

Attawapiskat First Nation
Consolidated Financial Statements
March 31, 2019

Attawapiskat First Nation

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For the year ended March 31, 2019

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Management's Responsibility

To the Chief and Council and Members of Attawapiskat First Nation:

The accompanying consolidated financial statements of Attawapiskat First Nation are the responsibility of management and have been approved by the Chief and Council.

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

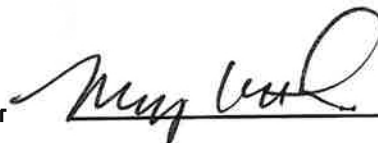
In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Chief and Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Chief and Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Chief and Council is also responsible for recommending the appointment of the Nation's external auditors.

MNP LLP is appointed by the Chief and Council to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Chief and Council and management to discuss their audit findings.



Executive Director



Councillor

Independent Auditor's Report

To the Members of Attawapiskat First Nation:

Qualified Opinion

We have audited the consolidated financial statements of Attawapiskat First Nation (the "Nation"), which comprise the consolidated statement of financial position as at March 31, 2019, and the consolidated statements of operations and accumulated surplus, change in net debt and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Nation as at March 31, 2019, and the results of its consolidated operations, change in its consolidated net debt and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

The Nation's consolidated statements of operations and changes in net debt do not present a comparison of the results for the accounting period with those originally planned, which constitutes a departure from Canadian public sector accounting standards..

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Nation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter - Comparative Information

We draw your attention to note 22 which describes prior period adjustments relating to the reported balance of deferred revenue arising from the recognition of Indigenous Services Canada fixed funding as revenue in the year.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian 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.

In preparing the consolidated financial statements, management is responsible for assessing the Nation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Nation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Nation's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Nation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Timmins, Ontario

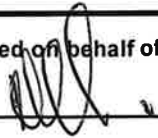

August 20, 2019

The logo for MNP LLP, featuring the letters 'MNP' in a large, stylized, handwritten font, followed by 'LLP' in a smaller, similar font.

Chartered Professional Accountants

Licensed Public Accountants

Attawapiskat First Nation
Consolidated Statement of Financial Position
As at March 31, 2019

	2019	2018 <i>Restated</i>
Financial assets		
Cash (Note 4)	6,400,659	5,295,484
Accounts receivable (Note 6)	1,268,370	1,497,259
Portfolio investments (Note 5)	665,823	696,870
Due from related parties (Note 9)	67,232	67,228
Receivable from funding agencies	2,766,865	1,515,222
Investment in government business entities (Note 8)	7,991,780	6,407,550
Funds held in trust (Note 7)	208,324	203,594
CMHC reserve fund	183,199	2,450
	19,552,252	15,685,657
Liabilities		
Bank indebtedness	635,984	281,698
Accounts payable and accruals	8,413,109	7,677,916
Deferred revenue (Note 10)	5,185,877	2,502,647
Repayable to funding agencies (Note 12)	3,443,553	3,669,895
Debt (Note 11)	6,052,480	6,362,603
	23,731,003	20,494,759
Net debt	(4,178,751)	(4,809,102)
Contingencies (Note 13)		
Non-financial assets		
Tangible capital assets (Note 23) (Schedule 1)	108,519,134	110,328,361
Inventories of supplies	1,753,160	2,352,195
Prepaid expenses	331,919	105,679
	110,604,213	112,786,235
Accumulated surplus (Note 19)	106,425,462	107,977,133
Approved on behalf of the 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
For the year ended March 31, 2019

