



Algonquins of Pikwakanagan First Nation

July 25, 2017

Indigenous Affairs and Northern Development

25 St. Clair Avenue East, 8th Floor

Toronto, ON

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Attention: Financial Arrangements and
Quality Assurance – Ontario Region – South

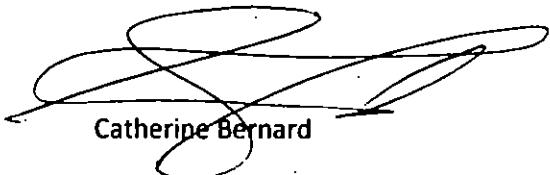
RE: 2016-2017 ANNUAL AUDIT

Enclosed, please find the 2016-2017 annual audit submission for the Algonquins of Pikwakanagan First Nation.

Included in this submission you will find:

- Management Letter
- Consolidated Financial Statements
- Auditor's Confirmation – Contribution Funding
- Auditor's Conformation – Funding Reconciliation Report
- Auditor's Report – Schedule of Salaries, Honoraria, Travel and Other

Queries may be addressed to the undersigned.



Catherine Bernard

1657A Mishomis Inamo
Pikwakanagan, ON K0J 1X0

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Fax: (613) 625-2332



25 July 2017.

Chief, Algonquins of Pikwakanagan and
Council of the Algonquins of Pikwakanagan,
PIKWAKANAGAN, Ontario.

Dear Chief and Council:

Re: Audit of 2017 Financial Statements

The objective of our audit was to express an opinion on the financial statements. Included in our audit was the consideration of internal control relevant to the preparation and fair presentation of the financial statements. This consideration of internal control was for the purpose of designing audit procedures that were appropriate in the circumstances. It was not for the purpose of expressing an opinion on the effectiveness of internal control or for identifying all significant control deficiencies that might exist.

During our review of your accounting system and system of internal controls, the following issue came to our attention. Our comments should not be construed as a criticism, but rather a means to further strengthen your internal controls.

We still have concerns related to the succession plans for the Manager of Financial Services (Cathy Bernard) due to the volume of programs and her direct involvement in the financial area of each program. We understand that you have begun to implement the succession and it is still in process.

The accounting records are maintained very well with only minor adjustments being made to the accounting records during the audit with the prior approval of the Manager of Financial Services.

We would like to thank management and staff for their cooperation during the year.

Yours very truly,

MacKillop & Associates,

Per:

(Jason D. Healey)

JDH:tb

Algonquins of Pikwakanagan
Consolidated Financial Statements
For the year ended 31 March 2017

Algonquins of Pikwakanagan

As at 31 March 2017

Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of the Algonquins of Pikwakanagan and all the information in this annual report are the responsibility of management and have been approved by the Chief and Executive Director of Operations on behalf of Council.

The consolidated financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards. Financial statements are not precise since they include certain amounts based on estimates or judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the consolidated financial statements are presented fairly, in all material respects.

The Algonquins of Pikwakanagan maintain systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the assets are appropriately accounted for and adequately safeguarded.

The Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements. Council carries out this responsibility principally through its Standing Committee of Council on Finance, Administration and Personnel (FAP).

The Standing Committee (FAP) reviews the financial statements and recommends their approval to Council. The Standing Committee (FAP) meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the consolidated financial statements and the external auditor's report. Standing Committee (FAP) reports its findings to the Council for consideration when approving the consolidated financial statements for issuance to the members. The Standing Committee (FAP) also considers, for review by Council and approval by the Members, the engagement of the external auditors.

The consolidated financial statements have been audited by MacKillican & Associates in accordance with Canadian Generally Accepted Auditing Standards on behalf of the members. MacKillican & Associates have full and free access to the Standing Committee (FAP).

Kirby Whiteduck
Chief, Algonquins of Pikwakanagan

W. Two-Ays
Executive Director of Operations



INDEPENDENT AUDITOR'S REPORT

Chief, Algonquins of Pikwakanagan and
The Council of the Algonquins of Pikwakanagan,
PIKWAKANAGAN, Ontario.

