

**ATTAWAPISKAT FIRST NATION  
CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED MARCH 31, 2007 & 2006**

# **ATTAWAPISKAT FIRST NATION**

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**YEARS ENDED MARCH 31, 2007 & 2006**

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Attawapiskat First Nation and all the information in this Annual Report are the responsibility of Management and have been approved by the Band Council.

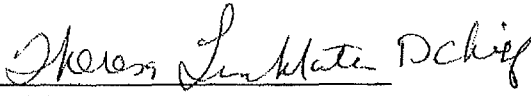
The consolidated financial statements have been prepared by Management in accordance with Canadian generally accepted accounting principles for First Nations. The consolidated financial statements include some amounts that are based on estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the consolidated financial statements are presented fairly, in all material respects. Financial information used elsewhere in the Annual Report is consistent with that in the consolidated financial statements.

Attawapiskat First Nation's policy is to 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, accurate and reliable and that the Band's assets are appropriately accounted for and adequately safeguarded.

The Band 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. The Band Council carries out this responsibility principally through its Finance Committee.

The Finance Committee is appointed by the Band Council. The committee 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 itself that each party is properly discharging its responsibilities and to review the financial statements and the external auditors' report. The committee reports its findings to the Band Council for consideration by the Council when it approves the financial statements for issuance to the Band Council and residents of the community.

The consolidated financial statements have been audited by Ross, Pope & Company, the external auditors, in accordance with Canadian generally accepted auditing standards for First Nations entities on behalf of the Band Council and residents of the community. The external auditors have full and free access to the Finance Committee.

  
\_\_\_\_\_  
Chief

  
\_\_\_\_\_  
Councillor



# Ross, Pope & Company

## Chartered Accountants

101 Cedar Street South  
Timmins, Ontario  
P4N 2G7



*Partners with Aboriginals*

Telephone: (705) 264-9484

Fax: (705) 264-0788

inform@rosspope.com

www.rosspope.com

### AUDITORS' REPORT

To the members of Attawapiskat First Nation

We have audited the consolidated statement of financial position of Attawapiskat First Nation as at March 31, 2007 and the consolidated statements of financial activities and members' equity and cash flows for the year then ended. These consolidated financial statements are the responsibility of the First Nation's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion these financial statements present fairly, in all material respects, the financial position of the First Nation as at March 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*Ross, Pope & Company*

Timmins, Ontario  
December 18, 2007

Ross, Pope & Company  
Chartered Accountants  
Licensed Public Accountants

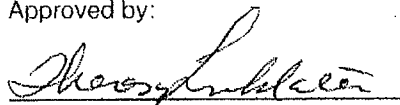
## ATTAWAPISKAT FIRST NATION

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31

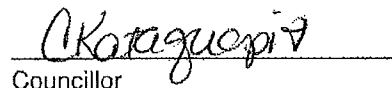
	2007	2006
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 1,778,342	\$ 1,873,043
Term deposit	-	450,000
Marketable securities (Note 2) (market value \$229,041)	1	1
Accounts receivable (Note 3)	4,856,692	3,159,824
INAC funding receivable	1,940,306	1,529,714
Inventories (Note 1)	1,307,293	585,367
Other current assets	52,695	55,078
	<b>9,935,329</b>	<b>7,653,027</b>
Cash restricted for CMHC reserve fund (Note 1)	288,059	269,559
Funds held in trust - INAC (Note 4)	146,244	143,080
Long-term deposit (Note 5)	168,456	161,437
Long-term accounts receivable (Note 6)	231,177	325,252
Capital assets (Notes 1 & 7)	55,538,128	54,183,349
	<b>\$ 66,307,393</b>	<b>\$ 62,735,704</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Term demand loan due in one year (Note 11)	\$ 439,000	\$ -
Accounts payable and accrued liabilities	7,788,257	7,022,623
Due to INAC - current portion (Note 10)	-	300,000
Current portion of long-term debt (Note 12)	481,123	473,366
	<b>8,708,380</b>	<b>7,795,989</b>
Term demand loan due thereafter (Note 11)	1,756,000	-
	<b>10,464,380</b>	<b>7,795,989</b>
Deferred revenue (Note 8)	2,067,470	1,043,250
Capital receipts overexpended (Note 9)	2,799,717	2,799,717
Due to INAC - long-term portion (Note 10)	2,400,000	2,100,000
Long-term debt (Note 12)	3,842,072	3,437,403
	<b>21,573,639</b>	<b>17,176,359</b>
<b>CONTINGENCIES (Note 13)</b>		
<b>MEMBERS' EQUITY</b>		
Deficit in operating fund (Schedule A)	(2,765,939)	(3,622,613)
Equity in capital fund (Schedule B)	46,302,988	47,555,635
Equity in INAC trust fund (Schedule C, Note 4)	146,244	143,080
Equity in Casino Rama fund (Schedule D, Note 15)	762,402	1,213,684
Equity in CMHC replacement reserve funds (Schedule E)	288,059	269,559
	<b>44,733,754</b>	<b>45,559,345</b>
	<b>\$ 66,307,393</b>	<b>\$ 62,735,704</b>

