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YORK FACTORY FIRST NATION

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

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# YORK FACTORY FIRST NATION

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MARCH 31, 2016

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

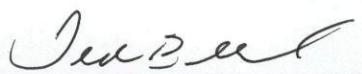
The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants and as such include amounts that are the best estimates and judgments of management.

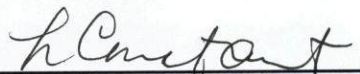
Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

Chief and Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the consolidated financial statements.

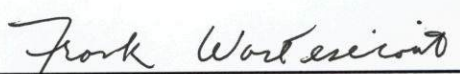
Chief and Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review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

The external auditors, Collins Barrow HMA LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of York Factory First Nation and meet when required.

  
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Chief

  
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Councillor

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Councillor

  
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Councillor

  
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Councillor

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Councillor



## **INDEPENDENT AUDITORS' REPORT**

To the Chief, Council and Membership  
York Factory First Nation

We have audited the accompanying consolidated financial statements of York Factory First Nation, which comprise the consolidated statement of financial position as at March 31, 2016, and the consolidated statements of operations, changes in net debt and cash flows 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 consolidated financial statements are free of 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 consolidated 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 consolidated financial statements present fairly, in all material respects, the financial position of York Factory First Nation as at March 31, 2016, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Winnipeg, Manitoba  
December 16, 2016

*Collins Barrow HMA LLP*  
Chartered Professional Accountants



# YORK FACTORY FIRST NATION

STATEMENT 1

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MARCH 31

	2016	2015
<b>FINANCIAL ASSETS</b>		
Cash	\$ 55,900	\$
Restricted cash (Note 2)	73,703	32,438
Short term investments	14,207	14,179
Accounts receivable (Note 3)	952,131	1,239,040
Inventory	4,506	
Investments (Note 4)	<u>450,001</u>	<u>450,001</u>
Total financial assets	<u>1,550,448</u>	<u>1,735,658</u>

<b>LIABILITIES</b>		
Bank indebtedness		184,619
Accounts payable and accrued liabilities (Note 5)	3,395,553	3,676,122
Deferred revenue (Note 6)	893,284	915,194
Long-term debt (Note 7)	2,642,993	2,570,225
Obligations under capital lease (Note 8)	87,317	129,179
Advance on future profits of joint venture (Note 9)	<u>1,034,924</u>	<u>1,166,694</u>
Total liabilities	<u>8,054,071</u>	<u>8,642,033</u>
Net debt	<u>( 6,503,623)</u>	<u>( 6,906,375)</u>

<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 10)	18,355,066	19,064,149
Construction in progress (Note 11)	404,365	
Prepaid expenses	<u>-</u>	<u>76,098</u>
Total non-financial assets	<u>18,759,431</u>	<u>19,140,247</u>
Accumulated surplus	<u>\$ 12,255,808</u>	<u>\$ 12,233,872</u>
Contingent liabilities (Note 12)		

Approved on behalf of Council

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Chief  
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Councillor

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Councillor

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Councillor  
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Councillor

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Councillor

# YORK FACTORY FIRST NATION

STATEMENT 2

## CONSOLIDATED STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31

	BUDGET (UNAUDITED)	2 0 1 6	2 0 1 5
<b>REVENUE</b>			
Indigenous and Northern Affairs Canada	\$ 2,873,744	\$ 2,905,883	\$ 2,627,965
First Nations and Inuit Health Branch	970,962	1,078,105	886,484
Canada Mortgage and Housing Corporation	190,037	194,789	189,833
Solicitor General			38,465
Province of Manitoba		205,378	110,807
Manitoba Hydro		1,944,332	2,927,856
Kitche-Waskahigan Trust	1,137,428	1,075,471	185,444
Apit Seepee Trust		553,323	291,131
Keewatin Tribal Council		247,752	137,968
Band generated revenue	3,250,000	4,148,193	3,004,770
Rental and user fees	510,291	382,998	626,813
Other	15,000	879,522	435,988
	<u>8,947,462</u>	<u>13,615,746</u>	<u>11,463,524</u>
<b>EXPENDITURES</b>			
Governance and administration	1,256,442	1,951,996	1,939,874
Housing	545,487	391,624	553,047
Community services	886,630	986,260	1,011,216
Capital and projects		30,258	257,963
Social services	744,514	973,411	738,316
Child care	274,340	286,545	273,236
Health	744,422	766,529	729,128
Economic development	68,788	78,190	103,612
Education	1,304,426	1,482,560	1,366,245
Band entities	1,902,776	6,646,437	5,977,905
	<u>7,727,825</u>	<u>13,593,810</u>	<u>12,950,542</u>
ANNUAL SURPLUS (DEFICIT)	1,219,637	21,936	( 1,487,018)
ACCUMULATED SURPLUS, <i>beginning of year</i>	<u>12,233,872</u>	<u>12,233,872</u>	<u>13,720,890</u>
ACCUMULATED SURPLUS, <i>end of year</i>	<u>\$ 13,453,509</u>	<u>\$ 12,255,808</u>	<u>\$ 12,233,872</u>



