

**Atikameksheng Anishnawbek**  
**Financial Statements**  
*For the year ended March 31, 2017*

# Atikameksheng Anishnawbek

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For the year ended March 31, 2017

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## Management's Responsibility

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To the Chief and Council and Members of Atikameksheng Anishnawbek

The accompanying financial statements of Atikameksheng Anishnawbek 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 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 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 financial statements.

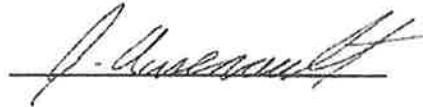
The Atikameksheng Anishnawbek Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial statements. The Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing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

MNP LLP is appointed by the Chief and Council and Members to audit the 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.

September 28, 2017



Director of  
Operations



Director of Finance

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## Independent Auditors' Report

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To the Chief and Council and Members of Atikameksheng Anishnawbek:

We have audited the accompanying financial statements of Atikameksheng Anishnawbek, which comprise the statement of financial position as at March 31, 2017, and the statements of operations and accumulated surplus, changes in net debt and cash flows and related schedules 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 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.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these 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 auditors' 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.

### *Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of Atikameksheng Anishnawbek as at March 31, 2017 and the results of its operations, changes in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Sudbury, Ontario

September 28, 2017

**MNP LLP**

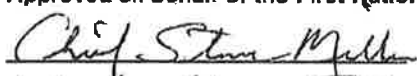
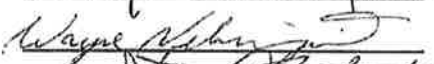

Chartered Professional Accountants


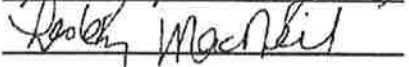
Licensed Public Accountants

**Atikameksheng Anishnawbek**  
**Statement of Financial Position**  
*As at March 31, 2017*

	2017	2016
<b>Financial assets</b>		
Cash and cash equivalents	2,250,212	727,195
Restricted cash (Note 3)	1,224,178	1,037,223
Accounts receivable (Note 4)	439,487	444,162
Consolidated revenue fund (Note 5)	367,807	367,807
Short-term investment (Note 6)	292,164	290,000
Cash held in trust (Note 7)	1,120,888	-
<b>Total Financial assets</b>	<b>5,694,736</b>	<b>2,866,387</b>
<b>Liabilities</b>		
First Nation Finance Authority debt (Note 8)	1,500,000	-
Accounts payable and accrued liabilities (Note 9)	1,011,855	1,861,938
Deferred revenue (Note 10)	1,790,314	366,950
Long-term debt (Note 11)	2,012,691	2,231,154
Obligation under capital lease (Note 12)	5,424	26,594
<b>Total liabilities</b>	<b>6,320,284</b>	<b>4,486,636</b>
<b>Net debt</b>	<b>(625,548)</b>	<b>(1,620,249)</b>
<b>Contingencies (Note 13)</b>		
<b>Non-financial assets</b>		
Tangible capital assets (Note 14) (Schedule 1)	17,186,937	17,132,623
Prepaid expenses	82,391	28,453
<b>Total non-financial assets</b>	<b>17,269,328</b>	<b>17,161,076</b>
<b>Accumulated surplus (Note 15)</b>	<b>16,643,780</b>	<b>15,540,827</b>

Approved on behalf of the First Nation

  
 Chief  
  
 Councillor  
  
 Councillor

  
 Councillor  
  
 Councillor

**Atlkameksheng Anishnawbek**  
**Statement of Operations and Accumulated Surplus**  
*For the year ended March 31, 2017*