We have audited the accompanying consolidated financial statements of the Algonquins of Pikwakanagan, which comprise the statement of financial position as at 31 March 2017, and the consolidated statements of accumulated surplus, operations, changes in net financial assets, cash flows, related schedules and the statement of Band Trust Funds for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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.

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Algonquins of Pikwakanagan as at 31 March 2017, and the results of their operations, cash flows, accumulated surplus and the changes in net financial assets for the year then ended in accordance with Canadian Public Sector Accounting Standards and the accounting policies disclosed in Note 2 to the consolidated financial statements.

Mackilloan + Associates

**Chartered Professional Accountants,
Licensed Public Accountants.**

RENFREW, Ontario.
25 July 2017.

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Algonquins of Pikwakanagan

Consolidated Statement of Financial Position

As at 31 March 2017
(with 2016 figures for comparison)

	<u>2017</u>	<u>2016</u>
Financial assets:		
Cash in bank - administration	\$ 3,726,992	\$ 2,815,370
- Gaming Distribution Fund	5,087,707	5,259,092
- Section 95 Social Housing Operation	233,005	218,939
Accounts receivable - administration (Note 6)	836,159	397,177
Investment in solar project #1 (Notes 2 (g) and 8 (h))	43,317	28,500
Investment in Business Enterprises (Notes 2 (g) and 8)	<u>593,258</u>	<u>598,985</u>
	<u>\$ 10,520,438</u>	<u>\$ 9,318,063</u>
Financial liabilities:		
Accounts payable	\$ 732,398	\$ 580,188
Rental deposits	535	535
Deferred revenue (Note 4)	3,715,553	2,466,023
Funded reserves - operating (Note 10 (a))	109,501	118,443
Funded reserves - replacement (Note 10 (b))	129,287	106,251
Mortgages payable (Note 9)	<u>1,120,407</u>	<u>1,199,359</u>
	<u>\$ 5,807,681</u>	<u>\$ 4,470,799</u>
Net financial assets	<u>\$ 4,712,757</u>	<u>\$ 4,847,264</u>
Non-financial assets:		
Tangible capital assets (Notes 2 (b) and 11)	<u>\$ 7,968,456</u>	<u>\$ 7,996,537</u>
Accumulated surplus	<u>\$ 12,681,213</u>	<u>\$ 12,843,801</u>
Accumulated surplus comprised of:		
General Operations	\$ 152,199	\$ 188,545
Gaming Distribution Fund	5,087,707	5,285,954
Business Enterprises	<u>593,258</u>	<u>572,124</u>
Total fund balances	\$ 5,833,164	\$ 6,046,623
Equity in tangible capital assets (Note 11 (d))	<u>6,848,049</u>	<u>6,797,178</u>
Total accumulated surplus	<u>\$ 12,681,213</u>	<u>\$ 12,843,801</u>

Approved on behalf of the Band:

Kirby Whiteduck
Chief, Algonquins of Pikwakanagan

V. Tao-Are
Executive Director of Operations

(See accompanying notes)

Algonquins of Pikwakanagan
Consolidated Statement of Accumulated Surplus
For the year ended 31 March 2017
(with 2016 figures for comparison)

	2017				2016			
	General Operations	Gaming Distribution Fund	Business Enterprises	Total	General Operations	Gaming Distribution Fund	Business Enterprises	Total
Accumulated surplus at the beginning of the year	\$ 188,545	\$ 5,285,954	\$ 572,124	\$ 6,046,623	\$ 323,475	\$ 5,293,329	\$ 40,903	\$ 5,657,707
Surplus (deficit) for the year	(36,346)	(198,247)	21,134	(213,459)	(134,930)	(7,375)	531,221	388,916
Accumulated surplus at the end of the year	\$ 152,199	\$ 5,087,707	\$ 593,258	\$ 5,833,164	\$ 188,545	\$ 5,285,954	\$ 572,124	\$ 6,046,623

(See accompanying notes)

