

**ATTAWAPISKAT FIRST NATION**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2016**

# **ATTAWAPISKAT FIRST NATION**

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**YEAR ENDED MARCH 31, 2016**

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**MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS**

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The consolidated financial statements of Attawapiskat First Nation for the year ended March 31, 2016 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.

Attawapiskat 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 Attawapiskat First Nation's assets are appropriately accounted for and adequately safeguarded.

Attawapiskat 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 Attawapiskat First Nation:

\_\_\_\_\_  
Chief

\_\_\_\_\_  
Date

2016/08/02

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Attawapiskat First Nation:

We have audited the accompanying consolidated financial statements of Attawapiskat First Nation which comprise the consolidated statement of financial position as at March 31, 2016 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 representation 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 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 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

The First Nation has investments in various government business enterprises which operate independent of the First Nation. Current financial information for certain of these entities was not available at the date of the consolidated financial statements. Accordingly, we were unable to obtain sufficient appropriate audit evidence relating to current operations which may or may not result in a material misstatement in the investment in government business enterprises reported in the consolidated statement of financial position or the earnings of government business enterprises reported in the consolidated statement of operations. In addition, 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.

### 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 Attawapiskat First Nation as at March 31, 2016 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

The financial statements of Attawapiskat First Nation for the year ended March 31, 2015 were audited by Ross Pope LLP of Timmins, Canada, prior to its merger with MNP LLP. Ross Pope LLP expressed a qualified opinion on those statements on July 31, 2015.

Timmins, Ontario  
July 29th, 2016



MNP LLP  
Chartered Professional Accountants  
Licensed Public Accountants

## STATEMENT 1

## ATTAWAPISKAT FIRST NATION

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31

	2016	2015 (Restated)
<b>FINANCIAL ASSETS</b>		
Cash (Note 3)	\$ 2,417,365	\$ 3,294,612
Portfolio investments (Note 4)	362,434	350,182
Accounts receivable (Note 5)	3,357,055	3,529,936
Receivable from funding agencies	539,802	4,452,133
Restricted cash and deposits		
CMHC reserve fund (Note 3)	181,986	227
Funds held in trust - Ottawa (Note 6)	197,688	196,867
Investments in Government business enterprises (Note 7, Schedule C)	3,550,618	3,788,477
Due from related parties (Note 11)	680,582	682,583
	<b>11,287,530</b>	<b>16,295,017</b>
<b>FINANCIAL LIABILITIES</b>		
Bank indebtedness (Note 3)	849,321	467,561
Accounts payable and accruals (Note 8)	6,998,629	7,971,851
Callable debt (Note 12)	664,181	1,305,431
Deferred revenue (Notes 10, 25)	3,085,833	1,345,067
Repayable to funding agencies (Notes 13, 25)	6,087,903	8,804,471
Long-term debt (Note 14)	6,355,177	6,577,633
	<b>24,041,044</b>	<b>26,472,014</b>
<b>NET DEBT</b>	<b>(12,753,514)</b>	<b>(10,176,997)</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule A)	111,456,841	112,329,318
Inventory of supplies	1,538,134	1,146,020
Prepaid expenses	-	14,461
	<b>112,994,975</b>	<b>113,489,799</b>
<b>ACCUMULATED SURPLUS (Notes 22, 25)</b>	<b>\$ 100,241,461</b>	<b>\$ 103,312,802</b>

Contingencies (Note 15)

Approved on behalf of Chief and Council:

  
 Chief

  
 Councillor

The accompanying notes are an integral part of these financial statements.

## ATTAWAPISKAT FIRST NATION

## CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

YEAR ENDED MARCH 31, 2016

	2016	2015 (Restated)
<b>REVENUE</b>		
Indigenous and Northern Affairs Canada		
Current year funding	\$ 18,049,890	\$ 21,739,094
Health Canada	1,268,493	1,196,942
Ontario First Nations Limited Partnership (Note 17)	1,730,246	1,732,796
Province of Ontario	6,456,489	6,118,430
Contracting and user fees	3,632,321	3,066,437
Attawapiskat Trust distributions (Note 9)	1,359,821	1,063,252
Mushkegowuk Council	218,406	493,230
Canada Mortgage and Housing Corporation	446,317	500,483
Government business enterprises (loss) (Note 7 and Schedule C)	(237,858)	1,149,059
Other (Note 20)	3,422,303	3,827,323
Deferred revenue - opening (Note 10)	1,345,067	1,701,604
Deferred revenue - closing (Note 10)	(3,085,833)	(1,345,067)
	<b>34,605,662</b>	<b>41,243,583</b>
<b>EXPENDITURES</b>		
Administration	3,809,605	2,722,525
Community development	3,251,164	4,263,283
Daycare	450,322	335,549
Economic development	1,802,930	932,671
Education	8,904,728	9,219,958
Governance	281,645	172,318
Health	1,374,409	978,132
Housing	4,293,531	3,603,325
Infrastructure	4,021,489	4,580,742
Social assistance	6,960,328	6,097,630
Technical services	2,412,441	1,960,863
	<b>37,562,592</b>	<b>34,866,996</b>
<b>ANNUAL SURPLUS (DEFICIT),</b>	<b>(2,956,930)</b>	<b>6,376,587</b>
<b>ACCUMULATED SURPLUS, beginning of year (Note 22)</b>	<b>103,312,802</b>	<b>101,266,418</b>
<b>REPAYABLE TO FUNDING AGENCIES (Note 25)</b>	<b>(114,411)</b>	<b>(4,330,203)</b>
<b>ACCUMULATED SURPLUS, end of year (Note 22)</b>	<b>\$ 100,241,461</b>	<b>\$ 103,312,802</b>