	<i>Schedules</i>	<b>2017 Budget (Note 18)</b>	<b>2017</b>	<b>2016</b>
<b>Revenue</b>				
Indigenous and Northern Affairs Canada		3,435,914	4,240,987	3,309,591
Health Canada		844,008	932,438	885,805
Canada Mortgage and Housing Corporation		118,174	169,420	137,445
Other revenue				
Ministry of Aboriginal Affairs		90,000	131,853	90,000
Ministry of Transportation		16,524	16,524	16,524
Ontario Library Service		14,002	-	14,002
Ministry of Environment		-	-	14,455
Ontario Trillium Foundation		70,000	70,000	-
Ontario Power Authority		-	28,781	-
Ministry of Health and Long-term Care		-	268,305	298,338
Rentals		347,228	487,783	474,260
North Shore Tribal Council		540,002	338,516	593,571
Other		3,514,506	553,527	676,360
Ontario First Nations Limited Partnership		568,584	815,625	716,358
Nog-Da-Win-Da-Min		218,572	220,338	102,316
Union of Ontario Indians		85,990	269,673	88,462
FNX Mining		-	250,000	250,000
Repayment to funder		-	(123,803)	(135,841)
Deferred revenue - prior year		-	248,523	77,470
Deferred revenue - current year		-	(1,612,897)	(246,523)
		<b>9,860,505</b>	<b>7,273,371</b>	<b>7,362,594</b>
<b>Expenses</b>				
Administration	3	997,536	1,107,717	1,149,722
Social Services	4	483,853	320,799	551,187
Education	5	1,959,186	1,852,448	1,869,087
Infrastructure and Capital	6	922,739	1,362,832	1,266,410
Health	7	1,588,584	1,528,310	1,501,026
Employment and Economic Development	8	2,967,414	275,400	321,128
Business Enterprises	9	107,490	143,685	145,562
Housing - Other	10	240,042	181,400	185,213
CMHC Housing	11	221,007	405,478	428,456
Lands Management	12	183,023	228,724	234,336
Land Claims	13	-	12,686	27,394
Restricted Activities	14	-	44,808	34,967
Total expenses (Schedule 2)		<b>9,609,874</b>	<b>7,262,184</b>	<b>7,724,488</b>
Surplus (deficit) before other items		<b>250,631</b>	<b>11,187</b>	<b>(361,894)</b>
Other income (expense)				
Gain on legal settlement (Note 7)		-	1,120,888	-
Loss on disposal of tangible capital assets		-	(29,122)	(4,732)
Surplus (deficit)		<b>250,631</b>	<b>1,102,953</b>	<b>(366,626)</b>
Accumulated surplus, beginning of year		<b>15,640,828</b>	<b>15,640,827</b>	<b>15,907,453</b>
Accumulated surplus, end of year		<b>15,791,457</b>	<b>16,643,780</b>	<b>15,540,827</b>

The accompanying notes are an integral part of these financial statements

**Atikameksheng Anishnawbek**  
**Statement of Changes in Net Debt**

*For the year ended March 31, 2017*

	<b>2017 Budget (Note 18)</b>	<b>2017</b>	<b>2016</b>
<b>Annual surplus (deficit)</b>	<b>250,631</b>	<b>1,102,953</b>	(366,626)
Purchases of tangible capital assets	-	<b>(827,721)</b>	(619,288)
Amortization of tangible capital assets	-	<b>727,808</b>	753,143
Loss on disposal of tangible capital assets	-	<b>29,122</b>	4,732
Proceeds of disposal of tangible capital assets	-	<b>16,477</b>	-
Acquisition of prepaid expenses	-	<b>(53,938)</b>	-
Use of prepaid expenses	-	-	19,145
<b>Decrease (increase) in net debt</b>	<b>250,631</b>	<b>994,701</b>	(208,894)
<b>Net debt, beginning of year</b>	<b>(1,620,249)</b>	<b>(1,620,249)</b>	(1,411,355)
<b>Net debt, end of year</b>	<b>(1,369,618)</b>	<b>(625,548)</b>	(1,620,249)

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

**Atikameksheng Anishnawbek**  
**Statement of Cash Flows**  
*For the year ended March 31, 2017*

	2017	2016
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Surplus (deficit)	1,102,953	(366,626)
Non-cash items		
Amortization	727,808	753,143
Loss on disposal of tangible capital assets	29,122	4,732
	1,859,883	391,249
Changes in working capital accounts		
Accounts receivable	4,675	372,121
Prepaid expenses	(53,938)	19,145
Short-term investment	(2,164)	(290,000)
Cash held in trust	(1,120,888)	-
Accounts payable and accrued liabilities	(850,083)	152,883
Deferred revenue	1,423,384	143,140
	1,260,849	788,538
<b>Financing activities</b>		
Repayment of long-term debt	(218,463)	(220,577)
Repayment of capital lease obligation	(21,170)	(19,863)
Advances of First Nation Finance Authority debt	1,500,000	-
	1,260,367	(240,440)
<b>Capital activities</b>		
Purchases of tangible capital assets	(827,721)	(619,288)
Proceeds of disposal of tangible capital assets	16,477	-
	(811,244)	(619,288)
<b>Increase (decrease) in cash resources</b>	1,709,972	(71,190)
<b>Cash resources, beginning of year</b>	1,764,418	1,835,608
<b>Cash resources, end of year</b>	3,474,390	1,764,418
<b>Cash resources are composed of:</b>		
Cash	2,250,212	727,195
Restricted cash	1,224,178	1,037,223
	3,474,390	1,764,418