# YORK FACTORY FIRST NATION

STATEMENT 3

## CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT

YEAR ENDED MARCH 31

	BUDGET (UNAUDITED)	2 0 1 6	2 0 1 5
Annual surplus (deficit)	\$ 1,219,637	\$ 21,936	\$( 1,487,018)
Acquisition of tangible capital assets and construction in progress		( 880,087)	( 56,296)
Amortization of tangible capital assets	-	1,184,805	1,280,650
	-	304,718	1,224,354
Acquisition of prepaid expenses			( 76,098)
Use of prepaid assets	-	76,098	-
	-	76,098	( 76,098)
CHANGE IN NET DEBT FOR YEAR	1,219,637	402,752	( 338,762)
NET DEBT, <i>beginning of year</i>	( 6,906,375)	( 6,906,375)	( 6,567,613)
NET DEBT, <i>end of year</i>	\$( 5,686,738)	\$( 6,503,623)	\$( 6,906,375)

# YORK FACTORY FIRST NATION

STATEMENT 4

## CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31

	2016	2015
CASH FLOW FROM		
OPERATING ACTIVITIES		
Cash received from I.N.A.C.	\$ 3,001,557	\$ 3,430,180
Cash received from other sources	11,016,084	11,027,634
Cash paid to suppliers and employees	(12,754,906)	(13,815,150)
	<u>1,262,735</u>	<u>642,664</u>
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets and construction in progress	( 880,087)	( 56,296)
INVESTING ACTIVITY		
Purchase of investment	-	( 450,000)
FINANCING ACTIVITIES		
Proceeds from long term debt	382,967	
Repayment of long term debt	( 441,969)	( 497,616)
Repayment of obligations under capital lease	( 41,862)	( 24,057)
	<u>( 100,864)</u>	<u>( 521,673)</u>
NET INCREASE (DECREASE) IN CASH DURING YEAR	281,784	( 385,305)
CASH, <i>beginning of year</i>	<u>( 152,181)</u>	<u>233,124</u>
CASH, <i>end of year</i>	<u>\$ 129,603</u>	<u>\$ ( 152,181)</u>
CASH COMPRISED OF		
Cash	\$ 55,900	\$
Restricted cash	73,703	32,438
Bank indebtedness	-	( 184,619)
	<u>\$ 129,603</u>	<u>\$ ( 152,181)</u>



# YORK FACTORY FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

### 1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

#### *REPORTING ENTITY*

The York Factory First Nation ("First Nation") reporting entity includes the York Factory First Nation government and all related entities which are accountable to the First Nation and are either owned or controlled by the First Nation.

These consolidated financial statements combine the assets, liabilities and results of operations for the following entities which use accounting principles which lend themselves to combination;

York Factory First Nation Programs:

- York Factory First Nation Operating Fund
- York Factory First Nation Housing Authority
- York Landing Construction Group LP
- York Factory Keeyask Implementation (formerly York Factory Future Development)
- York Factory Smoke Shop

Incorporated and unincorporated business entities which are owned and controlled by the First Nation but which are not dependent on the First Nation for their continuing operations are included in the consolidated financial statements using the modified equity method. These include:

- Silver Goose Lodge Ltd.
- York Factory First Nation Limited Partnership

#### *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 and prepaid expenses.

#### *SHORT TERM INVESTMENTS*

Short term investments are recorded at lower of cost and market value.