Approved by:



Chief

See accompanying notes.



Councillor

## ATTAWAPISKAT FIRST NATION

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES AND MEMBERS' EQUITY

YEARS ENDED MARCH 31

	2007	2006
<b>REVENUE</b>		
Indian and Northern Affairs Canada (Note 18)	\$ 16,881,212	\$ 16,019,509
Health and Welfare Canada	941,591	904,012
Casino Rama	313,317	810,371
Province of Ontario	3,547,067	3,410,569
Contracting and user fees	4,955,894	2,245,925
IBA trust distributions	531,998	-
Mushkegowuk Council	123,891	274,896
Canada Mortgage and Housing Corporation	164,515	150,471
Other federal funding	67,050	321,260
Other	3,311,500	3,778,483
	<b>30,838,035</b>	<b>27,915,496</b>
<b>EXPENDITURES</b>		
Administration	2,632,639	3,216,382
Amortization	4,964,877	4,319,947
Debt service	295,393	249,528
Program delivery	12,077,263	9,390,519
Wages and employee benefits	11,807,067	10,988,781
Write down (recovery) of accounts receivable	(113,613)	483,886
	<b>31,663,626</b>	<b>28,649,043</b>
<b>DEFICIENCY OF REVENUE OVER EXPENDITURES</b>	<b>(825,591)</b>	<b>(733,547)</b>
MEMBERS' EQUITY, beginning of year	45,559,345	46,292,892
MEMBERS' EQUITY, end of year	<b>\$ 44,733,754</b>	<b>\$ 45,559,345</b>

See accompanying notes.

## ATTAWAPISKAT FIRST NATION

## CONSOLIDATED STATEMENT OF CASH FLOWS

YEARS ENDED MARCH 31

	2007	2006
<b>OPERATING ACTIVITIES</b>		
DEFICIENCY OF REVENUE OVER EXPENDITURES	\$ (825,591)	\$ (733,547)
ITEMS NOT AFFECTING CASH:		
Amortization	4,964,877	4,319,947
DECREASE (INCREASE) IN:		
Accounts receivable	(1,696,869)	(1,448,191)
INAC funding receivable	(410,592)	(81,998)
Inventories	(721,925)	76,080
Other current assets	2,383	355,875
Cash restricted for CMHC reserve funds	(18,500)	(18,500)
Funds held in trust - INAC	(3,163)	(9,158)
Long-term deposit	(7,019)	(84,228)
Long-term accounts receivable	94,075	196,400
INCREASE (DECREASE) IN:		
Accounts payable and accrued liabilities	765,633	2,879,230
Deferred revenue	1,024,220	(1,818,176)
<b>CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>3,167,529</b>	<b>3,633,734</b>
<b>FINANCING ACTIVITIES</b>		
Repayment of long-term debt	(342,571)	(490,384)
Proceeds of long-term debt	754,999	161,364
Proceeds of demand loan	2,195,000	-
Repayment to INAC	-	(300,000)
<b>CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>	<b>2,607,428</b>	<b>(629,020)</b>
<b>INVESTING ACTIVITIES</b>		
Investment in term deposit	450,000	(450,000)
Capital expenditures expensed in operations	(3,369,659)	(3,788,603)
Capital expenditures financed by debt	(2,949,999)	(256,202)
<b>CASH USED IN INVESTING ACTIVITIES</b>	<b>(5,869,658)</b>	<b>(4,494,805)</b>
CHANGE IN CASH	(94,701)	(1,490,091)
CASH, beginning of year	1,873,043	3,363,134
<b>CASH, end of year</b>	<b>\$ 1,778,342</b>	<b>\$ 1,873,043</b>
<b>SUPPLEMENTARY CASH FLOW INFORMATION:</b>		
Interest paid	\$ 295,393	\$ 249,528