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



**Atikameksheng Anishnawbek**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2017*

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**1. Operations**

Atikameksheng Anishnawbek (the "First Nation") provides various services to its members. Atikameksheng Anishnawbek 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.

**2. Significant accounting policies**

These 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 activities of all committees of Council under the control of the First Nation.

***Basis of presentation***

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

***Revenue recognition***

***Funding***

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period are reflected as deferred revenue on the statement of financial position in the year of receipt and is matched with the related expenses in the year of their occurrence.

***Funds held in Ottawa Trust Fund - Capital account***

Due to measurement uncertainty, revenue related to the receipt of funds held in the Ottawa Trust Fund is recognized when it is received. The First Nation may have submitted band council resolutions requesting the receipt of trust funds as at March 31, 2017. However, as at September 28, 2017 no funds have been received and therefore no revenue has been reported or accrued as at year end.

***Other revenue***

Other revenue is recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

***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 and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets. Payable to funding agencies is based on anticipated repayment requirements; however, actual repayments will be determined upon funding agencies' review of the financial statements. Accrued liabilities are estimated based on historical changes for unbilled goods and services at year-end.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in surplus (deficit) in the year in which they become known.

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

**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 normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets and prepaid expenses.

**Government transfers**

The First Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as liability. In such circumstances, the First Nation recognized revenues as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

**Net financial assets (net debt)**

The First Nation's financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt of the First 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.

**Cash and cash equivalents**

Cash and cash equivalent include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

**Tangible capital assets**

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land and landfill sites, are amortized on a straight-line basis over their estimated useful lives.

**Contributions of tangible capital assets**

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

**Amortization**

Tangible capital assets are amortized annually using the straight-line method at rates intended to amortize the cost of the assets over their estimated useful lives:

	<b>Rate</b>
Buildings	40 - 50 years
Water system	50 years
Infrastructure	20 - 40 years
Computer hardware and software	4 years
Vehicles and heavy equipment	5 - 15 years
Assets under construction	-

**Long-term debt and obligation under capital lease**

Long-term financing received to fund tangible capital asset purchases is recognized in the period the financing is acquired and recorded as an increase in long-term debt.

Repayments of long-term financing are recognized as a decrease in long-term debt.

A lease that transfers substantially all of the benefits and risks of ownership is classified as a capital lease. At the inception of a capital lease, an asset and a payment obligation is recorded at the present value of the minimum lease payments. Assets under capital leases are amortized on the straight-line basis, over their estimated useful lives. All other leases are accounted for as operating leases and rental payments are expensed as incurred.

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

***Funds held in Ottawa Trust Fund***

Funds held in trust on behalf of First Nation members by the Government of Canada in the Ottawa Trust Fund are reported on the statement of financial position with an offsetting amount in accumulated surplus. Trust moneys consist of:

- Capital trust moneys derived from non-renewable resource transactions on the sale of land or other First Nation tangible capital assets; and
- Revenue trust moneys generated primarily through land leasing transactions or interest earned on deposits held in trust.

***Long-lived assets***

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

The First 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 operations for the year.

***Retirement benefits***

The First Nation has a defined contribution pension plan covering substantially all full-time employees who have completed one year of service. There are no prior service costs. Contributions are discretionary, and are based on participants' contributions, up to a maximum of 5%. The First Nation follows the policy of funding retirement plan contributions as accrued. The First Nation contributions totaled \$62,047 (2016 - \$75,453).

***Segments***

The First Nation conducts its business through twelve reportable segments:

Administration  
Social Services  
Education  
Infrastructure and Capital  
Health  
Employment and Economic Development  
Business Enterprises  
Housing - Other  
CMHC Housing  
Lands Management  
Land Claims  
Restricted Activities

These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenue and expenses 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. Administration fees have been apportioned based on a percentage of budgeted revenue, where permitted by the funder.