#### *INVENTORY*

Inventories of goods available for resale are recorded at the lower of cost and net realizable value. Inventories of supplies held for consumption are recorded at the lower of cost and replacement cost.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)**INVESTMENTS*

Portfolio investments are recorded at cost, less an allowance to reflect any decline in value. The First Nation's investments in various commercial enterprises are accounted for using the modified equity method. Under the modified equity method, the cost of the investments are adjusted for the First Nations's share of the commercial enterprises' income or loss less dividends.

*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 liabilities less its financial assets. Net debt combined with non-financial assets comprises a second indicator of financial position, accumulated surplus.

*TANGIBLE CAPITAL ASSETS*

Tangible capital assets include acquired, built, developed and improved capital assets, whose useful life extends beyond one year and which are intended to be used on an ongoing basis for producing goods or delivering services.

Tangible capital assets acquired are stated at cost. Social housing assets acquired under Canada Mortgage and Housing Corporation ("C.M.H.C.") sponsored programs are amortized over their estimated useful lives at a rate equivalent to the annual principal reduction in the related long term debt. Amortization of tangible capital assets is recorded on a straight line basis at the following annual rates:

Computer equipment	45%
Facilities	1.67% to 10%
Gravity main	2%
Pressurized main	2%
Roads	5%
Sewer systems	3.33% to 5%
Vehicles	10%
Water systems	2.5%

Amortization is computed at one-half of the annual amortization in the year of acquisition.

*SEGMENTS*

The First Nation conducts its business through a number of reportable segments. These operating segments are established by management to facilitate the achievement of the First Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

*REVENUE RECOGNITION*

All revenue is recorded on the accrual basis whereby amounts received or recorded as receivable but not earned by the end of the fiscal year are recorded as deferred revenue.

Funding received under the terms of contribution agreements with the federal government is recognized as revenue once eligibility criteria have been met. Funding is recorded as deferred revenue if it has been restricted by the federal government for a stated purpose, such as a specific program or the purchase of tangible capital assets. Deferred revenue is recognized in revenue over time as the recognition criteria are met.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)**FINANCIAL INSTRUMENTS*

Financial instruments include cash, short term investments, accounts receivable, bank indebtedness, accounts payable and accrued liabilities and long-term debt. Unless otherwise stated, it is management's opinion that the First Nation is not exposed to significant interest, currency or credit risk arising from the financial instruments. Unless otherwise stated, the carrying value of First Nation's financial assets and liabilities approximates their fair value.

*FAIR VALUE*

Due to the short term nature of all financial instruments other than long term debt and long term investments, the carrying values as presented in the financial statements are reasonable estimates of fair value. Management has estimated fair value by reference to established financial markets. As is true for all estimates, actual fair value could differ from this estimate, and if so any difference would be accounted for in the period in which it becomes known. For long term investments and long term debt it is not practicable within constraints of timeliness or cost to determine the fair value with sufficient reliability because the instruments are not traded in an organized financial market.

*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 expenditures during the reporting period. The First Nation estimates the net book value of tangible capital assets based upon the amortization period and the estimated useful lives of the tangible capital assets. Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in surplus in the periods in which they become known.

## 2. RESTRICTED CASH

*REPLACEMENT RESERVE*

Under the terms of the operating agreements with C.M.H.C., the Replacement Reserve is to be credited with an annual allocation of \$36,640. These funds, along with accumulated interest, must be held in a separate bank account and/or invested in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by C.M.H.C. from time to time. The funds in the account may only be used as approved by C.M.H.C. Expenditures are charged to accumulated interest first and then to principal. As at March 31, 2016, the replacement reserve bank account had a balance of \$36,047 (2015 - \$20) and was unfunded by \$427,278 (2015 - \$393,625).