See accompanying notes.

# ATTAWAPISKAT FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**YEARS ENDED MARCH 31, 2007 & 2006**

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### NATURE OF ORGANIZATION

Attawapiskat First Nation is an Indian Band located on Indian Reserve 91A in the James Bay Region of Northern Ontario.

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

The consolidated financial statements are the representation of management and have been prepared in accordance with Canadian generally accepted accounting principles for First Nations as defined in the Year-end Reporting Handbook of the Department of Indian and Northern Affairs Canada, which requires adherence to the Public Sector Accounting Board accounting recommendations. Significant accounting policies are as follows:

##### (a) CONSOLIDATION

The consolidated financial statements include the accounts of the following separate legal entities:

- Attawapiskat First Nation Band
- Attawapiskat First Nation Education Authority
- Attawapiskat First Nation Maytawaywin Authority (Arena Gymnasium facility)
- Attawapiskat Development Corporation
- Attawapiskat Health Services Board
- Attawapiskat Power Corporation
- Attawapiskat Resources Inc.
- Attawapiskat Limited Partnership

Inter-entity transactions and balances have been eliminated.

The consolidated financial statements do not include the assets of the "Attawapiskat Trust", a trust created to receive revenues under an "Impact Benefit Agreement" (IBA) with DeBeers Canada Inc. The assets of the trust at March 31, 2007 (unaudited) were approximately \$4,264,724. Accounts payable includes \$1,001,338 due from Attawapiskat Limited Partnership to the trust.

On April 1, 2005, the Attawapiskat First Nation Band assumed operation of community health services previously operated by the Attawapiskat Health Services Board. As such, Attawapiskat Health Services Board reported no revenues or expenditures during the 2007 fiscal year.

Attawapiskat Power Corporation does not incorporate the use of "equity in capital fund" in its financial statements. For the purposes of this consolidation, utility equity of the corporation is reduced by the net book value of capital assets, with a corresponding increase in "equity in capital fund". Additions to capital assets are recorded as an operating expenditure and amortization is eliminated as an operating expenditure with corresponding adjustments to "equity in capital fund".

##### (b) FUND ACCOUNTING

The First Nation uses fund accounting procedures which result in a self-balancing set of accounts for each fund established by legal, contractual or voluntary actions. Funds are maintained for the following programs as follows:

**OPERATING FUND** - general activities of administration, social assistance, technical services, education, community economic development, community health and community recreation.

**INAC TRUST FUND** - reports on trust funds owned by the First Nation and held by the Federal government.

**CASINO RAMA RESERVE FUNDS** - reports on unexpended funds received from First Nations Limited Partnership.

**CMHC REPLACEMENT RESERVE FUND** - reports on funds restricted for the replacement and renovation of CMHC rental properties as directed by the Canada Mortgage and Housing Corporation.

**CAPITAL FUND** - reports the capital assets of the First Nation, together with related financing.



# ATTAWAPISKAT FIRST NATION

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

YEARS ENDED MARCH 31, 2007 & 2006

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### 1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (c) INVENTORIES

Inventories, comprised primarily of coarse aggregate stockpiles for resale and use in operations and fuel stock for standby electricity generation, are recorded at cost on a first in first out basis. Management expects inventory to be utilized in the 2008 fiscal year.