## ATTAWAPISKAT FIRST NATION

## CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT

YEAR ENDED MARCH 31, 2016

	2016	2015 (Restated)
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ (2,956,930)</b>	<b>\$ 6,376,587</b>
Acquisition and construction of tangible capital assets	(4,164,808)	(10,508,751)
Amortization of tangible capital assets	4,880,723	4,265,744
Loss on disposal of tangible capital assets	156,562	-
Acquisition of inventory of supplies	(392,114)	(360,234)
Utilization (acquisition) of prepaid expenses	14,461	(14,461)
Repayable to funding agencies (Note 25)	(114,411)	(4,330,203)
	<b>380,413</b>	<b>(10,947,905)</b>
<b>CHANGE IN NET DEBT</b>	<b>(2,576,517)</b>	<b>(4,571,318)</b>
<b>NET DEBT, BEGINNING OF YEAR</b>	<b>(10,176,997)</b>	<b>(5,605,679)</b>
<b>NET DEBT, END OF YEAR</b>	<b>\$ (12,753,514)</b>	<b>\$ (10,176,997)</b>

## ATTAWAPISKAT FIRST NATION

## CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2016

	2016	2015 (Restated)
<b>OPERATING ACTIVITIES</b>		
ANNUAL SURPLUS (DEFICIT)	\$ (2,956,930)	\$ 6,376,587
NON-CASH ITEMS:		
Amortization	4,880,723	4,265,744
Loss on disposal of tangible capital assets	156,562	-
Remeasurement gain on portfolio investments	(12,252)	(163,416)
CHANGES IN WORKING CAPITAL ACCOUNTS:		
Accounts receivable	172,883	934,017
Receivable from funding agencies	3,912,331	(1,810,290)
Inventory of supplies	(392,114)	(360,234)
Prepaid expenses	14,461	(14,461)
Portfolio investments	-	(186,765)
Funds held in trust - Ottawa	(821)	(7,293)
Accounts payable and accruals	(973,222)	(1,265,461)
Deferred revenue	1,740,766	(356,537)
Due from funding agencies (Note 25)	(2,716,568)	-
	<b>3,825,819</b>	<b>7,411,891</b>
<b>FINANCING ACTIVITIES</b>		
Repayment of long-term debt	(222,456)	(640,445)
Repayment of callable debt	(641,250)	(641,250)
Advances from (to) related parties (net)	2,000	(543,055)
Repayable to funding agencies	(114,411)	-
	<b>(976,117)</b>	<b>(1,824,750)</b>
<b>INVESTING ACTIVITIES</b>		
Investments in government business enterprises	237,858	(1,149,059)
Acquisition and construction of tangible capital assets	(4,164,808)	(10,508,751)
	<b>(3,926,950)</b>	<b>(11,657,810)</b>
CHANGE IN CASH RESOURCES	<b>(1,077,248)</b>	<b>(6,070,669)</b>
CASH RESOURCES, beginning of year	<b>2,827,278</b>	<b>8,897,947</b>
CASH RESOURCES, end of year	<b>\$ 1,750,030</b>	<b>\$ 2,827,278</b>
<b>CASH RESOURCES ARE COMPRISED OF:</b>		
Cash	\$ 2,417,365	\$ 3,294,612
CMHC reserve fund	181,986	227
Bank indebtedness	(849,321)	(467,561)
	<b>\$ 1,750,030</b>	<b>\$ 2,827,278</b>



# ATTAWAPISKAT FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2016

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### OPERATIONS

Attawapiskat First Nation (the Nation) is an Indian Band located in the James Bay Region of Northern Ontario, and provides various services to its members. Attawapiskat 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. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements are the representation of management and have been prepared in accordance with public sector accounting standards and include the following significant accounting policies as follows:

##### (a) REPORTING ENTITY

The reporting entity includes the Attawapiskat 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 Attawapiskat First Nation's financial statements are as follows:

- Attawapiskat First Nation Band
- Attawapiskat First Nation Education Authority
- Attawapiskat First Nation Maytawaywin Authority (Arena Gymnasium facility)
- Attawapiskat Development Corporation
- Attawapiskat Health Services Board

The Nation manages the operation of community health services previously operated by Attawapiskat Health Services Board. As such, Attawapiskat Health Services Board reported no revenues or expenditures during the year.

Organizations accounted for on a modified equity basis are as follows:

- Attawapiskat Power Corporation
- Attawapiskat Enterprises, which is comprised of the following entities:
  - Attawapiskat Resources Inc.
  - Attawapiskat Limited Partnership
  - Attawapiskat Catering Limited Partnership
  - Attawapiskat Catering Inc.
  - Advanced Security Limited Partnership
  - Attawapiskat Security Inc.

##### (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 inventories of supplies.

##### (d) PORTFOLIO INVESTMENTS

Portfolio investments traded in an active market are recorded at their market value with any changes in market value reported as remeasurement gains and losses until realized. Other portfolio investments are recorded at cost.

##### (e) INVENTORY OF SUPPLIES

Inventory of supplies, comprised of fuel stock, building materials, coarse aggregate stockpiles for resale and used in operations, and parts inventory for own use, are 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 is indeterminable and represents a minor portion of the reported amount. Management expects the inventory to be utilized in the 2017 fiscal year.

# ATTAWAPISKAT FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED MARCH 31, 2016

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### 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	15 years
Buildings	10% and 20 - 40 years
Vehicles	5 - 20 years
Equipment	4 - 100% and 5 - 20 years
Roads	80 years
Sewer and water	50 years

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.