The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in Note 2 the *Significant accounting policies*.

Inter-segment transfers are recorded at the exchange amount.

**Atikameksheng Anishnawbek**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2017*

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

**Liability for contaminated sites**

A liability for remediation of contaminated sites is recognized at the best estimate of the amount required to remediate the contaminated sites when contamination exceeding an environmental standard exists, the First Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2017.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The First Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

**3. Restricted cash**

Restricted cash that relates to Canada Mortgage and Housing Corporation reserves created in accordance with the funding agreements for various projects. Ontario First Nations Limited Partnership Fund relates to funds received from the Ontario First Nation Limited Partnership that are unspent at year-end. Restricted cash that relates to First Nation Finance Authority is for funds that are held by the Finance Authority relating to the loan incurred.

	2017	2016
Canada Mortgage and Housing Corporation reserves	225,057	223,376
Ontario First Nations Limited Partnership reserve	924,121	813,847
First Nation Finance Authority reserve	75,000	-
	<b>1,224,178</b>	<b>1,037,223</b>

**4. Accounts receivable**

Accounts receivable consists of the following amounts:

	2017	2016
Indigenous and Northern Affairs Canada	58,802	-
Other government receivable	5,245	252,176
Other accounts receivable	607,096	490,384
Harmonized Sales Tax receivable	36,198	19,345
Less: Allowance for doubtful accounts	(267,854)	(317,743)
	<b>439,487</b>	<b>444,162</b>

**5. Consolidated revenue fund**

Capital and revenue trust monies are transferred to the First Nation on the authorization of the Minister of Aboriginal Affairs and Northern Development Canada, with the consent of the First Nation's Council. The balance consists entirely of capital funds.

**6. Short-term investment**

	2017	2016
Guaranteed investment certificate, due October 2016, interest at 0.75% per annum.	-	290,000
Guaranteed investment certificate, due October 2017, interest at 0.55% per annum.	292,164	-
	<b>292,164</b>	<b>290,000</b>

**Atikameksheng Anishnawbek**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2017*

**7. Cash held in trust**

In January 2017, the First Nation obtained a partial judgement in the Timber Claim lawsuit against the Government of Canada. It was ordered that the First Nation be awarded \$1,095,888 plus \$25,000 in costs. These funds are currently being held in trust by the First Nation's lawyer.

**8. First Nation Finance Authority debt**

First Nation Finance Authority debt consists of interim financing received in the amount of \$1,500,000 (2016 - \$nil). The principal amount of the interim financing becomes due the earlier of (a) five years from the first principal drawdown, (b) the date of completion of the purpose of the borrowing, and (c) the date upon which the Authority issues debt securities to replace the interim financing provided to the First Nation. The interim financing bears interest at 2.6% and secured by the Ontario First Nations Limited Partnership revenue stream of the First Nation. The total amount authorized by First Nation Finance Authority for Business Park Development, Solar Park, Reserve road improvement and sewer main connection projects is \$5,480,000 (2016 - \$nil). When the total amount authorized for these projects is drawn upon, the estimated annual principal repayment will be approximately \$374,000 plus interest over 20 years.

**9. Accounts payable and accruals**

Accounts payable and accrued liabilities include government remittances payable totalling \$18,997 (2016 - \$5,105).

**10. Deferred revenue**

The deferred revenue balance consists of the following amounts:

	<i>Balance, beginning of year</i>	<i>Funding received</i>	<i>Expenditures</i>	<i>Balance, end of year</i>
Indigenous and Northern Affairs Canada	130,351	1,449,604	130,351	1,449,604
Health Canada	102,351	-	102,351	-
Other	19,693	163,293	19,693	163,293
Nog-Da-Win-Da-Min	6,628	-	6,628	-
<b>Funding deferred revenue</b>	<b>259,023</b>	<b>1,612,897</b>	<b>259,023</b>	<b>1,612,897</b>
<b>Penage leasing</b>	<b>107,927</b>	<b>177,417</b>	<b>107,927</b>	<b>177,417</b>
	<b>366,950</b>	<b>1,790,314</b>	<b>366,950</b>	<b>1,790,314</b>