MACKILLIGAN & ASSOCIATES
CHARTERED PROFESSIONAL ACCOUNTANTS

Algonquins of Pikwakanagan

Consolidated Statement of Operations

For the year ended 31 March 2017

Fund	Revenue					Total Revenue	Total Expenditures	Current Year Surplus (Deficit)	INAC Open Deferred	INAC Close Deferred
	Indian and Northern Affairs Canada	Government of Canada	Province of Ontario	Other						
Economic Development	\$ 189,282	\$ 11,160	\$ 92,801	\$ 402,411	\$ 695,654	\$ 680,828	\$ 14,826			
Education	2,023,641		8,688	158,350	2,190,679	2,190,740	(61)	\$ 142,452	\$ 278,261	
General Government	466,581			237,964	704,545	674,874	29,671	43,235		42,558
Health Services	41,800	796,849	1,161,806	116,899	2,117,354	2,117,442	(88)			
Lands, Revenues and Trusts	115,807		7,967	87,801	211,575	211,575			27,322	
Public Works	526,824		20,400	553,787	1,101,011	1,181,677	(80,666)	417,014		397,557
Recreation			80,350	198,784	279,134	279,162	(28)			
Social Services	99,437		935,877	269,791	1,305,105	1,305,105				
Total before Gaming Operations and Section 95 Social Housing Operation	\$ 3,463,372	\$ 808,009	\$ 2,307,889	\$ 2,025,787	\$ 8,605,057	\$ 8,641,403	\$ (36,346)	\$ 630,023	\$ 718,376	
Gaming Operations				1,304,205	1,304,205	1,502,452	(198,247)			
Section 95 Social Housing Operation				181,204	181,204	181,204	-			
Change in government business enterprises				21,134	21,134	21,134	21,134			
Total before tangible capital assets	\$ 3,463,372	\$ 808,009	\$ 2,307,889	\$ 3,532,330	\$ 10,111,600	\$ 10,325,059	\$ (213,459)	\$ 630,023	\$ 718,376	
Acquisition of tangible capital assets						(504,011)	504,011			
Amortization of tangible capital assets						453,140	(453,140)			
Grand Total	\$ 3,463,372	\$ 808,009	\$ 2,307,889	\$ 3,532,330	\$ 10,111,600	\$ 10,274,188	\$ (162,588)	\$ 630,023	\$ 718,376	

(See accompanying notes)

Algonquins of Pikwakanagan

Consolidated Statement of Changes in Net Financial Assets

For the year ended 31 March 2017
(with 2016 figures for comparison)

	<u>2017</u>	<u>2016</u>
Net deficit for the year	\$ (162,588)	\$ (13,914)
Amortization of tangible capital assets	532,092	542,348
Loss on disposal of tangible capital assets	14,104	
Acquisition of tangible capital assets and construction in progress	<u>(504,011)</u>	<u>(482,853)</u>
Increase (decrease) in net financial assets	\$ (134,507)	\$ 59,685
Net financial assets, beginning of year	<u>4,847,264</u>	<u>4,787,579</u>
Net financial assets, end of year	<u>\$ 4,712,757</u>	<u>\$ 4,847,264</u>

(See accompanying notes)

Algonquins of Piquaganagan

Consolidated Statement of Cash Flows

For the year ended 31 March 2017
 (with 2016 figures for comparison)