#### (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.

# ATTAWAPISKAT FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED MARCH 31, 2016

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

#### (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 financial statements.

##### 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 financial statements.

# ATTAWAPISKAT FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED MARCH 31, 2016

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

#### 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 financial statements.

#### 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 financial statements.

# ATTAWAPISKAT FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED MARCH 31, 2016

### 2. GOING CONCERN

These consolidated financial statements have been prepared on the basis of a going concern which assumes the Nation will be able to realize its assets and settle its obligations in the normal course of operations. At the date of these financial statements, the Nation, pursuant to Indigenous and Northern Affairs Canada (INAC) directives, was operating under a co-management arrangement with a Remedial Management Plan in place. At the year-end date, the Nation had a working capital surplus (deficit) of \$(5,281,897) (2015 - \$111,782) and net debt of \$12,753,514 (2015 - \$10,176,997).

### 3. CASH AND BANK INDEBTEDNESS

Under the terms of an agreement with Canada Mortgage and Housing Corporation (CMHC), the 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 CMHC with any interest earned to be credited as revenue to the CMHC Replacement Reserve Fund. At the year-end date, the respective monies on hand were not sufficient to meet the CMHC reserve fund requirements. The deficiency amounted to \$196,010 (2015 - \$327,529).

Attawapiskat First Nation Band has available a credit facility bearing interest at the bank prime rate plus 2.75% with a borrowing limit of \$750,000 of which \$127,028 was utilized at the year-end date.

Cash and restricted cash funds are comprised of the following:

	2016	2015
<b>Cash:</b>		
Social services	\$ (161,688)	\$ (16,490)
Education	286,145	844,557
Economic development	361,019	274,312
OFNLP fund	901,546	171,633
Capital fund	497,026	432,901
Capital - new elementary school	287,219	370,893
Operating	72,088	1,134,754
Elders' complex	174,010	82,052
	<b>\$ 2,417,365</b>	<b>\$ 3,294,612</b>
<b>Restricted cash fund:</b>		
CMHC Replacement Reserve	\$ 181,986	\$ 227

### 4. PORTFOLIO INVESTMENTS

	2016	2015
Sunlife Financial Inc. - 4,269 common shares (market value)	\$ 178,871	\$ 166,619
Kimesskanemenow Corporation (cost)	1	1
Creewest Limited Partnership (cost)	183,562	183,562
	<b>\$ 362,434</b>	<b>\$ 350,182</b>

# ATTAWAPISKAT FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED MARCH 31, 2016

### 5. ACCOUNTS RECEIVABLE

	2016	2015
Housing rentals	\$ 219,533	\$ 863,201
Employee advances	(425)	130,148
User fees	791,320	1,094,053
Other	674,596	451,299
Ministry of Community and Social Services	181,629	382,636
Construction holdbacks receivable	4,461	72,265
Trade receivables	2,663,639	5,471,512
	4,534,753	8,465,114
<b>Less: allowance for doubtful accounts</b>	<b>(1,177,698)</b>	<b>(4,935,178)</b>
<b>Total accounts receivable</b>	<b>\$ 3,357,055</b>	<b>\$ 3,529,936</b>

The carrying value of impaired receivables were \$1,310,302.

### 6. 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	Withdrawals	2016	2015
<b>Trust Funds - Ottawa:</b>					
Revenue	\$ 196,867	\$ 7,294	\$ -	\$ 197,688	\$ 196,867

### 7. GOVERNMENT BUSINESS ENTERPRISES

The Nation has interests in a number of Government Business Enterprises and Government Business Partnerships as described below. Unless otherwise noted, the Nation's interest is 100% of the shares or units of the respective entities. Summarized financial statements for these entities are provided in Schedule C:

Attawapiskat Power Corporation was established by the Nation to provide hydro-electric power distribution to members of the community.

Attawapiskat Enterprises is comprised of the following entities:

Attawapiskat Resources Inc. - conducts economic development activities on behalf of the First Nation.

Attawapiskat Limited Partnership - seeks business opportunities for the benefit of the First Nation and its members.

Attawapiskat Catering Limited Partnership - provides catering services at the DeBeers Canada Victor Mine.

Attawapiskat Catering Inc. - is the general partner of Attawapiskat Catering Limited Partnership.

Advanced Security Limited Partnership - provides security and related services in Northern Ontario.

Attawapiskat Security Inc. - is the general partner of Advanced Security Limited Partnership.

**ATTAWAPISKAT FIRST NATION****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****YEAR ENDED MARCH 31, 2016****8. ACCOUNTS PAYABLE AND ACCRUALS**

	2016	2015
Accounts payable - trade	\$ 5,262,918	\$ 4,112,033
Construction holdbacks payable	39,461	2,459,460
Government remittances payable	242,772	46,880
Landfill closure and post-closure liability (Note 20)	500,000	400,000
Capital receipts overexpended - protective flood dyke	953,478	953,478
<b>Total accounts payable and accruals</b>	<b>\$ 6,998,629</b>	<b>\$ 7,971,851</b>

**9. ATTAWAPISKAT TRUST DISTRIBUTIONS**

The Nation is the sole beneficiary of Attawapiskat Trust. During the year, distributions, including accrued amounts for expense reimbursements, were recorded as follows:

	2016	2015
IBA Implementation	\$ 480,000	\$ 480,000
Community Development	879,821	583,252
	<b>\$ 1,359,821</b>	<b>\$ 1,063,252</b>

