,420 | 23,729 | - | - |
| Other | - | - | - | - |
| Professional fees | - | 9,857 | 43,679 | 21,828 |
| Program delivery | 52,222 | 184,005 | 24,925 | 25,000 |
| Social assistance | - | - | 2,599,675 | 2,648,310 |
| Subcontracts | 319,911 | 557,453 | - | - |
| Travel | - | - | 18,907 | 26,408 |
| Wages and employee benefits | 36,732 | 99,909 | 400,987 | 404,595 |
| | 585,148 | 1,063,403 | 3,204,781 | 3,249,301 |
| Capital Adjustments: | | | | |
| Amortization | 177,195 | 186,521 | 6,901 | 9,917 |
| Investment in tangible capital assets | (300,000) | (585,000) | - | - |
| Total Expenditures | 462,343 | 664,924 | 3,211,682 | 3,259,218 |
| Surplus (Deficit) before transfers | 49,474 | 68,804 | 55,655 | (10,641) |
| Transfers between programs | - | - | - | - |
| Surplus (deficit) for year | \$ 49,474 | \$ 68,804 | \$ 55,655 | \$ (10,641) |

SCHEDULE B

FORT ALBANY FIRST NATION

CONSOLIDATED SCHEDULE OF SEGMENTED INFORMATION

YEAR ENDED MARCH 31, 2017

| | Technical Services | | Total | |
|--|---------------------|---------------------|-------------------|-------------------|
| | 2017 | 2016 | 2017 | 2016 |
| REVENUES | | | | |
| Indigenous and Northern Affairs Canada | \$ 590,084 | \$ 764,574 | \$ 9,982,762 | \$ 8,812,045 |
| Nishnawbe Aski Nation | - | - | 431,405 | 167,114 |
| Health Canada | - | - | 2,135,079 | 2,098,659 |
| Payukotayno Child and Family Services | - | - | 79,168 | 103,898 |
| Other | 1,491,862 | 1,349,227 | 3,456,079 | 4,163,856 |
| Rental | - | - | 398,710 | 363,860 |
| Canada Mortgage and Housing Corporation | - | - | 260,424 | 268,793 |
| Mushkegowuk Council | - | 16,952 | 264,702 | 330,096 |
| OFNLP | - | - | 1,448,994 | 1,279,925 |
| Province of Ontario - MCSS | - | - | 2,817,332 | 2,806,637 |
| IBA | - | - | 371,757 | 825,200 |
| Equity in income of business enterprises | - | - | 446,268 | 675,404 |
| | 2,081,946 | 2,130,753 | 22,092,680 | 21,895,487 |
| Deferred Revenue - Opening | - | - | 627,028 | 311,503 |
| Deferred Revenue - Closing | - | - | (1,398,152) | (627,028) |
| Total revenues | 2,081,946 | 2,130,753 | 21,321,556 | 21,579,962 |
| EXPENDITURES | | | | |
| Administration | 25,446 | 23,722 | 321,940 | 299,071 |
| Bad debts (recovered) | 428 | - | 274,206 | 379,965 |
| Insurance | 159,993 | 185,010 | 367,637 | 533,958 |
| Interest on long term debt | - | - | 141,788 | 171,329 |
| Materials and supplies | 130,740 | 139,961 | 1,135,375 | 907,195 |
| Operations and maintenance | 267,874 | 202,080 | 1,823,317 | 1,345,105 |
| Other | 100,000 | - | 169,868 | 118,129 |
| Professional fees | - | 203,378 | 555,240 | 812,930 |
| Program delivery | 254,792 | 90,815 | 2,534,187 | 2,560,289 |
| Social assistance | - | - | 2,599,675 | 2,648,310 |
| Subcontracts | 964,938 | 1,174,023 | 5,581,740 | 2,624,717 |
| Travel | 1,327 | 19,417 | 759,637 | 685,457 |
| Wages and employee benefits | 508,845 | 493,541 | 7,644,267 | 7,435,677 |
| | 2,414,383 | 2,531,947 | 23,908,877 | 20,522,132 |
| Capital Adjustments: | | | | |
| Amortization | 687,796 | 703,733 | 2,080,822 | 2,099,161 |
| Investment in tangible capital assets | (9,754) | (96,081) | (4,741,837) | (1,198,530) |
| Total Expenditures | 3,092,425 | 3,139,599 | 21,247,862 | 21,422,763 |
| Surplus (Deficit) before transfers | (1,010,479) | (1,008,846) | 73,694 | 157,199 |
| Transfers between programs | 239,625 | 628,844 | - | - |
| Surplus (deficit) for year | \$ (770,854) | \$ (380,002) | \$ 73,694 | \$ 157,199 |