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities:		
Net deficit for the year	\$ (162,588)	\$ (13,914)
Add loss on disposal which does not involve cash	<u>532,092</u>	<u>14,104</u>
Add amortization which does not involve cash	<u>532,092</u>	<u>542,348</u>
	<u>\$ 369,504</u>	<u>\$ 542,538</u>
Net change in non cash working capital balances related to operations:		
- decrease (increase) in accounts receivable	\$ (438,982)	\$ 97,149
- (decrease) increase in accounts payable	<u>152,210</u>	<u>68,068</u>
- (decrease) increase in deferred revenue	<u>1,249,530</u>	<u>103,479</u>
	<u>\$ 962,758</u>	<u>\$ 268,696</u>
Cash flows from operating activities	<u>\$ 1,332,262</u>	<u>\$ 811,234</u>
Cash flows from financing activities:		
- proceeds from mortgages payable	\$ 403,737	
- repayment of mortgages payable	<u>\$ (78,952)</u>	<u>(74,506)</u>
- (decrease) increase in funded reserves	<u>14,094</u>	<u>36,387</u>
Cash flows from (used for) financing activities	<u>\$ (64,858)</u>	<u>\$ 365,618</u>
Cash flows used for investing activities:		
Decrease (increase) in investment in business enterprises	\$ (9,090)	\$ (531,220)
Additions to tangible capital assets:		
Economic Development		(38,918)
Education	(12,384)	(63,841)
Health Services	(68,369)	(111,183)
Public Works	(372,360)	(268,911)
Recreation	(14,816)	
Social	<u>(36,082)</u>	
Cash flows used for investing activities	<u>\$ (513,101)</u>	<u>\$ (1,014,073)</u>
Increase in cash and cash equivalents during the year	<u>\$ 754,303</u>	<u>\$ 162,779</u>
Cash and cash equivalents at the beginning of the year	<u>8,293,401</u>	<u>8,130,622</u>
Cash and cash equivalents at the end of the year	<u>\$ 9,047,704</u>	<u>\$ 8,293,401</u>
Comprised of:		
Cash in bank - administration	\$ 3,726,992	\$ 2,815,370
- Gaming Distribution Fund	5,087,707	5,259,092
- Section 95 Social Housing Operation	<u>233,005</u>	<u>218,939</u>
	<u>\$ 9,047,704</u>	<u>\$ 8,293,401</u>

(See accompanying notes)

Algonquins of Pikwakanagan

Notes to the Consolidated Financial Statements

For the year ended 31 March 2017

I. NATURE OF ORGANIZATION

The Algonquins of Pikwakanagan are a First Nation located in Pikwakanagan, Ontario. The First Nation receives funding from various Federal and Provincial agencies along with generating other income in order to provide support to the members of the community in their daily endeavours and overall well being. The operations of the First Nation are controlled and managed by Chief and Council.

2. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Algonquins of Pikwakanagan are prepared in accordance with the Public Sector Accounting Board (PSAB) using the Canadian generally accepted accounting principles as set out in the Year End Reporting Handbook - Funding Agreements covering 2016 - 2017.

a) Non-Financial Assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year, and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenue over expenses, provides the change in net financial assets for the year.

b) Tangible Capital Assets:

i) Tangible capital assets (TCAs) are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the assets. Where the cost was not readily determinable, the assets were valued at their current fair market value and then discounted back to their in-service date using the Consumer Price Index (CPI) for land, machinery and equipment and vehicles or the Non-Residential Building Construction Price Index (NRBCPI) for land improvements, buildings and linear assets. All land is valued at \$ 1.00 per segment. Certain assets which have historical or cultural value are not recognized as tangible capital assets.

ii) Amortization:

The TCAs are amortized annually with a corresponding reduction in equity in tangible capital assets. Amortization is calculated on the straight-line basis over the useful lives of the assets in varying amounts as follows:

Buildings	25 - 40 years
Machinery and equipment	4 - 15 years
Vehicles	5 years
Land improvements	10 - 25 years
Linear assets	10 - 40 years

Amortization is calculated commencing the first month of the year following acquisition using the above rates. In the year of disposal, a full year of amortization expense will be charged against the operating unit. Capital work in progress is not amortized until it is put into service.

The Algonquins of Pikwakanagan have a capitalization threshold of \$ 5,000, so that individual TCAs of lesser value are expensed.

iii) Contribution of Tangible Capital Assets:

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue. Similarly, transfers of assets to third parties are recorded as an expense equal to the net book value of the assets as of the date of transfer. There were no such transactions during the year.