	2019	<i>2018 Restated</i>
Revenue		
Indigenous Services Canada		
Set funding	102,843	144,058
Fixed funding	15,912,442	16,740,091
Grant funding	1,274,837	1,299,175
Flexible funding	3,992,584	1,572,220
Prior year adjustments	(67,500)	2,156,244
Health Canada	2,311,043	2,799,384
Canada Mortgage and Housing Corporation	459,022	451,403
Province of Ontario	8,180,983	7,265,747
Other revenue	2,235,661	1,617,443
Investment income - Government Business Entities	1,584,230	382,281
Rental income	1,323,172	1,286,669
Interest income	21,645	34,295
Ontario First Nations Limited Partnership	2,485,372	1,964,273
Impact Benefit Agreement Trust receipts	592,626	889,401
Mushkegowuk Council	267,346	295,964
Contracting and user fees	1,159,004	2,554,818
Deferred revenue - prior year	2,502,647	3,553,897
Deferred revenue - current year	(5,185,877)	(2,502,647)
	39,152,080	42,504,716
Expenditures		
Administration	1,893,356	2,165,649
Community development	1,991,155	1,918,511
Daycare	440,835	474,671
Economic development	1,275,364	1,460,512
Education	12,694,433	11,224,641
Governance	624,706	384,441
Health	2,067,190	2,052,637
Housing	2,545,162	2,279,778
Infrastructure	6,503,327	6,606,083
Social assistance	7,841,793	7,349,493
Technical services	2,826,430	1,274,653
	40,703,751	37,191,069
Annual surplus (deficit)	(1,551,671)	5,313,647
Accumulated surplus, beginning of year	107,977,133	102,663,486
Accumulated surplus, end of year	106,425,462	107,977,133

The accompanying notes are an integral part of these financial statements

Attawapiskat First Nation
Consolidated Statement of Change in Net Debt
For the year ended March 31, 2019

	2019	2018
Annual surplus (deficit)	(1,551,671)	5,313,647
Acquisition of tangible capital assets	(3,304,821)	(6,020,370)
Amortization of tangible capital assets	5,114,048	5,084,375
Acquisition of prepaid expenses	(226,240)	(89,679)
Use (acquisition) of inventories of supplies	599,035	(423,201)
Change in net debt	630,351	3,864,772
Net debt, beginning of year	(4,809,102)	(8,673,874)
Net debt, end of year	(4,178,751)	(4,809,102)

Attawapiskat First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2019

	2019	2018 <i>Restated</i>
Cash provided by (used for) the following activities		
Operating activities		
Annual surplus (deficit)	(1,551,671)	5,313,647
Non-cash items		
Amortization	5,114,048	5,084,375
	3,562,377	10,398,022
Changes in working capital accounts		
Accounts receivable	228,890	2,125,001
Prepaid expenses	(226,240)	(89,679)
Portfolio investments	31,049	220,555
Inventory of supplies	599,034	(423,201)
Receivable from funding agencies	(1,251,644)	(235,389)
Funds held in trust - Ottawa	(4,729)	(3,432)
CMHC reserve fund	(180,750)	-
Accounts payable and accruals	735,193	(1,061,184)
Deferred revenue	2,683,225	(1,051,252)
	6,176,405	9,879,441
Financing activities		
Advances to related parties	(226,342)	(2,388,069)
Advances of long-term debt	796,877	810,248
Repayment of long-term debt	(1,107,000)	(360,000)
	(536,465)	(1,937,821)
Capital activities		
Acquisition of tangible capital assets	(3,304,821)	(6,020,370)
Investing activities		
Repayment of advances to related parties	-	177,856
Income in government business enterprises	(1,584,230)	(382,281)
	(1,584,230)	(204,425)
Increase in cash resources	750,889	1,716,825
Cash resources, beginning of year	5,013,786	3,296,961
Cash resources, end of year	5,764,675	5,013,786
Cash resources are composed of:		
Cash	6,400,659	5,295,484
Bank indebtedness	(635,984)	(281,698)
	5,764,675	5,013,786

The accompanying notes are an integral part of these financial statements

1. Operations

Attawapiskat First Nation (the "Nation") is located in the province of Ontario and provides various services to its members. The Nation includes its members, government and all related entities that are accountable to the Nation and are either owned or controlled by the Nation.

2. Significant accounting policies

These consolidated financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and include the following significant accounting policies:

Reporting entity

The reporting entity includes the Attawapiskat First Nation government and all related entities owned and controlled by the Nation.

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 the 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.

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.

Portfolio investments

Long-term investments in entities that are not owned, controlled or influenced by the Nation reporting entity are accounted for using the cost method. They are recorded at cost, less any provision for other than temporary impairment.

Inventory

Inventories of supplies, comprised of fuel stock, building materials, coarse aggregate stockpiles for resale and use 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 2020 fiscal year.

2. Significant accounting policies *(Continued from previous page)*

Tangible capital assets

Tangible capital assets are initially recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset.