#### (d) CAPITAL ASSETS

Buildings, infrastructure and other equipment are stated at cost. Amortization is provided using various methods and annual rates as follows:

Buildings	straight-line basis	5%
Educational facilities	straight-line basis	5%
Teacherage housing facilities	straight-line basis	5%
Infrastructure	straight-line basis	5%
Other equipment	declining balance or straight-line basis	4% to 40%

The acquisition and construction costs of capital assets and principal payments on capital debt which are not funded from capital financing sources are charged to operations and matched with the applicable revenue source in the year of expenditure. These expenditures are also recorded as an addition to capital assets at cost with a corresponding increase to Equity in Capital Fund. The First Nation regularly reviews capital assets for obsolescence.

#### (e) USE OF ESTIMATES

The preparation of consolidated financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the consolidated financial statements, and the reported amounts of revenue and expenditure during the period. Actual results could differ from these estimates.

#### (f) GOVERNMENT TRANSFERS

Government transfers are recognized in the consolidated financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, and eligible criteria have been met, and reasonable estimates of the amounts can be made.

### 2. MARKETABLE SECURITIES

Marketable securities, carried at the lower of cost and market value, consist of 4,269 common shares of Sunlife Financial Inc. The shares were received upon demutualization of the carrier of Attawapiskat First Nation Education Authority's extended health benefit plan.

### 3. ACCOUNTS RECEIVABLE

Included in accounts receivable is \$13,772 (2006 - \$64,127) representing advances, net of allowances for doubtful accounts of \$380,883 (2006 - \$244,387), to and on behalf of employees and officers of the First Nation and consolidated entities. Management has collection procedures in place and expects the balances to be repaid.

### 4. FUNDS HELD IN TRUST - INAC

Funds held in trust - INAC represents monies in the custody of Indian and Northern Affairs Canada. Any use of the funds must be approved by the First Nation membership and authorized by Indian and Northern Affairs Canada.

### 5. LONG-TERM DEPOSIT

Long-term deposit consists of a deposit requirement to the Independent Electricity System Operator by Attawapiskat Power Corporation. The deposit will be refundable once the corporation has established a satisfactory payment history to the Independent Electricity System Operator.

# ATTAWAPISKAT FIRST NATION

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

YEARS ENDED MARCH 31, 2007 & 2006

### 6. LONG-TERM ACCOUNTS RECEIVABLE

Accounts receivable previously carried by Hydro One Remotes and paid by Attawapiskat First Nation as a condition of the transfer of electrical distribution assets from Hydro One Remotes is being collected by Attawapiskat Power Corporation. The arrears balances in excess of \$1,200 per customer have been classified as long-term to reflect the collection process utilized by the corporation.

### 7. CAPITAL ASSETS

	COST	ACCUMULATED AMORTIZATION	NET 2007	NET 2006
Buildings	\$ 26,817,839	\$ 11,207,614	\$ 15,610,225	\$ 16,082,268
Educational facilities	13,839,268	5,669,794	8,169,474	8,319,272
Teacherage housing facilities	3,461,305	1,613,601	1,847,704	1,906,464
Infrastructure	45,129,387	16,576,453	28,552,934	26,260,040
Other equipment	4,940,239	3,582,448	1,357,791	1,615,305
	\$ 94,188,038	\$ 38,649,910	\$ 55,538,128	\$ 54,183,349

Educational facilities includes \$583,093 (2006 - \$291,121) of development costs for a new primary school. The expenditures are not being amortized. Amortization will commence upon commissioning of the new school.

### 8. DEFERRED REVENUE

Deferred revenue consists of funding for capital and other projects received in the current and prior years for budgeted expenditures which were not incurred in the current and prior fiscal years and will be applied against the applicable future expenditures in the fiscal year incurred.

Details of the deferred revenue balance are as follows:

	2007	2006
De Beers - Pursuits compensation	\$ 300,000	\$ 300,000
FedNor - Organizational review	-	36,000
Human Resources Development Canada	33,750	33,750
INAC - Education (various)	-	26,295
INAC - Housing (various)	648,342	414,950
INAC - Minor capital	432,540	-
INAC - Secondary school addition	600,000	-
INAC - Water plant upgrades	19,017	160,000
INAC - Water waste management study	-	38,934
Northwest Company rental deposit	33,821	33,321
	\$ 2,067,470	\$ 1,043,250

### 9. CAPITAL RECEIPTS OVEREXPENDED

Capital receipts overexpended relates to funds received in prior years from Indian and Northern Affairs Canada for the development and construction of a protective flood dike. The project was suspended in progress in a prior year pending the resolution of funding matters and engineering and financial issues arising from cost overruns incurred under the original designs. As the funding related to the incomplete project has been expended, additional sources of financing will be required in order to complete the project.