Algonquins of Pikwakanagan

Notes to the Consolidated Financial Statements

For the year ended 31 March 2017

c) **Leases:**

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating and the related lease payments are charged to expenses as incurred.

d) **Use of Estimates:**

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the year. Actual results could differ from these estimates. Significant estimates include amortization.

e) **Basis of Accounting:**

Expenditures and related sources of financing are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which transactions or events occurred that give rise to the revenue; expenditures are recognized in the period goods and services are acquired and a liability is incurred or transfers are due.

f) **Deferred Revenue:**

The Algonquins of Pikwakanagan receive restricted contributions under the authority of the provincial and federal governments. These funds by their nature are restricted in their use and until applied to applicable costs are recorded as deferred revenue. Amounts applied to qualifying expenditures are recorded as revenue in the fiscal period they are expended.

g) **Business Enterprises:**

Government Business enterprises (and partnerships) are included in the consolidated statement of financial position on a modified equity basis. Under the modified equity method of accounting, only the Algonquins of Pikwakanagan's investment in the business enterprises and the enterprises' net income and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprises that are different from those of the Algonquins of Pikwakanagan.

h) **Cash and Cash Equivalents:**

Cash and cash equivalents are comprised of cash on hand and in bank and investments due no greater than three months from the date of acquisition or that are cashable on demand.

i) **Financial Instruments:**

Financial instruments include cash in bank, accounts receivable, investment in solar project #1, investment in Business Enterprises, accounts payable and mortgages payable. Unless otherwise noted, it is management's opinion that the Algonquins of Pikwakanagan are not exposed to significant interest, currency or credit risks arising from these financial instruments.

3. FINANCIAL INSTRUMENTS

The carrying amounts reported on the statement of financial position for cash in bank, accounts receivable and accounts payable approximate their fair values, due to the immediate and short term nature of these financial instruments.

The fair value of investment in solar project #1, investment in Business Enterprises and mortgages payable, including the current portion, is based on rates currently available to the Algonquins of Pikwakanagan with similar terms and maturities and approximates its carrying amounts as disclosed on the statement of financial position.

Algonquins of Pikwakanagan

Notes to the Consolidated Financial Statements

For the year ended 31 March 2017

4. DEFERRED REVENUE

The portion of contributions that has been deferred to be applied to expenditures of subsequent years is as follows:

	<u>2017</u>	<u>2016</u>
Government of Canada:		
- Health Services	\$ 1,226,879	\$ 1,052,806
Indian and Northern Affairs Canada:		
- Education	278,261	142,452
- Public Works	397,557	417,014
- General Government	42,558	43,235
- Lands, Revenues and Trusts	27,322	
Provincial - Ontario:		
- Economic Development	9,597	9,169
- Education	99,590	16,151
- Health Services	21,116	2,589
- Economic Development	87,480	62,665
- Public Works	394,692	110,077
- Social Services	132,861	73,186
- General Government	267,011	135,189
- Education	258,848	100,972
- Recreation	110,677	
- Lands, Revenues and Trusts	388,426	273,196
	<u>\$ 3,715,553</u>	<u>\$ 2,466,023</u>

5. CONTINGENT LIABILITIES

The Algonquins of Pikwakanagan, under the guaranteed loan management system, has guaranteed loans obtained by members for the purpose of financing their portion of the housing costs. The total of the guarantees amount to \$ 459,163 (2016 - \$ 539,656).

6. ACCOUNTS RECEIVABLE

Included in accounts receivable is a balance owing on a mortgage in the amount of \$ 14,645.

7. INTERFUND TRANSFERS

The total expenditure of \$ 10,274,188 (2016 - \$ 9,865,911) and total revenue of \$ 10,111,600 (2016 - \$ 9,851,997) includes interfund transfers of \$ 283,720 (2016 - \$ 326,570) (net of transfers to deferred revenue) from the Gaming Distribution Fund along with \$ 256,886 (2016 - \$ 141,664) relating to interfund transfers.

Algonquins of Pikwakanagan

Notes to the Consolidated Financial Statements

For the year ended 31 March 2017

8. BUSINESS ENTERPRISES

a) AOPFN General Partner Inc.:

- AOPFN General Partner Inc. is the general partner for AOPFN Limited Partnership with its head office located on Algonquins of Pikwakanagan First Nation.
- the Algonquins of Pikwakanagan own 100% of the voting shares

- financial position:	<u>2017</u>	<u>2016</u>
- total assets at cost	\$ 190	\$ 193
- total liabilities at cost		15
- total revenue	12	64
- total expenditures		15

b) AOPFN Limited Partnership:

- AOPFN Limited Partnership holds interests in other partnerships and is located on Algonquins of Pikwakanagan First Nation.
- 99.99% of the partnership units (limited units) are owned by the Algonquins of Pikwakanagan and 0.01% of the partnership units (general units) are owned by AOPFN General Partner Inc. which is owned 100% by the Algonquins of Pikwakanagan.