Amortization

Tangible capital assets are amortized annually using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives:

	Method	Rate
Land improvements	straight-line	15 years
Buildings	declining balance and straight-line	10% & 20-40 years
Vehicles	straight-line	5-20 years
Equipment	declining balance and straight-line	4-100% & 5-20 years
Roads	straight-line	80 years
Sewer and water	straight-line	50 years

Long-lived assets and discontinued operations

Long-lived assets consist of tangible capital assets with finite useful lives. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. The carrying amount of a long-lived asset is not recoverable if the carrying amount exceeds the sum of the undiscounted future cash flows from its use and disposal. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Fair value is measured using quoted market prices. Any impairment is included in surplus for the year.

Net debt

The Nation's consolidated 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 liabilities. Net debt combined with non-financial assets comprise a second indicator of financial position, accumulated surplus.

Revenue recognition

The consolidated 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 Nation. 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.

2. Significant accounting policies *(Continued from previous page)*

Measurement uncertainty

In preparing the consolidated 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 consolidated financial statements and reported amounts of revenue and expenditures during the period. The main estimates used in preparing these consolidated financial statements include an allowance for doubtful accounts, useful lives of tangible capital assets, landfill closure and post-closure liability and balances repayable to funding agencies. Actual results could differ from these estimates.

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 governments. These adjustments are recorded in the consolidated financial statements in the year they become known.

3. 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 consolidated financial statements, the Nation, pursuant to Indigenous Services Canada directives, was operating under a Management Action Plan.

4. 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 \$345,549 (2018 - \$476,026).

5. Portfolio investments

Portfolio investments consists of:

A minority equity interest, being 4,269 common shares, in Sunlife Financial Inc., received upon demutualization of the carrier of Attawapiskat First Nation Education Authority's extended health benefit plan.

A 25% partnership 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 amounts assumed on transfer pursuant to reorganization transactions.

A 25% partnership 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.

A minority partnership interest in Ontario First Nations Sovereign Wealth LP, a partnership controlled by several Nation bands whose primary business activity is providing its partners with access to investment income from its holdings. The investment is carried at cost, being the initial contribution.

A minority equity interest, being one common share, in OFN Asset Management GP Corp., a corporation controlled by several Nation bands whose primary business activity is providing its shareholders with access to investment income from its holdings. The investment is carried at cost, being the initial contribution.

Attawapiskat First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

5. Portfolio Investments *(Continued from previous page)*

	2019	2018
Sunlife Financial Inc.	203,417	225,873
Kimesskanemenow Corporation	462,104	352,704
Creewest Limited Partnership	300	118,293
Ontario First Nations Sovereign Wealth LP	1	-
OFN Asset Management GP Corp.	1	-
	665,823	696,870

6. Accounts receivable

	2019	2018
Housing rentals	915,479	659,860
Trade receivables	1,683,265	1,852,115
User fees	1,252,381	999,879
Ministry of Community and Social Services	75,552	201,671
Other	879,540	722,421
	4,806,217	4,435,946
Less: Allowance for doubtful accounts	3,537,847	2,938,687
	1,268,370	1,497,259

7. Funds held in trust

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.

Capital and revenue trust monies are transferred to the Nation on the authorization of Indigenous Services Canada, with the consent of the Nation's members.

	2019	2018
Trust Funds - Ottawa		
Balance, beginning of year	203,594	199,363
Revenue	4,730	4,231
	208,324	203,594

Attawapiskat First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

8. Investments in government business entities

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.

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

Attawapiskat Enterprises is comprised of the following entities:

Attawapiskat Limited Partnership - seeks business opportunities for the benefit of the Nation and its members
Attawapiskat Resources Inc. - is the general partner of Attawapiskat Limited Partnership
Attawapiskat Catering Limited Partnership - provides catering and camp services
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

Summary financial information for each Nation business enterprise, accounted for using the modified equity method, for the respective year-end is as follows:

	<i>Attawapiskat Power Corporation As at December 31, 2018</i>	<i>Attawapiskat Enterprises As at March 31, 2019</i>
Assets		
Current assets	4,332,210	1,442,735
Capital assets	4,634,090	317,843
Total assets	8,966,300	1,760,578
Liabilities		
Current liabilities	939,132	571,191
Long-term debt	947,807	276,968
Total liabilities	1,886,939	848,159
Net assets	7,079,361	912,419
Total revenue	3,763,799	4,419,476
Total expenses	2,585,853	4,151,990
Net income	1,177,946	267,486

9. 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.