*I.N.A.C. TRUST*

Capital trust monies are derived from non-renewable resource transactions on the sale of lands or other band tangible capital assets. Capital trust monies are expended on the authorization of the Minister, with the consent of the First Nation Council. Revenue trust monies are generated primarily through land-leasing transactions or interest earned on deposits in the Consolidated Revenue fund of the Government of Canada. Revenue trust monies are, in most cases, managed and expended by the bands under the provisions of the Indian Act.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

### 2. RESTRICTED CASH (continued)

At the end of the year, the restricted cash consisted of the following balances:

	2016	2015
<b>I.N.A.C. Trust</b>		
BALANCE, beginning of year	\$ 32,418	\$ 31,219
Add: Income earned	<u>5,238</u>	<u>1,199</u>
BALANCE, end of year	<u>37,656</u>	<u>32,418</u>
<b>C.M.H.C. Replacement Reserve</b>		
BALANCE, beginning of year	20	
Annual allocation	<u>36,027</u>	<u>20</u>
BALANCE, end of year	<u>36,047</u>	<u>20</u>
<b>TOTAL</b>	<u>\$ 73,703</u>	<u>\$ 32,438</u>

### 3. ACCOUNTS RECEIVABLE

	2016	2015
<b>I.N.A.C.</b>		
Basic Needs	46,967	38,500
Economic Development	42,875	
Financial Management		9,917
Fuel assistance	30,000	
Water Treatment Plant Repair Project		20,000
First Nations and Inuit Health Branch	15,463	
Goods and services tax	28,144	
Keewatin Tribal Council	112,410	137,021
Kitchewaskahigan Trust	151,607	
Members		94,326
Province of Manitoba	27,460	65,907
Sodexo Canada Inc.	255,368	783,486
Trade and other	<u>428,239</u>	<u>245,791</u>
	1,138,533	1,394,948
Less: Allowance for doubtful accounts	( 186,402)	( 155,908)
	<u>\$ 952,131</u>	<u>\$ 1,239,040</u>

### 4. INVESTMENTS

	2016	2015
Silver Goose Lodge Ltd.	\$ 1	\$ 1
York Factory First Nation Limited Partnership	<u>450,000</u>	<u>450,000</u>
	<u>\$ 450,001</u>	<u>\$ 450,001</u>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

### 5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2016	2015
I.N.A.C.		
Prevention Projects	\$	\$ 13,655
Youth Work Experience	13,645	13,645
Teacher Recruitment and Retention		13,398
Water - O&M	19,947	19,947
Band Operated School Direct Services	53,286	15,490
Social - Basic Needs	672,025	619,117
Social - Special Needs	52,236	42,136
Social - In-Home Care	85,396	54,359
PIDP - Financial Management	22,629	
Accrued liabilities	163,587	65,458
Goods and services tax		1,273
Payroll remittances and deductions	3,921	4,653
Trade and other	<u>2,308,881</u>	<u>2,812,991</u>
	<u>\$ 3,395,553</u>	<u>\$ 3,676,122</u>

### 6. DEFERRED REVENUE

	2016	2015
Apit Seepee contribution	\$ 831,327	\$ 758,462
YFFN Community Development Operation	61,957	63,240
F.N.I.H.B.	-	93,492
	<u>\$ 893,284</u>	<u>\$ 915,194</u>

### 7. LONG TERM DEBT

	2016	2015
First Nations Bank mortgage, 3.79%, repayable in monthly installments of \$3,456 (P & I), due November 2017, secured by Ministerial Guarantee and assignment of all risks insurance.	\$ 62,195	\$ 98,181
Canadian Imperial Bank of Commerce loan, 6.95%, repayable in monthly installments of \$3,009 (P & I), due December 31, 2018, secured by Ministerial Guarantee and assignment of all risks insurance.	90,257	119,229
C.M.H.C. mortgage, 1.83%, repayable in monthly installments of \$5,120 (P & I), due December 1, 2019, secured by Ministerial Guarantee and assignment of all risks insurance.	492,144	544,069
C.M.H.C. mortgage, 1.71%, repayable in monthly installments of \$1,005 (P & I), due September 1, 2017, secured by Ministerial Guarantee and assignment of all risks insurance.	124,178	134,023
C.M.H.C. mortgage, 1.71%, repayable in monthly installments of \$3,624 (P & I), due September 1, 2017, secured by Ministerial Guarantee and assignment of all risks insurance.	447,904	483,416