# ATTAWAPISKAT FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED MARCH 31, 2016

### 10. DEFERRED REVENUE

Details of the deferred revenue balance reported on the Consolidated Statement of Financial Position are as follows:

	Opening Balance	Deferred Recorded (Realized)	2016
<b>Economic Development</b>	\$ 33,821	\$ -	\$ 33,821
<b>Health Canada:</b>			
<b>INAC:</b>			
Instructional Services	62,232	111,151	173,383
Low Cost Special Education	37,339	77,005	114,344
Adult Education	12,521	60,082	72,603
Band Operated Student Transportation	5,312	-	5,312
Post Secondary Support	-	10,458	10,458
Schools O&M	-	818,984	818,984
Teacherage O&M	-	68,911	68,911
Band Employee Benefits	-	49,900	49,900
Economic Development	-	43,507	43,507
O&M - Roads and Bridges	-	20,028	20,028
Indian Registry Administration	-	17,481	17,481
Minor Capital Funding	981,070	-	981,070
Planning Design - Core Capital	-	114,852	114,852
Remediation-CSMWG STEPs 7-9	-	78,946	78,946
Planning Design and Construction			
- Education (over \$1.5M)	79,577	16,820	96,397
Special Services	-	120,552	120,552
<b>Other:</b>			
Recreation Program	29,086	(29,086)	-
Band Representative	56,250	-	56,250
ATR Task Force	16,359	(14,094)	2,265
Can. Env. Assessment CEAA	31,500	-	31,500
Land Use Planning	-	14,550	14,550
IBA Implementation Costs	-	145,437	145,437
IBA Land Resources Director	-	15,282	15,282
	\$ 1,345,067	\$ 1,740,766	\$ 3,085,833

### 11. RELATED PARTY TRANSACTIONS AND BALANCES

The parties are related by significant influence. The transactions are recorded at their exchange amount, which is the amount agreed to by the parties.

	2016	2015
Due from Attawapiskat Power Corporation (AFN)	\$ 477,854	\$ 752,855
Due from Attawapiskat Recreation Committee (AFNEA)	65,918	65,918
Due from Kimesskanemenow Corporation	273,000	-
Due to Attawapiskat Recreation Committee (AFNMA)	(136,190)	(136,190)
	\$ 680,582	\$ 682,583

An amount of \$275,000 of public services fees were applied against the balance from Attawapiskat Power Corporation (APC).

An amount of \$273,000 of dividend income was recorded as due from Kimesskanemenow Corporation.



**ATTAWAPISKAT FIRST NATION****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****YEAR ENDED MARCH 31, 2016****12. CALLABLE DEBT**

	2016	2015
TD Canada Trust demand loan bearing interest at the bank prime rate plus 3%, repayable at \$25,000 per month principal plus interest, secured by general security agreement.	\$ 300,000	\$ 600,000
TD Canada Trust demand loan bearing interest at the bank prime rate plus 3%, repayable at \$10,000 per month principal plus interest, secured by general security agreement.	172,931	292,931
BMO Bank of Montreal demand loan bearing interest at the bank prime rate plus 2%, repayable at \$5,000 per month principal plus interest, secured by general security agreement.	191,250	412,500
	\$ 664,181	\$ 1,305,431

**13. DUE TO FUNDING AGENCIES**

	2016	2015
Indigenous and Northern Affairs Canada (INAC)	\$ 3,026,246	\$ 5,448,972
Health Canada	2,350,732	2,644,574
Ministry of Health and Long Term Care	710,925	710,925
	\$ 6,087,903	\$ 8,804,471

**14. LONG-TERM DEBT**

	2016	2015
Great West Life mortgage payable bearing interest at 9.47%, repayable at \$4,424 per month principal and interest, secured by a ministerial guarantee from Indigenous and Northern Affairs Canada and a first charge on specific housing units, maturing August 2019.	\$ 159,497	\$ 196,303
Wakenagun Community Futures Development Corporation loan bearing interest at 7.75%, secured by promissory note and a lien on specific equipment. This loan is in arrears and no payments were made in the year.	152,184	152,184
CMHC mortgage payable bearing interest at 1.62%, repayable at \$6,083 per month principal and interest, secured by a ministerial guarantee from Indigenous and Northern Affairs Canada and a first charge on specific housing units, renewable March 2018, maturing February, 2033.	1,081,537	1,136,653
CMHC mortgage payable bearing interest at 1.82%, repayable at \$6,149 per month principal and interest, secured by a ministerial guarantee from Indigenous and Northern Affairs Canada and a first charge on specific housing units, renewable September 2019, maturing September 2034.	1,078,437	1,127,023