	2019	2018
Due from Kimesskanemenow Corporation	137,500	137,500
Due to Attawapiskat Recreation Committee	(70,268)	(70,272)
	67,232	67,228

Attawapiskat First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

10. Deferred revenue

The following table represents changes in the deferred revenue balance attributable to each major category of external restrictions:

	<i>Opening Balance (restated)</i>	<i>Deferred Recorded (Realized)</i>	<i>Closing Balance</i>
Economic Development	33,821	997	34,818
Capital Intra B Gravel - Road & Bridges	196,929	(23,489)	173,440
FNIIP Upgrade Fuel Tank	173,657	(600)	173,057
Remediation - CSMWG STEPs 7-9	514,189	(16,738)	497,451
ARK4X - Lot Servicing (Riverside Lot) (Fx)	304,678	-	304,678
ARK24 - Immediate Needs-Renovation	50,567	(50,567)	-
ARKLU - Recreation - Attawapiskat Youth Centre	-	1,894,000	1,894,000
ARK3B - Attawapiskat Youth Centre (991783)	257,694	(172,909)	84,785
ARKHF - Recreation - Attawapiskat Youth Centre	-	46,665	46,665
ARK42 - Landfill Upgrade	170,150	-	170,150
Special Services	120,552	-	120,552
ARKA6 Major Infrastructure to ATR Feasibility Study	80,000	-	80,000
ARKB5 - WTP Immediate Repairs	384,968	732,715	1,117,683
Multiplex (5-Duplex) - Capital	215,442	(215,442)	-
Planning & Design and Construction (Core Capital)	-	89,515	89,515
Wastewater systems	-	121,489	121,489
Minor Capital	-	277,594	277,594
	2,502,647	2,683,230	5,185,877

11. Debt

	2019	2018
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 \$12,189.	19,802	26,591
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 \$12,280.	19,950	26,790
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 \$12,678.	16,200	24,653
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 \$12,678.	16,200	24,653
CMHC mortgage payable bearing interest at 2.41%, repayable at \$6,431 per month principal and interest, secured by a ministerial guarantee from Indigenous Services Canada and a first charge on specific housing units, renewable April 2023, maturing February 2033.	914,153	969,134
CMHC mortgage payable bearing interest at 1.82%, repayable at \$5,713 per month principal and interest, secured by a ministerial guarantee from Indigenous Services Canada and a first charge on specific housing units, renewable September 2019, maturing September 2034.	927,116	978,460

Attawapiskat First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

CMHC mortgage payable bearing interest at 1.82%, repayable at \$3,158 per month principal and interest, secured by a ministerial guarantee from Indigenous Services Canada and a first charge on specific housing units, renewable September 2019, maturing September 2034.	512,523	540,907
CMHC mortgage payable bearing interest at 1.85%, repayable at \$2,350 per month principal and interest, secured by a ministerial guarantee from Indigenous Services Canada and a first charge on specific housing units, renewable August 2019, maturing July 2034.	376,933	398,013
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 Services Canada and a first charge on specific housing units, maturing August 2019.	26,251	74,833
CMHC mortgage payable bearing interest at 1.85%, repayable at \$6,038 per month principal and interest, secured by a ministerial guarantee from Indigenous Services Canada and a first charge on specific housing units, renewable August 2019, maturing July 2034.	968,674	1,022,848
CMHC mortgage payable bearing interest at 1.43%, repayable at \$6,988 per month principal and interest, secured by a ministerial guarantee from Indigenous Services Canada and a first charge on specific housing units, renewable April 2022, maturing March 2037.	1,332,237	1,396,701
Meridian OneCap Credit Corp. loan bearing interest at 7.614% repayable at \$1,043 per month principal and interest, secured by 2015 Ford Super Duty F-550 with a carrying value of \$47,858.	53,832	69,020
TD Canada Trust demand loan bearing interest at the bank prime rate of 3.95% (2018 - 3.45%) plus 3%, repayable at \$20,000 per month principal plus interest, secured by general security agreement.	20,000	260,000
CMHC mortgage advance, terms to be determined upon completion of financing.	554,589	550,000
Merit Insurance Premium Financing loan bearing interest at 9.90%, repayable at \$34,329 per month principal and interest, unsecured, maturing November 2019.	212,835	-
FIRST Insurance Funding of Canada loan bearing interest at 6.69%, repayable at \$35,665 per month principal and interest, unsecured, maturing May 2019.	81,185	-
	6,052,480	6,362,603