### 10. DUE TO INAC

The balance due to INAC is repayable at \$300,000 annually by way of a partial holdback of minor capital funding. Annual repayments have been postponed for the 2007 and 2008 fiscal years.

# ATTAWAPISKAT FIRST NATION

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

YEARS ENDED MARCH 31, 2007 & 2006

### 11. TERM DEMAND LOAN

The term demand loan, obtained to finance a 62 lot subdivision, bears interest at the bank prime rate plus 0.5%. Repayment is to be made over 5 years from minor capital funding. Annual payments of \$439,000 are due April 1 2008 to 2012 inclusive.

### 12. LONG-TERM DEBT

	2007	2006
CMHC mortgage payable bearing interest at 4.76%, repayable at \$12,591 per month principal and interest, secured by real property, maturing July 2010.	\$ 467,042	\$ 593,420
CMHC mortgage payable bearing interest at 9.47%, repayable at \$4,424 per month principal and interest, secured by real property, maturing August 2019.	396,107	407,524
Bank loan relating to Peacekeepers facilities, bearing interest at 8.95%, repayable at \$1,648 per month principal and interest, secured by Band Council resolution and property lease assignment, maturing October 2007.	71,391	82,351
BMO bank loan payable bearing interest at 5.87%, secured by a fixed and floating charge on a commercial complex, triplex, office complex, general assignment of book debts, and assignment of lease agreement, repayable at \$30,641 per month principal and interest, maturing April 2009.	2,449,585	2,637,376
Loan payable bearing interest at 2.9%, secured by vehicle, repayable at \$870 per month principal and interest, maturing January 2011.	37,832	47,030
Loan payable bearing interest at 7.75%, secured by promissory note and a lien on equipment, repayable at \$1,519 per month principal and interest, maturing March 2010.	130,691	118,656
GMAC loan payable, bearing interest at 7.90%, repayable at \$873 per month principal and interest, secured by automotive equipment, maturing October 2008.	15,548	24,412
CMHC mortgage payable approved to a maximum of \$1,432,800 and expected to be fully advanced in January 2008 at which time interest will be set. Thereafter the mortgage will be repayable in equal monthly blended payments for 25 years.	754,999	-
	<b>4,323,195</b>	<b>3,910,769</b>
Less: Current portion	<b>481,123</b>	<b>473,366</b>
	<b>\$ 3,842,072</b>	<b>\$ 3,437,403</b>

# ATTAWAPISKAT FIRST NATION

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

YEARS ENDED MARCH 31, 2007 & 2006

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

Principal portion of the credit facilities due in the next five years and thereafter including the advanced portion of the CMHC facility at an assumed interest rate of 7% are approximately as follows:

2008	\$ 481,123
2009	439,826
2010	2,139,306
2011	198,407
2012	39,706
Thereafter	1,024,827
	<hr/>
	\$ 4,323,195

### 13. CONTINGENCIES

The First Nation is involved in claims and potential claims arising in the normal course of operations. Any settlements, awards or determination of loss will be reflected in the accounts as the matters are resolved.

The First Nation, together with Attawapiskat First Nation Education Authority, has filed a claim against the Attorney General of Canada for \$90,500,000 plus interest and costs, related to contamination of lands in the community, including the site of an elementary school. At this stage in the litigation, it is not possible to determine the likely outcome of this matter.

### 14. ECONOMIC DEPENDENCE

The First Nation receives 54.7% (2006 - 57.4%) of its revenues pursuant to funding arrangements with Indian and Northern Affairs Canada and 11.5% (2006 - 12.2%) of its revenues pursuant to funding arrangements with the Province of Ontario. The continuation of the organization is dependent on this funding.