- financial position:	<u>2017</u>	<u>2016</u>
- total assets at cost	\$ 840,976	\$ 672,205
- total liabilities at cost	57,432	1,067
- total revenue	181,542	697,059
- total expenditures	69,136	66,595

c) AOPFN HVAC Inc.:

- AOPFN HVAC Inc. holds interests in AOPFN HVAC Limited Partnership and is located on Algonquins of Pikwakanagan First Nation.
- AOPFN Limited Partnership owns 100% of the voting shares

- financial position:	<u>2017</u>	<u>2016</u>
- total assets at cost	\$ 102	\$ 101
- total liabilities at cost		1
- total revenue	2	27
- total expenditures		26

d) AOPFN HVAC Limited Partnership:

- AOPFN HVAC Limited Partnership operates a heating contracting business located on Algonquins of Pikwakanagan First Nation with contracts being completed on and off the First Nation.
- 99.99% of the partnership units (limited units) are owned by the AOPFN Limited Partnership and 0.01% of the partnership units (general units) are owned by AOPFN HVAC Inc. which is owned 100% by the AOPFN Limited Partnership.

- financial position:	<u>2017</u>	<u>2016</u>
- total assets at cost	\$ 56,136	\$ 65,815
- total liabilities at cost	42,329	60,488
- total revenue	262,426	256,731
- total expenditures	253,946	255,137

MACKILLCAN & ASSOCIATES

CHARTERED PROFESSIONAL ACCOUNTANTS

Algonquins of Pikwakanagan

Notes to the Consolidated Financial Statements

For the year ended 31 March 2017

e) Goshen Solar Inc.:

- Goshen Solar Inc. generates electricity from solar panels and is located in Renfrew County
- AOPFN Limited Partnership owns 51% of the voting shares

- financial position:	<u>2017</u>	<u>2016</u>
- total assets at cost	\$ 983,702	\$ 1,291,452
- total liabilities at cost	1,357,035	1,486,145
- total revenue	339,936	76,580
- total expenditures	342,530	268,900

f) 2479815 Ontario Inc.:

- 2479815 Ontario Inc. is a limited partner in a solar farm.
- AOPFN owns 100% of the voting shares

- financial position:	<u>2017</u>	<u>2016</u>
- total assets at cost	\$ 601	\$ 601
- total liabilities at cost	501	501
- total revenue	-	-
- total expenditures	-	-

g) 247809 Ontario Inc.:

- 247809 Ontario Inc. is a limited partner in a solar farm.
- AOPFN owns 100% of the voting shares

- financial position:	<u>2017</u>	<u>2016</u>
- total assets at cost	\$ 601	\$ 601
- total liabilities at cost	501	501
- total revenue	-	-
- total expenditures	-	-

h) Investment in solar project #1:

- The investment in solar project #1 is an investment in a limited partnership of a solar farm.
- AOPFN owns 15% of the limited partnership units. The income for this investment is included in the income and consolidated surplus for General Operations.

- financial position:	<u>2017</u>	<u>2016</u>
- total assets at cost	\$ 298,860	\$ 292,304
- total liabilities at cost	10,078	4,831
- total revenue	40,224	36,615
- total expenditures	21,732	20,570

i) The financial statements of each of the business enterprises are unaudited.

9. MORTGAGES PAYABLE

- a) Loan of \$ 208,217 (2016 - \$ 246,523) at 1.65% interest is repayable in blended monthly payments of \$ 3,501 including principal and interest, is due May 2022 and is renewable 1 June 2017. The amount is guaranteed by the Indian Affairs and Northern Development Canada.