Principal repayments on debt in each of the next five years and thereafter, assuming debt subject to refinancing is renewed on similar terms, are estimated as follows:

2020	671,464
2021	329,492
2022	318,538
2023	298,480
2024	299,892
	1,917,866
Thereafter	4,134,614

Attawapiskat First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

12. Repayable to funding agencies

	2019	2018
Indigenous Services Canada	1,263,422	1,195,922
Health Canada	1,469,206	1,763,048
Ministry of Health and Long Term Care	710,925	710,925
	3,443,553	3,669,895

13. 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 consolidated financial statements.

14. Economic dependence

The Nation received 53.5% of its revenue from Indigenous Services Canada, Health Canada, the Province of Ontario and other funding agencies (2018 - 51.6%). 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.

15. 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 one unit in Ontario First Nations Limited Partnership, and one 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.

16. Budget information

Budget figures have not been presented as the information was not available for certain entities.

Attawapiskat First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

17. Other revenue

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

	2019	2018
Attawapiskat Development Corporation	137,076	323,105
De Beers Canada Inc.	9,000	34,830
Ministry of Education	319,437	289,114
Right to Play	22,924	34,028
Nishnawbe Aski Nation	604,988	439,801
Reimbursements - Sportsplex	221,255	-
Other revenue	920,981	496,565
	2,235,661	1,617,443

18. Liability for contaminated site

Public Sector Accounting Standards require the disclosure of the net present value of landfill closure and post-closure care expenditures. The landfill site in operation is at full capacity and management is involved in discussions to develop a second landfill location. Accounts payable and accruals includes \$600,000 (2018- \$600,000) 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.

19. Accumulated surplus

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

	2019	2018
Unrestricted Deficit	8,778,383	8,964,978
Restricted Surplus		
ISC - Trust Fund	203,595	199,363
CMHC Replacement Reserve	526,266	476,026
	729,861	675,389
Equity in tangible capital assets	96,917,218	98,336,766
	106,425,462	107,977,133

20. 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, provides support to member entities and manages 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, and other funded 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 the Consolidated Financial Statements
For the year ended March 31, 2019

20. Segmented information *(Continued from previous page)*

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 2.

21. Comparative figures

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

22. Prior period adjustment

Prior period comparative figures have been restated to account for changes made to the reported balance of deferred revenue arising from the recognition of Indigenous Services Canada fixed funding as revenue in the year. The effect of these changes on the 2018 comparative figures were as follows:

	<i>As Previously Reported</i>	<i>Prior Period Adjustment</i>	<i>As Restated</i>
Deferred revenue	5,893,777	(3,391,130)	2,502,647
Net debt	(8,200,236)	3,391,134	(4,809,102)
Deferred revenue - prior year	6,431,656	(2,877,759)	3,553,897
Deferred revenue - current year	(5,859,957)	3,357,310	(2,502,647)
Annual surplus	4,834,096	(479,551)	5,313,647
Accumulated surplus - beginning of year	99,751,903	2,911,583	102,663,486
Accumulated surplus - end of year	104,585,999	(3,391,134)	107,977,133

23. Tangible capital assets

The tangible capital assets reconciliation is included in Schedule 1.