# ATTAWAPISKAT FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED MARCH 31, 2016

### 14. LONG-TERM DEBT (CONT'D)

	2016	2015
CMHC mortgage payable bearing interest at 1.82%, repayable at \$3,401 per month principal and interest, secured by a ministerial guarantee from Indigenous and Northern Affairs Canada and a first charge on specific housing units, renewable September 2019, maturing September 2034.	596,175	623,035
CMHC mortgage payable bearing interest at 1.85%, repayable at \$2,580 per month principal and interest, secured by a ministerial guarantee from Indigenous and Northern Affairs Canada and a first charge on specific housing units, renewable August 2019, maturing July 2034.	439,043	458,974
CMHC mortgage payable bearing interest at 1.85%, repayable at \$6,626 per month principal and interest, secured by a ministerial guarantee from Indigenous and Northern Affairs Canada and a first charge on specific housing units, renewable August 2019, maturing July 2034.	1,128,289	1,179,508
CMHC mortgage payable bearing interest at 1.67%, repayable at \$7,155 per month principal and interest, secured by a ministerial guarantee from Indigenous and Northern Affairs Canada and a first charge on specific housing units, renewable April 2017, maturing March 2037.	1,521,593	1,581,655
Bank of Nova Scotia loan payable bearing interest at 0%, repayable at \$488 per month principal, maturing February 2022, secured by 2016 Dodge Ram with a carrying value of \$35,145.	34,668	-
Ford Credit loan bearing interest at 0%, repayable at \$704 per month principal, maturing February 2021, secured by 2016 Ford F150 XLT with a carrying value of \$38,036.	41,558	-
Bank of Nova Scotia loan payable bearing interest at 0%, repayable at \$566 per month principal, maturing February 2022, secured by 2016 Dodge Ram with a carrying value of \$36,565.	40,169	-
Ford Credit loan bearing interest at 0%, repayable at \$704 per month principal, maturing February 2021, secured by 2016 Ford F150 XLT with a carrying value of \$38,036.	41,558	-
Bank of Nova Scotia loan payable bearing interest at 0%, repayable at \$570 per month principal, maturing February 2022, secured by 2016 Dodge Ram with a carrying value of \$36,840.	40,469	-
BMO bank loan payable bearing interest at 6.47%, repaid during the year.	-	122,299
	<b>\$ 6,355,177</b>	<b>\$ 6,577,634</b>

Principal portion of the credit facilities due in the next five years and thereafter is approximately as follows:

2017	\$	360,589
2018		358,031
2019		367,723
2020		357,083
2021		330,090
Thereafter		4,581,661
	<b>\$</b>	<b>6,355,177</b>

# ATTAWAPISKAT FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED MARCH 31, 2016

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### 15. 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 pertaining to employment matters, contract disputes, and other matters. 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 expenditure recorded in the Nation's financial statements.

### 16. ECONOMIC DEPENDENCE

The Nation received 52.6% of its revenue from Indigenous and Northern Affairs Canada, Health Canada, the Province of Ontario and other funding agencies (2015 - 79.9%). The nature and extent of this revenue is of such significance that the Nation is economically dependent on these sources of revenue. The ability of the Nation to continue program delivery to its members is dependent on this funding.

### 17. DISTRIBUTION 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 financial statements.

### 18. 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, 2016.

#### 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 (\$1,177,698; 2015 - \$4,935,178) 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. 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, callable debt and accounts payable.

# ATTAWAPISKAT FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

YEAR ENDED MARCH 31, 2016

### 19. BUDGET FIGURES

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

### 20. OTHER REVENUE

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

	2016	2015
Attawapiskat Development Corporation - sales	\$ 1,712,225	\$ 924,912
Attawapiskat First Nation Education - other	177,699	528,532
Donations	-	13,484
Indian Association Co-ordination	-	3,515
Interest income	3,955	35,614
Loss on disposal of tangible capital assets	(156,562)	-
Ministry of Education	360,184	-
Ministry of Natural Resources	-	56,350
Nishnawbe Aski Development Fund	10,000	-
Nishnawbe Aski Nation	152,387	124,046
Other provincial revenue	-	86,757
Other revenue	522,458	1,207,117
Reimbursements	(2,194)	225,179
Rental income	642,151	621,817
	<b>\$ 3,422,303</b>	<b>\$ 3,827,323</b>

### 21. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

Public Sector Accounting Standards require the disclosure of the net present value of landfill closure and post-closure care expenditures. Accounts payable and accruals includes \$500,000 in respect of landfill closure and post-closure expenditures.

Closure 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.

### 22. ACCUMULATED SURPLUS

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

	2016	2015
Unrestricted Surplus (Deficit)	\$ (5,575,700)	\$ (1,914,326)
Restricted Surplus		
INAC - Trust Fund	197,688	196,867
OFNLP - Equity	637,428	139,245
CMHC Replacement Reserve	1,299,210	1,371,760
Repayable to funding agencies	(1,197,636)	(1,197,636)
Equity in tangible capital assets	104,880,471	104,716,892
	<b>\$ 100,241,461</b>	<b>\$ 103,312,802</b>

# **ATTAWAPISKAT FIRST NATION**

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**

**YEAR ENDED MARCH 31, 2016**

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### **23. SEGMENTED INFORMATION**

Attawapiskat 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**

-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.

#### **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.

#### **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 telecommunication services throughout the community.

#### **EDUCATION**

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

#### **GOVERNANCE**

-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.

#### **HEALTH**

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

#### **SOCIAL 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.

#### **TECHNICAL SERVICES**

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

**ATTAWAPISKAT FIRST NATION****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)****YEAR ENDED MARCH 31, 2016****23. SEGMENTED INFORMATION (CONT'D)****OTHER**

-Reports on the reserve and equity portions of other funds.

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.