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

7. LONG TERM DEBT *(continued)*

	2016	2015
C.M.H.C. mortgage, 1.92%, repayable in monthly installments of \$912 (P & I), due April 1, 2019, secured by Ministerial Guarantee and assignment of all risks insurance.	127,304	135,720
C.M.H.C. mortgage, 1.71%, repayable in monthly installments of \$2,293 (P & I), due September 1, 2017, secured by Ministerial Guarantee and assignment of all risks insurance.	391,950	412,574
C.M.H.C. mortgage, 2.02%, repayable in monthly installments of \$2,448 (P & I), due August 1, 2018, secured by Ministerial Guarantee and assignment of all risks insurance.	529,526	548,017
C.M.H.C. mortgage, 1.04%, repayable in monthly installments of \$1,450 (P & I), due October 10, 2020, secured by Ministerial Guarantee and assignment of all risks insurance.	377,535	
John Deere loan, 1.9%, repayable in monthly installments of \$7,998 (P & I), due March 19, 2016, secured by a Hitachi 350XLC-5 excavator.	-	94,996
	<u>\$ 2,642,993</u>	<u>\$ 2,570,225</u>

Loans payable to Canada Mortgage and Housing Corporation are secured by the specific assets financed and a ministerial guarantee by the Government of Canada.

The estimated annual principal payments required in each of the next five years to meet retirement provisions are estimated to be as follows:

March 31, 2017	\$ 231,552
2018	219,179
2019	193,100
2020	169,577
2021	172,556

## 8. OBLIGATIONS UNDER CAPITAL LEASE

	2016	2015
Mercado Capital Corporation lease, 2.80%, repayable in monthly installments of \$3,745, due on March 31, 2018, secured by a 2013 case 1150K LGP loader.	<u>\$ 87,317</u>	<u>\$ 129,179</u>

Future minimum capital lease payments are approximately:

March 31, 2017	\$ 43,049
2018	44,268



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****MARCH 31, 2016**

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**9. ADVANCE ON FUTURE PROFITS OF JOINT VENTURE**

The First Nation has entered into a joint venture with Sodexo Canada Inc. and Fox Lake Cree Nation. The First Nation received an advance on future profits from Sodexo Canada Inc. The advance is to be repaid from a portion of the First Nations's future profits earned by the joint venture. Repayment is estimated to be over the next 10 years and carries an interest rate of 3.5% per annum.

The estimated annual principal payments required in each of the next five years to meet retirement provisions is estimated to be as follows:

March 31, 2017	\$ 136,457
2018	141,311
2019	146,337
2020	151,541
2021	156,931

# YORK FACTORY FIRST NATION

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

### 10. TANGIBLE CAPITAL ASSETS

	Cost				Accumulated Amortization			Net Book Value	
	Opening Balance	Additions	Disposals, Write-offs & Adjustments	Closing Balance	Opening Balance	Amortization	Closing Balance	Total 2016	Total 2015
C.M.H.C. Housing	\$ 5,735,417	\$ 73,174	\$ 320,000	\$ 5,488,591	\$ 1,875,298	\$ 215,378	\$ 2,090,676	\$ 3,397,915	\$ 3,860,119
Computer equipment	14,832			14,832	14,832		14,832		
Facilities	23,443,281	213,402	( 320,000)	23,976,683	13,087,239	471,501	13,558,740	10,417,943	10,356,042
Gravity main	688,328			688,328	330,845	13,766	344,611	343,717	357,483
Land	220,000			220,000				220,000	220,000
Pressurized main	1,480,546			1,480,546	601,589	29,611	631,200	849,346	878,957
Roads	2,434,396			2,434,396	1,484,480	67,726	1,552,206	882,190	949,916
Sewer systems	1,525,437			1,525,437	1,208,556	49,152	1,257,708	267,729	316,881
Vehicles	3,394,021	189,146		3,583,167	1,389,765	327,630	1,717,395	1,865,772	2,004,256
Water systems	785,225	-	-	785,225	664,730	10,041	674,771	110,454	120,495
	<u>\$ 39,721,483</u>	<u>\$ 475,722</u>	<u>\$ -</u>	<u>\$ 40,197,205</u>	<u>\$ 20,657,334</u>	<u>\$ 1,184,805</u>	<u>\$ 21,842,139</u>	<u>\$ 18,355,066</u>	<u>\$ 19,064,149</u>

### 11. CONSTRUCTION IN PROGRESS

	2016	2015
Church Project	\$ <u>404,365</u>	\$ <u>-</u>

The costs for the above project will be recorded as tangible capital assets and amortized accordingly upon completion.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

## 12. CONTINGENT LIABILITIES

The First Nation receives funding from various government agencies based on specified program needs and budgets and allocates certain expenses to the various programs. In many cases the funding agent has the right to review the accounting records to ensure compliance with the terms and conditions of their agreements. At this time no estimate of the requirements, if any, to reimburse the agencies can be made. If any amounts become repayable, they will be accounted for in the year of determination.