Algonquins of Pikwakanagan

Notes to the Consolidated Financial Statements

For the year ended 31 March 2017

b) Loan of \$ 535,230 (2016 - \$ 561,507) at a rate of prime plus 1.08% interest is repayable in blended monthly payments of \$ 2,680 including principal and interest, is due July 2035 and is renewable 1 August 2020. The amount is guaranteed by the Indian Affairs and Northern Development Canada.

c) Loan of \$ 376,960 (2016 - \$ 391,329) at a rate of prime plus 1.05% interest is repayable in blended monthly payments of \$ 1,531 including principal and interest, is due May 2040 and is renewable 1 May 2020. The amount is guaranteed by the Indian Affairs and Northern Development Canada.

d) The amounts repayable over the next five years are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 76,252	\$ 21,806	\$ 98,058
2019	77,696	20,362	98,058
2020	79,169	18,889	98,058
2021	80,675	17,383	98,058
2022	82,213	15,845	98,058
	<u>\$ 396,005</u>	<u>\$ 94,285</u>	<u>\$ 490,290</u>

10. FUNDED RESERVES (ESTABLISHED UNDER SECTION 95 SOCIAL HOUSING OPERATION)

a) Operating reserve is established under Section 95 Social Housing Operation program to offset future operating deficits.

b) The replacement reserve is established for the purpose of replacing items of a capital nature. The replacement reserve account is funded by an annual charge against earnings or approved to an appropriation of surplus. Interest earned and expenditures are charged against the reserve as incurred.

11. TANGIBLE CAPITAL ASSETS

The Schedule of Tangible Capital Assets provides information on the tangible capital assets of the Algonquins of Pikwakanagan by major asset class and by operational division, as well as for accumulated amortization of the assets controlled. The reader should be aware of the following information relating to tangible capital assets:

a) Contributed Tangible Capital Assets:
The Algonquins of Pikwakanagan records all tangible capital assets contributed by an external party at fair value on the earlier of the date received or of the transfer of risk and responsibility. There were no such transactions during the year.

b) Tangible Capital Assets Recognized at Nominal Value:
Certain assets have been assigned a nominal value of one dollar, because of the difficulty of determining a tenable valuation. The most significant such asset is land which has been valued at \$ 1.00 per segment.

c) Section 95 Social Housing Operation:
Amortization for Section 95 Social Housing Operation assets are \$ 78,952 (2016 - \$ 74,506).
Current year additions to Section 95 Social Housing Operation assets are \$ Nil (2016 - \$ 403,737).

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Notes to the Consolidated Financial Statements

For the year ended 31 March 2017

d) Equity in Tangible Capital Assets:	<u>2017</u>	<u>2016</u>
Tangible capital assets - net	\$ 7,968,456	\$ 7,996,537
Net long term liabilities	<u>(1,120,407)</u>	<u>(1,199,359)</u>
Equity in tangible capital assets	<u>\$ 6,848,049</u>	<u>\$ 6,797,178</u>

12. LANDFILL CLOSURE AND POST CLOSURE COSTS

No amounts have been accrued in the financial statements for landfill closure and post closure costs as the Government of Canada is responsible for all costs associated with the landfill closure and post closure under a proposal driven process.

13. COMPARATIVE FIGURES

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

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Schedules of Revenue and Expenditure
and Supplementary Financial Information

- SCHEDULE I - Economic Development
- SCHEDULE II - Education
- SCHEDULE III - General Government
- SCHEDULE IV - Health Services and Attachment 1
- SCHEDULE V - Lands, Revenues and Trusts
- SCHEDULE VI - Public Works
- SCHEDULE VII - Recreation
- SCHEDULE VIII - Social Services
- SCHEDULE IX - Gaming Distribution Fund
- SCHEDULE X - Salaries, Honoraria and Travel Expenses Paid to Chief and Council
- SCHEDULE XI - Salaries, Honoraria, Travel Expenses and Other Remuneration Paid to Administration
- SCHEDULE XII - Schedule of Tangible Capital Assets (Segmented by Asset Class)
- SCHEDULE XIII - Schedule of Tangible Capital Assets (Segmented by Function)
- STATEMENT OF - Band Trust Funds