**24. EXPENDITURES BY OBJECT**

	2016	2015
Administration	\$ 2,203,158	\$ 2,189,179
Amortization	4,880,721	4,265,744
Interest and bank charges	111,318	157,919
Investment in tangible capital assets	(4,160,290)	(10,508,751)
Office and other	281,111	506,203
Operations and maintenance	11,735,566	18,249,457
Social assistance payments	6,067,333	5,501,299
Utilities	995,116	468,569
Interest on long term debt	122,175	170,590
Program delivery	1,035,686	1,088,364
Wages and employee benefits	11,543,569	11,174,073
Writedown of accounts receivable	2,747,129	1,604,350
	<b>\$ 37,562,592</b>	<b>\$ 34,866,996</b>

**25. PRIOR PERIOD ADJUSTMENT AND COMPARATIVE FIGURES**

Prior period comparative figures have been restated to account for an error in reporting expenditures under an incorrect program arising in 2015 and the reversal of deferred revenue previously reported regarding the same program. Changes were also made to the reported balance of investments in government business enterprises arising from financial information which was previously unavailable. The effect of these changes on the 2015 comparative figures were as follows:

	As Previously Reported	Prior Period Adjustment	As Restated
Investments in Government business enterprises	3,231,521	556,956	3,788,477
Deferred Revenue	3,762,500	(2,417,433)	1,345,067
Annual Surplus	3,402,199	2,974,388	6,376,587
Net Debt	13,151,385	(2,974,388)	10,176,997
Ending Accumulated Surplus	100,338,414	2,974,388	103,312,802

Certain other comparative figures have been restated to conform with the current year financial statement presentation.

## ATTAWAPISKAT FIRST NATION

## CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

YEAR ENDED MARCH 31, 2016

	General Capital Assets						Infrastructure		Totals	
	Land Improvements	Attawapiskat First Nation Buildings	Attawapiskat Education Authority Buildings	Teacherage Housing Facilities	Vehicles	Equipment and other	Roads, Streets and Bridges	Water and Sewer	2016	2015
<b>Cost</b>										
Opening costs	\$ 11,381,216	\$ 90,620,876	\$ 16,472,925	\$ 3,388,817	\$ 1,259,278	\$ 5,881,790	\$ 15,077,035	\$ 19,974,858	\$ 164,056,795	\$ 153,548,044
Additions during the year	593,020	3,171,973	40,169	18,276	213,305	128,065	-	-	4,164,808	10,508,751
Disposals and write downs	-	(173,958)	-	-	-	(50,967)	-	-	(224,925)	-
Closing costs	11,974,236	93,618,891	16,513,094	3,407,093	1,472,583	5,958,888	15,077,035	19,974,858	167,996,678	164,056,795
<b>Accumulated Amortization</b>										
Opening accum'd amortization	1,773,840	21,337,791	12,715,657	3,024,435	985,043	3,385,630	2,236,300	6,268,781	51,727,477	47,461,733
Current amortization expensed	808,885	2,577,806	412,359	63,403	67,197	362,966	188,435	399,672	4,880,723	4,265,744
Disposals and write downs	-	(17,396)	-	-	-	(50,967)	-	-	(68,363)	-
Closing accum'd amortization	2,582,725	23,898,201	13,128,016	3,087,838	1,052,240	3,697,629	2,424,735	6,668,453	56,539,837	51,727,477
<b>Net Book Value of Tangible Capital Assets</b>	\$ 9,391,511	\$ 69,720,690	\$ 3,385,078	\$ 319,255	\$ 420,343	\$ 2,261,259	\$ 12,652,300	\$ 13,306,405	\$ 111,456,841	\$ 112,329,318

**SCHEDULE B**

**ATTAWAPISKAT FIRST NATION**

**CONSOLIDATED SCHEDULE OF SEGMENTED INFORMATION**

**YEAR ENDED MARCH 31, 2016**

	Administration		Community development		Daycare	
	2016	2015	2016	2015	2016	2015
<b>REVENUES</b>						
INAC	\$ 1,144,662	\$ 1,140,814	\$ 376,200	\$ 361,400	\$ 46,700	\$ 46,700
Health Canada	-	-	-	-	-	-
OFNLP	-	-	1,730,246	1,732,796	-	-
Province of Ontario	-	-	-	-	-	406,594
Contracting and user fees	48,560	96,159	-	5,402	-	2,438
Mushkegowuk Council	-	30,554	159,351	330,005	59,055	106,836
CMHC	-	-	-	-	-	-
Government business enterprises	-	-	(237,858)	1,149,059	-	-
Attawapiskat Trust distributions	-	-	1,359,821	1,063,252	-	-
Other	469,684	1,173,731	1,570	101,767	360,184	3,515
	<b>1,662,906</b>	<b>2,441,258</b>	<b>3,389,330</b>	<b>4,743,681</b>	<b>465,939</b>	<b>566,083</b>
Deferred revenue - beginning of year	-	-	47,859	11,353	-	-
Deferred revenue - end of year	-	-	(194,484)	(47,859)	-	-
<b>Total revenues</b>	<b>1,662,906</b>	<b>2,441,258</b>	<b>3,242,705</b>	<b>4,707,175</b>	<b>465,939</b>	<b>566,083</b>
<b>EXPENDITURES</b>						
Administration	155,129	77,600	398,954	490,024	12,732	45,505
Interest on long term debt	-	-	-	-	-	-
Interest and bank charges	90,208	147,149	183	432	-	-
Office and other	152,329	328,899	9,160	33,877	3,492	3,706
Operations and maintenance	647,708	216,913	1,504,241	915,300	161,749	86,657
Social assistance payments	-	-	-	-	-	-
Utilities	61,150	7,228	-	-	-	-
Program delivery	-	-	-	-	-	-
Wages and employee benefits	401,120	336,444	497,431	612,320	317,963	202,180
Writedown of accounts receivable	2,455,390	1,425,746	-	-	-	-
	<b>3,963,034</b>	<b>2,539,979</b>	<b>2,409,969</b>	<b>2,051,953</b>	<b>495,936</b>	<b>338,048</b>
Capital Adjustments:						
Amortization	-	-	-	-	-	-
Investment in tangible capital assets	(220,013)	(21,990)	-	(56,924)	(45,613)	-
<b>Total Expenditures (recoveries)</b>	<b>3,743,021</b>	<b>2,517,989</b>	<b>2,409,969</b>	<b>1,995,029</b>	<b>450,323</b>	<b>338,048</b>
Surplus (Deficit) before transfers	(2,080,115)	(76,731)	832,736	2,712,146	15,616	228,035
Transfers between programs	(66,584)	(204,534)	(847,146)	(2,269,885)	-	2,500
<b>Surplus (Deficit) for year</b>	<b>\$ (2,146,699)</b>	<b>\$ (281,265)</b>	<b>\$ (14,410)</b>	<b>\$ 442,261</b>	<b>\$ 15,616</b>	<b>\$ 230,535</b>