**11. Long-term debt**

	<i>2017</i>	<i>2016</i>
Canada Mortgage and Housing Corporation mortgage payable \$2,221 monthly including principal and interest, bearing interest at 1.67% per annum, renewal June 2018, due April 2033	<b>375,770</b>	395,994
Canada Mortgage and Housing Corporation mortgage payable \$3,059 monthly including principal and interest, bearing interest at 1.37%, renewal July 2020, due July 2040	<b>733,033</b>	759,551
Canada Mortgage and Housing Corporation mortgage payable \$2,750 monthly including principal and interest, bearing interest at 1.08% per annum, renewal August 2020, due April 2025	<b>255,338</b>	285,415
Canada Mortgage and Housing Corporation mortgage payable \$2,084 monthly including principal and interest, bearing interest at 1.67% per annum, renewal June 2018, due May 2028	<b>254,633</b>	275,222

**Atikameksheng Anishnawbek**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2017*

**11. Long-term debt** *(Continued from previous page)*

Canada Mortgage and Housing Corporation mortgage payable \$1,873 (2016 - \$2,009) monthly including principal and interest, bearing interest at 1.13% per annum (2016 - 2.63% per annum), renewal July 2021, due March 2026	<b>192,246</b>	211,940
Bank of Nova Scotia term loan payable \$3,333 monthly principal plus interest at prime of 2.85% plus 0.50% per annum, due November 2018	<b>66,667</b>	106,667
Five Toronto Dominion Bank mortgages payable \$456 monthly each including principal and interest, bearing interest at 3.7% per annum, due February 2018	<b>59,298</b>	98,683
Three Toronto Dominion Bank mortgages payable \$304 monthly each including principal and interest, bearing interest at 3.7% per annum, due February 2018	<b>43,585</b>	52,711
Toronto Dominion Bank mortgage payable \$293 monthly each including principal and interest, bearing interest at 2.84% per annum, due August 2017	<b>14,526</b>	17,578
Ford Credit loan payable \$923 monthly including principal and interest, bearing interest at 5.59%, due November 2018, secured by a specific vehicle with a net book value of \$21,980	<b>17,595</b>	27,393
	<b>2,012,691</b>	2,231,154

Principal repayments on long-term debt in each of the next five years are estimated as follows:

2018	252,819
2019	711,276
2020	103,783
2021	835,610
2022	109,203
	<b>2,012,691</b>

Interest on long-term debt amounted to \$39,802 (2016 - \$43,930)

Canada Mortgage and Housing Corporation and Toronto Dominion mortgages payable are secured by various properties and guarantees from Council.

**12. Obligation under capital lease**

	<b>2017</b>	2016
John Deere capital lease obligation payable in equal monthly installments of \$1,819 including interest at 3.99%, due June 2017, secured by equipment under capital lease with a net book value of \$70,767	<b>5,424</b>	26,594
Less: current portion	<b>5,424</b>	21,171
	<b>-</b>	5,423

Total interest paid on the obligation under capital lease during the year amounted to \$661 (2016 - \$1,470).

## Atikameksheng Anishnawbek Notes to the Financial Statements

*For the year ended March 31, 2017*

### 13. Contingent liabilities

The First Nation has guaranteed Canada Mortgage and Housing Corporation loans made to various members under the Rural Rehabilitation Assistance Program and is contingently liable for unpaid amounts. The amount of loans outstanding at March 31, 2017 is \$494,282 (2016 - \$419,115).

Indigenous and Northern Affairs Canada has guaranteed loans to various members with a balance remaining of \$2,904,906 (2016 - \$3,104,032). If any loans are in default and require payment by the Department, the amount paid will be charged back to the First Nation.

The First Nation has entered into accountable contribution arrangements with several government funding agencies. All such programs are subject to audit by the various governments, with adjustments repayable to the government.

### 14. Tangible capital assets

The tangible capital assets reconciliation is included in Schedule 1.

No amortization has been recorded on assets under construction as they have not been completed for use as at March 31, 2017.