## 13. RECONCILIATION OF INDIGENOUS AND NORTHERN AFFAIRS CANADA REVENUE

	2016	2015
Agreement: #1314-05-000066	\$ 3,074,432	\$ 3,105,863
Add: 2014/15 Social - Basic Needs additional funding	46,967	
Less: I.N.A.C. recoveries		
Water - O&M		( 19,947)
Band Operated School Direct Services	( 39,789)	( 15,490)
PIDP - Financial Management	( 22,629)	
Prevention Projects	( 8,110)	
Social - Basic Needs	( 111,109)	( 401,787)
Social - Special Needs	( 15,100)	( 22,315)
Social - In-Home Care	( 18,779)	( 18,359)
<b>TOTAL I.N.A.C. REVENUE PER FINANCIAL STATEMENTS</b>	<b>\$ <u>2,905,883</u></b>	<b>\$ <u>2,627,965</u></b>

## 14. EXPENSES BY OBJECT

The following is a summary of expenses by object:

	2016	2015
Salaries and benefits	\$ 2,943,687	\$ 3,106,180
Amortization	1,184,805	1,280,650
Community initiatives and contributions	1,033,214	258,185
Professional fees	994,207	1,484,138
Casual labour	816,413	594,021
Travel	728,799	793,961
Social assistance	688,889	559,731
Supplies	447,353	289,654
Utilities	446,851	365,349
Interest	406,028	503,992
Repairs and maintenance	299,665	371,256
Rent	231,530	234,581
Insurance	139,324	217,680
Telephone	124,165	137,555
Student support	14,845	38,779
Band support	12,399	2,182
Other	<u>3,081,636</u>	<u>2,712,648</u>
	<b>\$ <u>13,593,810</u></b>	<b>\$ <u>12,950,542</u></b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****MARCH 31, 2016**

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**15. ECONOMIC DEPENDENCE**

The First Nation receives a major portion of its revenues pursuant to a funding arrangement with I.N.A.C. and F.N.I.H.B.

**16. RELATED PARTY TRANSACTIONS**

In the normal course of business the First Nation enters into transactions with related parties. Related party transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Due to the significant volume of transactions between the First Nation and related parties, aggregate revenue and expenditures derived from related parties is not determinable.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

### 18. SEGMENT DISCLOSURE

York Factory First Nation provides a range of services to its members. For management reporting purposes, operations and activities are reported by department. For each segment separately reported, the segment revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The presentation by segment is based on the same accounting policies as described in the summary of Significant Accounting Policies as described in Note 1. The segment results for the year are as follows:

	Governance and Administration		Housing		Community Services		Capital and Projects	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Revenues								
Federal Government								
I.N.A.C.	\$ 391,736	\$ 448,881	\$	\$	\$ 315,438	\$ 301,791	\$ 65,534	\$ 326,631
F.N.I.H.B.								
C.M.H.C.	<u>-</u>	<u>-</u>	<u>194,789</u>	<u>189,833</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	391,736	448,881	194,789	189,833	315,438	301,791	65,534	326,631
Other revenue	<u>1,351,634</u>	<u>1,072,846</u>	<u>273,973</u>	<u>287,681</u>	<u>1,000</u>	<u>2,000</u>	<u>-</u>	<u>-</u>
Total revenue	<u>1,743,370</u>	<u>1,521,727</u>	<u>468,762</u>	<u>477,514</u>	<u>316,438</u>	<u>303,791</u>	<u>65,534</u>	<u>326,631</u>
Expenses								
Amortization			215,378	205,111	499,125	582,719		
Debt servicing	336,166	401,735	54,161	54,328		6,419		
Other	1,241,757	1,092,021	115,208	269,864	242,371	222,025	39,478	257,963
Salaries and benefits	<u>374,073</u>	<u>446,118</u>	<u>6,877</u>	<u>23,744</u>	<u>244,764</u>	<u>200,053</u>	<u>4,780</u>	<u>-</u>
Total expenses	<u>1,951,996</u>	<u>1,939,874</u>	<u>391,624</u>	<u>553,047</u>	<u>986,260</u>	<u>1,011,216</u>	<u>44,258</u>	<u>257,963</u>
Surplus (Deficit)	<u>\$ ( 208,626)</u>	<u>\$ ( 418,147)</u>	<u>\$ 77,138</u>	<u>\$ ( 75,533)</u>	<u>\$ ( 669,822)</u>	<u>\$ ( 707,425)</u>	<u>\$ 21,276</u>	<u>\$ 68,668</u>