## ATTAWAPISKAT FIRST NATION

## CONSOLIDATED SCHEDULE OF SEGMENTED INFORMATION

YEAR ENDED MARCH 31, 2016

	Economic development		Education		Governance	
	2016	2015	2016	2015	2016	2015
REVENUES						
INAC	\$ 150,400	\$ 150,400	\$ 9,496,106	\$ 8,942,584	\$ 25,715	\$ 25,900
Health Canada	-	-	-	-	-	-
OFNLP	-	-	-	-	-	-
Province of Ontario	-	-	-	-	-	232,100
Contracting and user fees	-	-	-	-	-	800
Mushkegowuk Council	-	4,750	-	-	-	-
CMHC	-	-	-	-	-	-
Government business enterprises	-	-	-	-	-	-
Attawapiskat Trust distributions	-	-	-	-	-	-
Other	1,732,018	933,952	177,699	528,532	-	136,177
	1,882,418	1,089,102	9,673,805	9,471,116	25,715	394,977
Deferred revenue - beginning of year	62,907	33,821	196,981	93,981	56,250	117,707
Deferred revenue - end of year	(91,878)	(62,907)	(1,410,292)	(196,981)	(73,731)	(56,250)
Total revenues	1,853,447	1,060,016	8,460,494	9,368,116	8,234	456,434
EXPENDITURES						
Administration	114,420	84,378	891,859	882,148	24,732	118,016
Interest on long term debt	1,236	31,000	-	-	-	-
Interest and bank charges	-	-	-	-	-	-
Office and other	3,895	16,927	-	-	636	43,832
Operations and maintenance	679,283	205,952	1,014,318	1,343,832	50,775	275,394
Social assistance payments	-	-	-	-	-	-
Utilities	95,315	51,787	-	-	-	-
Program delivery	102,625	158,805	933,061	929,559	-	-
Wages and employee benefits	490,137	399,089	5,577,638	5,652,448	533,822	514,962
Writedown of accounts receivable	291,739	178,604	-	-	-	-
	1,778,650	1,126,542	8,416,876	8,807,987	609,965	952,204
Capital Adjustments:						
Amortization	192,671	193,833	564,814	564,111	-	-
Investment in tangible capital assets	-	-	(76,962)	(152,140)	-	-
Total Expenditures (recoveries)	1,971,321	1,320,375	8,904,728	9,219,958	609,965	952,204
Surplus (Deficit) before transfers	(117,874)	(260,359)	(444,234)	148,158	(601,731)	(495,770)
Transfers between programs	168,391	387,705	-	-	334,272	781,516
Surplus (Deficit) for year	\$ 50,517	\$ 127,346	\$ (444,234)	\$ 148,158	\$ (267,459)	\$ 285,746

## ATTAWAPISKAT FIRST NATION

## CONSOLIDATED SCHEDULE OF SEGMENTED INFORMATION

YEAR ENDED MARCH 31, 2016

	Health		Housing		Infrastructure	
	2016	2015	2016	2015	2016	2015
REVENUES						
INAC	\$ -	\$ -	\$ 455,834	\$ 1,799,721	\$ 5,719,173	\$ 8,245,960
Health Canada	1,268,493	1,196,942	-	-	-	-
OFNLP	-	-	-	-	-	-
Province of Ontario	-	-	-	-	-	-
Contracting and user fees	-	-	550	500	1,219,376	1,204,182
Mushkegowuk Council	-	-	-	21,085	-	-
CMHC	-	-	446,317	500,483	-	-
Government business enterprises	-	-	-	-	-	-
Attawapiskat Trust distributions	-	-	-	-	-	-
Other	153,387	126,046	465,671	551,239	45,467	94,289
	1,421,880	1,322,988	1,368,372	2,873,028	6,984,016	9,544,431
Deferred revenue - beginning of year	-	-	-	463,672	981,070	981,070
Deferred revenue - end of year	-	-	(120,552)	-	(1,194,896)	(981,070)
Total revenues	1,421,880	1,322,988	1,247,820	3,336,700	6,770,190	9,544,431
EXPENDITURES						
Administration	192,913	107,834	125,859	194,493	127,635	90,126
Interest on long term debt	-	-	120,939	139,590	-	-
Interest and bank charges	-	-	-	-	81	161
Office and other	43,375	23,757	6,035	3,381	6,701	8,520
Operations and maintenance	375,898	201,436	446,832	1,067,323	5,216,918	12,606,920
Social assistance payments	-	-	-	-	-	-
Utilities	57,486	48,423	461,937	217,644	301,095	48,886
Program delivery	-	-	-	-	-	-
Wages and employee benefits	716,186	626,269	706,125	1,191,469	1,124,531	845,117
Writedown of accounts receivable	-	-	-	-	-	-
	1,385,858	1,007,719	1,867,727	2,813,900	6,776,961	13,599,730
Capital Adjustments:						
Amortization	-	-	2,894,463	2,297,992	895,161	895,118
Investment in tangible capital assets	(11,450)	(29,588)	(57,591)	(274,134)	(3,650,633)	(9,870,083)
Total Expenditures (recoveries)	1,374,408	978,131	4,704,599	4,837,758	4,021,489	4,624,765
Surplus (Deficit) before transfers	47,472	344,857	(3,456,779)	(1,501,058)	2,748,701	4,919,666
Transfers between programs	-	-	411,067	1,234,433	-	44,023
Surplus (Deficit) for year	\$ 47,472	\$ 344,857	\$ (3,045,712)	\$ (266,625)	\$ 2,748,701	\$ 4,963,689