### 15. Accumulated surplus

Accumulated surplus consists of the following:

	2017	2016
Members' equity (deficit)	131,065	(682,729)
Land Claims	(954,037)	(2,067,010)
Annuity Claim	(246,728)	(244,781)
Reserves (see below)	1,811,913	1,669,035
Ontario First Nations Limited Partnership	924,121	813,847
Consolidated revenue fund	367,807	367,807
Penage leasing	840,997	669,963
Timber dues	33,153	33,153
Invested in tangible capital assets	13,735,489	14,981,542
	<b>16,643,780</b>	<b>15,540,827</b>

The total reserves consist of provisions set aside by the Council for the following purposes:

Externally restricted funds:		
Social Housing Replacement	302,854	274,372
Internally restricted funds:		
Housing	266,145	368,973
Medical Services	100,160	80,431
Health	7,281	7,281
Capital Projects	79,868	94,648
Atikameksheng Trust	45,898	68,749
Fire protection	13,143	13,143
Niigaaniin	11,438	11,438
Atikameksheng Heritage	985,126	750,000
	<b>1,811,913</b>	<b>1,669,035</b>

**15. Accumulated surplus** *(Continued from previous page)*

The reserve for social housing is an externally restricted reserve which is required by the Canada Mortgage and Housing Corporation and which must be funded. As at March 31, 2017, there was a funding shortfall of \$77,797 (2016 - \$51,113). The impact of this under-funding has not been determined.

**Ontario First Nation 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 First 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 First Nation holds one 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.

**16. Segments**

Atikameksheng Anishnawbek is a diversified governmental institution that provides a wide range of services to its band members, including band support, health services, education, social assistance, and capital. For management reporting purposes the First Nation's operations and activities are organized and reported by program. Programs were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations. Services are provided by functional areas and their activities are reported in these programs. Certain functional areas that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

**Administration**

The administration and governance function area oversees the delivery of all governmental services. The functional area is responsible for ensuring that there are adequate policies and procedures in place to safeguard assets and to properly report financial activities. In addition, this functional area includes the governance activities of chief and council and management, public infrastructure, employment and training, library services, social housing and assistance for computer and communications related projects and services.

**Education**

The education functional area provides education management services to the members of the First Nation as well as overseeing various small incentives, including operation of the library on behalf of the communities.

**Health Services**

The health services functional area provides a diverse bundle of services directed toward the well-being of the members of the First Nation including such activities as long-term care, health centres, diabetes, fetal alcohol syndrome, mental health, smoke free programs, traditional healing, and training designed to enhance the health of member communities.

**Social Assistance**

The social assistance functional area provides services directed towards the well being of members in need on non-health related services including such activities as income support, home support and provision of child welfare services.

**Housing**

The housing functional area provides rental housing to qualifying members of the First Nation.

**Infrastructure and Community Property**

The infrastructure and community property functional area provides services for the longevity of the First Nation by the acquisition and maintenance and management of the physical assets of the First Nation, excluding housing.

**Employment and Economic Development**

The employment and economic development functional area provides services employment and training opportunities to members along with encouraging economic development of the First Nation through direct and indirect economic development initiatives.



## Atikameksheng Anishnawbek Notes to the Financial Statements

For the year ended March 31, 2017

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### 16. Segments (Continued from previous page)

#### **Business Enterprises**

The business enterprises comprises the community centre operations; the centre provides for rentals to both community members, administration and other private functions. Other smaller community initiatives operate within this program.

#### **Lands Management**

The lands management is operated under the First Nations Lands Management Act along with the Atikameksheng Anishnawbek Land Code. The program oversees various services for lot allocations, leases and addresses environmental and forestry related activities.

#### **Land Claims**

The land claims functional area provides services for the First Nation to pursue various claims on behalf of the members.

#### **Restricted Activities and Reserves**

The restricted activities and reserves functional area includes the management and distribution of funds received from the Ontario First Nations Limited Partnership as well as funds held in trust in Ottawa by Aboriginal Affairs and Northern Development Canada.

### 17. Trusts administered by the First Nation

Trust funds administered by the First Nation, amounting to \$125,768 (2016 - \$153,546) have not been included on the statement of financial position, nor have their operations been included on the statement of operations.

### 18. Budget information

The disclosed budget information has been approved by the Chief and Council of Atikameksheng Anishnawbek at the Council meeting held on April 6, 2016.

### 19. Economic dependence

Atikameksheng Anishnawbek receives a significant portion of its revenue from Indigenous and Northern Affairs Canada (INAC) and Health Canada (HC-FNIH) as a result of Treaties entered into with the Government of Canada. These treaties are administered by INAC and HC-FNIH under the terms and conditions of the Indian Act. The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these treaties.

### 20. Non-compliance

First Nations Financial Transparency Act requires the First Nation to file their financial statements by July 31, 2017. The First Nation was unable to meet this deadline and therefore is not in compliance with First Nations Financial Transparency Act.