Attawapiskat First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2019

	Land Improvements	Attawapiskat First Nation Buildings	Attawapiskat Education Authority Buildings	Teacherage Housing Facilities	Vehicles	Equipment and Other	Subtotal
Cost							
Balance, beginning of year	12,424,086	99,948,567	16,692,082	4,111,199	1,890,281	6,507,145	141,573,360
Acquisition of tangible capital assets	16,738	2,266,980	18,175	166,657	38,900	383,652	2,891,102
Balance, end of year	12,440,824	102,215,547	16,710,257	4,277,856	1,929,181	6,890,797	144,464,462
Accumulated amortization							
Balance, beginning of year	4,280,700	29,198,058	13,965,693	3,223,986	1,248,957	4,287,148	56,204,542
Annual amortization	858,643	2,668,445	419,062	80,791	106,592	384,621	4,518,154
Balance, end of year	5,139,343	31,866,503	14,384,755	3,304,777	1,355,549	4,671,769	60,722,696
Net book value of tangible capital assets							
	7,301,481	70,349,044	2,325,502	973,079	573,632	2,219,028	83,741,766
2018 Net book value of tangible capital assets	8,143,386	70,750,509	2,726,389	887,213	641,324	2,219,997	85,368,818

Attawapiskat First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2019

	Subtotal	Roads, Streets and Bridges	Water and Sewer	2019	2018
Cost					
Balance, beginning of year	141,573,360	15,082,387	20,146,665	176,802,412	170,782,042
Acquisition of tangible capital assets	2,891,102	-	413,719	3,304,821	6,020,370
Balance, end of year	144,464,462	15,082,387	20,560,384	180,107,233	176,802,412
Accumulated amortization					
Balance, beginning of year	56,204,542	2,801,712	7,467,797	66,474,051	61,389,676
Annual amortization	4,518,154	188,649	407,245	5,114,048	5,084,375
Balance, end of year	60,722,696	2,990,361	7,875,042	71,588,099	66,474,051
Net book value of tangible capital assets	83,741,766	12,092,026	12,685,342	108,519,134	110,328,361
2018 Net book value of tangible capital assets	85,368,818	12,280,675	12,678,868	110,328,361	

Attawapiskat First Nation
Schedule 2 - Consolidated Schedule of Expenses by Object
For the year ended March 31, 2019

	2019	<i>2018 Restated</i>
Consolidated expenses by object		
Administration	550,005	468,282
Amortization	5,114,048	5,084,375
Bad debts	814,331	963,668
Bank charges and interest	73,840	140,312
Consulting and contracted services	547,223	260,550
Equipment leases	368,505	545,247
Freight	200,525	349,278
Honouraria	108,011	112,850
Insurance	796,460	769,629
Interest on long-term debt	101,056	103,690
Office and other	155,715	394,056
Professional fees	791,204	545,375
Rent	151,062	148,705
Repairs and maintenance	3,069,967	3,897,277
Salaries and benefits	16,448,884	13,675,733
Social assistance	6,480,814	6,087,098
Student tuition and other expenses	1,512,092	1,471,175
Materials, supplies and other	3,641,449	5,280,572
Training and professional development	681,294	608,509
Utilities	1,221,648	1,090,243
Vehicle and travel	1,178,625	1,089,104
Less: capital expenditures included in above	(3,303,007)	(5,894,659)
	40,703,751	37,191,069

Attawapiskat First Nation

Schedule 3 - Consolidated Schedule of Segmented Disclosure

For the year ended March 31, 2019

	Indigenous Services Canada	Other Revenue	Deferred Revenue	Total Revenue	Total Expenses	Adjustments/ Transfers From (To)	Current Surplus (Deficit)
Administration	1,478,170	89,270	-	1,567,440	1,893,356	(271,056)	(596,972)
Community development	229,306	4,891,079	-	5,120,385	1,991,155	824,771	3,954,001
Daycare	46,700	317,612	-	364,312	440,835	-	(76,523)
Economic development	82,900	911,373	(1,000)	993,273	1,275,364	(137,146)	(419,237)
Education	10,851,449	490,049	-	11,341,498	12,694,433	-	(1,352,935)
Governance	97,243	4,830	-	102,073	624,706	(507,978)	(1,030,611)
Health	791,040	2,876,496	-	3,667,536	2,067,190	250,856	1,851,202
Housing	590,647	1,203,754	600	1,795,001	2,545,162	(159,447)	(909,608)
Infrastructure	6,305,151	475,234	(2,682,831)	4,097,554	6,503,327	-	(2,405,773)
Social assistance	742,600	8,017,009	-	8,759,609	7,841,793	-	917,816
Technical services	-	1,343,399	-	1,343,399	2,826,430	-	(1,483,031)
	21,215,206	20,620,105	(2,683,231)	39,152,080	40,703,751	-	(1,551,671)