## ATTAWAPISKAT FIRST NATION

## CONSOLIDATED SCHEDULE OF SEGMENTED INFORMATION

YEAR ENDED MARCH 31, 2016

	Social assistance		Technical services		Total	
	2016	2015	2016	2015	2016	2015
REVENUES						
INAC	\$ 635,100	\$ 1,025,615	\$ -	\$ -	\$ 18,049,890	\$ 21,739,094
Health Canada	-	-	-	-	1,268,493	1,196,942
OFNLP	-	-	-	-	1,730,246	1,732,796
Province of Ontario	6,456,489	5,479,736	-	-	6,456,489	6,118,430
Contracting and user fees	-	-	2,363,835	1,756,956	3,632,321	3,066,437
Mushkegowuk Council	-	-	-	-	218,406	493,230
CMHC	-	-	-	-	446,317	500,483
Government business enterprises	-	-	-	-	(237,858)	1,149,059
Attawapiskat Trust distributions	-	-	-	-	1,359,821	1,063,252
Other	-	376	16,624	177,695	3,422,304	3,827,319
	7,091,589	6,505,727	2,380,459	1,934,651	36,346,429	40,887,042
Deferred revenue - beginning of year	-	-	-	-	1,345,067	1,701,604
Deferred revenue - end of year	-	-	-	-	(3,085,833)	(1,345,067)
Total revenues	7,091,589	6,505,727	2,380,459	1,934,651	34,605,663	41,243,579
EXPENDITURES						
Administration	123,004	66,589	35,921	32,465	2,203,158	2,189,179
Interest on long term debt	-	-	-	-	122,175	170,590
Interest and bank charges	20,846	10,177	-	-	111,318	157,919
Office and other	45,128	24,625	10,360	18,679	281,111	506,203
Operations and maintenance	116,061	85,517	1,521,783	1,244,213	11,735,566	18,249,457
Social assistance payments	6,067,333	5,501,299	-	-	6,067,333	5,501,299
Utilities	22,199	13,134	(4,066)	81,467	995,116	468,569
Program delivery	-	-	-	-	1,035,686	1,088,364
Wages and employee benefits	580,874	450,001	597,742	343,774	11,543,569	11,174,073
Writedown of accounts receivable	-	-	-	-	2,747,129	1,604,350
	6,975,445	6,151,342	2,161,740	1,720,598	36,842,161	41,110,003
Capital Adjustments:	-	-	-	-	-	-
Amortization	7,791	9,256	325,821	305,434	4,880,721	4,265,744
Investment in tangible capital assets	(22,907)	(12,966)	(75,121)	(90,926)	(4,160,290)	(10,508,751)
Total Expenditures (recoveries)	6,960,329	6,147,632	2,412,440	1,935,106	37,562,592	34,866,996
Surplus (Deficit) before transfers	131,260	358,095	(31,981)	(455)	(2,956,929)	6,376,583
Transfers between programs	-	50,000	-	(25,757)	-	1
Surplus (Deficit) for year	\$ 131,260	\$ 408,095	\$ (31,981)	\$ (26,212)	\$ (2,956,929)	\$ 6,376,584

## CONSOLIDATED SCHEDULE OF INVESTMENTS IN GOVERNMENT BUSINESS ENTERPRISES

YEAR ENDED MARCH 31, 2016

(a) The following table provides condensed supplementary financial information for the years ended as indicated, which were the most recent available at the date of these consolidated financial statements:

	December 2014 Attawapiskat Power Corporation (Audited)	March 2016 Attawapiskat Enterprises (Unaudited)	2015 Totals
Financial Position			
Current assets	\$ 3,035,677	\$ 1,077,611	\$ 4,113,288
Capital assets	1,874,348	409,345	2,283,693
Total Assets	4,910,025	1,486,956	6,396,981
Current liabilities	2,039,090	634,075	2,673,165
Long-term liabilities	-	173,198	173,198
Total liabilities	2,039,090	807,273	2,846,363
Net Assets	\$ 2,870,935	\$ 679,683	\$ 3,550,618
Results of operations:			
Revenue	\$ 3,470,593	\$ 6,012,554	\$ 9,483,147
Expenses	2,685,462	7,035,543	9,721,005
Net Income (Loss)	\$ 785,131	\$ (1,022,989)	\$ (237,858)

(b) The investment as reported on the consolidated statement of financial position consists of:

	December 2014 Attawapiskat Power Corp. (Audited)	March 2016 Attawapiskat Enterprises (Unaudited)	2015 Totals
Balance, beginning of year	\$ 2,085,804	\$ 1,702,672	\$ 3,788,476
First Nation's share of income (loss) for the year	785,131	(1,022,989)	(237,858)
Balance, end of year	\$ 2,870,935	\$ 679,683	\$ 3,550,618