# YORK FACTORY FIRST NATION

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

### 18. SEGMENT DISCLOSURE (continued)

	Social Services		Child Care		Health		Economic Development	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Revenues								
Federal Government								
I.N.A.C.	\$ 893,278	\$ 321,420	\$	\$	\$	\$	\$ 68,788	\$ 68,788
F.N.I.H.B.			300,287	203,407	777,818	692,845		
C.M.H.C.	-	-	-	-	-	-	-	-
Subtotal	893,278	321,420	300,287	203,407	777,818	692,845	68,788	68,788
Other revenue	-	-	43,826	55,550	-	-	-	-
Total revenue	<u>893,278</u>	<u>321,420</u>	<u>344,113</u>	<u>258,957</u>	<u>777,818</u>	<u>692,845</u>	<u>68,788</u>	<u>68,788</u>
Expenses								
Amortization			29,243	29,243				
Debt servicing		164	659	132		548		
Other	852,447	655,662	82,032	94,238	276,687	320,070	30,392	81,854
Salaries and benefits	<u>120,964</u>	<u>82,490</u>	<u>174,611</u>	<u>149,623</u>	<u>475,842</u>	<u>408,510</u>	<u>47,798</u>	<u>21,758</u>
Total expenses	<u>973,411</u>	<u>738,316</u>	<u>286,545</u>	<u>273,236</u>	<u>752,529</u>	<u>729,128</u>	<u>78,190</u>	<u>103,612</u>
Surplus (Deficit)	<u>\$ ( 80,133)</u>	<u>\$ ( 416,896)</u>	<u>\$ 57,568</u>	<u>\$ ( 14,279)</u>	<u>\$ 25,289</u>	<u>\$ ( 36,283)</u>	<u>\$ ( 9,402)</u>	<u>\$ ( 34,824)</u>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

## 18. SEGMENT DISCLOSURE (continued)

	Education		Band Entities		TOTAL	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Revenues						
Federal Government						
I.N.A.C.	\$ 1,171,109	\$ 1,160,454	\$ -	\$ -	\$ 2,905,883	\$ 2,627,965
F.N.I.H.B.				( 9,768)	1,078,105	886,484
C.M.H.C.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>194,789</u>	<u>189,833</u>
Subtotal	1,171,109	1,160,454	-	(9,768)	4,178,777	3,704,282
Other revenue	<u>76,927</u>	<u>82,418</u>	<u>7,689,609</u>	<u>6,258,747</u>	<u>9,436,969</u>	<u>7,759,242</u>
Total revenue	<u>1,248,036</u>	<u>1,242,872</u>	<u>7,689,609</u>	<u>6,248,979</u>	<u>13,615,746</u>	<u>11,463,524</u>
Expenses						
Amortization	117,354	117,354	323,705	346,223	1,184,805	1,280,650
Debt servicing	4,756	13,178	6,671	25,027	402,413	501,531
Other	383,491	331,492	4,982,629	4,736,992	8,246,492	8,062,181
Salaries and benefits	<u>976,959</u>	<u>904,221</u>	<u>1,333,432</u>	<u>869,663</u>	<u>3,760,100</u>	<u>3,106,180</u>
Total expenses	<u>1,482,560</u>	<u>1,366,245</u>	<u>6,646,437</u>	<u>5,977,905</u>	<u>13,593,810</u>	<u>12,950,542</u>
Surplus (Deficit)	<u><u>\$ ( 234,524)</u></u>	<u><u>\$ ( 123,373)</u></u>	<u><u>\$ 1,043,172</u></u>	<u><u>\$ 271,074</u></u>	<u><u>\$ 21,936</u></u>	<u><u>\$ ( 1,487,018)</u></u>