### 21. Comparative figures

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

**Atikameksheng Anishnawbek**  
**Schedule 1 - Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2017*

	Land	Buildings	Vehicles and equipment	Infrastructure	Water	Computer hardware and software	Subtotal
<b>Cost</b>							
Balance, beginning of year	166,507	10,576,185	1,217,112	15,556,220	3,838,759	337,179	31,691,962
Acquisition of tangible capital assets	7,015	97,878	61,449	8,930	14,146	4,414	193,832
Construction-in-progress	-	-	-	-	-	-	-
Disposal of tangible capital assets	-	(82,922)	-	-	-	-	(82,922)
Balance, end of year	173,522	10,591,141	1,278,561	15,565,150	3,852,905	341,593	31,802,872
<b>Accumulated amortization</b>							
Balance, beginning of year	-	3,680,701	964,807	9,155,931	612,173	314,990	14,728,602
Annual amortization	-	260,863	79,309	292,272	77,449	11,482	721,375
Accumulated amortization on disposals	-	(37,323)	-	-	-	-	(37,323)
Balance, end of year	-	3,904,241	1,044,116	9,448,203	689,622	326,472	15,412,654
<b>Net book value of tangible capital assets</b>	173,522	6,686,900	234,445	6,116,947	3,163,283	15,121	16,390,218
2016 Net book value of tangible capital assets	166,507	6,895,484	252,305	6,400,289	3,226,586	22,189	16,963,360

**Atikameksheng Anishnawbek**  
**Schedule 1 - Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2017*

	<i>Subtotal</i>	<i>Assets under construction</i>	<i>Asset under capital lease</i>	<i>2017</i>	<i>2016</i>
<b>Cost</b>					
Balance, beginning of year	31,691,962	92,063	96,500	31,880,525	31,310,073
Acquisition of tangible capital assets	193,832	-	-	193,832	1,087,116
Construction-in-progress	-	633,889	-	633,889	92,063
Disposal of tangible capital assets	(82,922)	-	-	(82,922)	(608,727)
Balance, end of year	31,802,872	725,952	96,500	32,625,324	31,880,525
<b>Accumulated amortization</b>					
Balance, beginning of year	14,728,602	-	19,300	14,747,902	13,994,759
Annual amortization	721,375	-	6,433	727,808	753,143
Accumulated amortization on disposals	(37,323)	-	-	(37,323)	-
Balance, end of year	15,412,654	-	25,733	15,438,387	14,747,902
<b>Net book value of tangible capital assets</b>	<b>16,390,218</b>	<b>725,952</b>	<b>70,767</b>	<b>17,186,937</b>	<b>17,132,623</b>
2016 Net book value of tangible capital assets	16,963,360	92,063	77,200	17,132,623	

**Atikameksheng Anishnawbek**  
**Schedule 2 - Schedule of Expenses by Object**  
*For the year ended March 31, 2017*

	2017 Budget	2017	2016
<b>Expenses by object</b>			
Amortization	-	727,808	753,143
Bad debts	19,030	(49,687)	191,718
Bank charges and interest	-	34,175	4,718
Communications	48,484	46,360	45,039
Council honourariums	9,000	144,485	144,305
Equipment repairs and maintenance	8,000	357,868	464,426
Interest on long-term debt	130,899	39,802	46,947
Insurance	81,184	83,946	89,499
Materials and supplies	81,997	187,747	64,946
Meeting	19,012	346	422
Office and general	23,438	65,944	55,537
Office supplies	31,802	3,990	13,955
Ontario works	-	217,939	370,507
Other	2,248	32,711	30,574
Professional fees	900,465	410,319	416,343
Program expense	783,892	338,952	413,522
Rent	76,053	2,670	6,548
Repairs and maintenance	2,491,006	118,186	7,861
Salaries and benefits	2,769,245	2,898,316	2,524,375
Student allowances and books	37,200	343,210	288,453
Student transportation	-	146,796	140,875
Training	363,053	49,874	53,280
Travel	277,010	195,015	172,610
Tuition	1,324,861	942,993	1,278,739
Utilities	182,395	152,431	168,145
<b>Total expenses</b>	<b>9,609,874</b>	<b>7,262,184</b>	<b>7,724,488</b>