### 15. DISTRIBUTION FROM CASINO RAMA

The First Nation is entitled to a percentage of net revenues earned at the Casino Rama gaming facility located near Orillia, Ontario. Net revenues are distributed in accordance with a formula agreed to by the participating First Nation Bands, which are located in the Province of Ontario. The First Nation's policy as ratified by Council is to appropriate any annual surplus in the Casino Rama Program Fund to the Casino Rama Fund.

### 16. FINANCIAL INSTRUMENTS

The First Nation's financial instruments consist of cash, term deposit, marketable securities, receivable, funds held in trust, long-term deposit, accounts payable and accrued liabilities, due to INAC and long-term debt. Unless otherwise noted, it is management's opinion that the First Nation is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair value of these financial instruments approximate their carrying values.

The carrying value of the long-term deposit and long-term debt approximates the fair value as the interest rates are consistent with the current rates offered to the First Nation for debt with similar terms.

### 17. BUDGET FIGURES

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

# **ATTAWAPISKAT FIRST NATION**

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

### **YEARS ENDED MARCH 31, 2007 & 2006**

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#### **18. PRIOR PERIOD ADJUSTMENT**

The March 31, 2006 financial statements have been restated to reinstate \$2,799,717 of Indian and Northern Affairs Canada deferred funding related to the flood dyke project which was taken into revenue in the 2006 fiscal year pursuant to managements' opinion at that time. Discussions with Indian and Northern Affairs Canada are ongoing.

#### **19. COMPARATIVE FIGURES**

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

## ATTAWAPISKAT FIRST NATION

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES - OPERATING FUND

YEARS ENDED MARCH 31

	2007	2006
<b>REVENUE</b>		
Indian and Northern Affairs Canada	\$ 16,881,212	\$ 16,019,509
Health and Welfare Canada	941,591	904,012
Casino Rama	313,317	810,371
Province of Ontario	3,547,067	3,410,569
Contracting revenue	4,955,894	2,245,925
IBA Trust distributions	531,998	-
Mushkegowuk Council	123,891	274,896
Canada Mortgage and Housing Corporation	164,515	150,471
Other federal funding	67,050	321,260
Other	3,308,337	3,769,325
	<b>30,834,872</b>	<b>27,906,338</b>
<b>EXPENDITURES</b>		
Administration	2,632,639	3,216,382
Capital expenditures	3,369,659	3,788,603
Debt service	637,963	739,912
Program delivery	12,077,263	9,390,519
Wages and employee benefits	11,807,068	10,988,782
Write down (recovery) of accounts receivable	(113,612)	483,884
	<b>30,410,980</b>	<b>28,608,082</b>
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<b>423,892</b>	<b>(701,744)</b>
DEFICIENCY IN OPERATING FUND, beginning of year	(3,622,613)	(2,433,212)
APPROPRIATION TO CMHC REPLACEMENT RESERVE FUNDS	(18,500)	(18,500)
APPROPRIATION FROM (TO) CASINO RAMA FUND	451,282	(469,157)
DEFICIENCY IN OPERATING FUND, end of year	<b>\$ (2,765,939)</b>	<b>\$ (3,622,613)</b>

## ATTAWAPISKAT FIRST NATION

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES - CAPITAL FUND

YEARS ENDED MARCH 31

	2007	2006
<b>REVENUE</b>		
Principal portion of long-term debt service expensed in other funds	\$ 342,571	\$ 490,384
Capital expenditures expensed in other funds	3,369,659	3,788,603
	<b>3,712,230</b>	<b>4,278,987</b>
<b>EXPENDITURES</b>		
Amortization	4,964,877	4,319,947
DEFICIENCY OF REVENUE OVER EXPENDITURES	(1,252,647)	(40,960)
EQUITY IN CAPITAL FUND, beginning of year	47,555,635	47,596,595
EQUITY IN CAPITAL FUND, end of year	<b>\$ 46,302,988</b>	<b>\$ 47,555,635</b>

## ATTAWAPISKAT FIRST NATION

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES - INAC TRUST FUND

YEARS ENDED MARCH 31

	2007	2006
<b>REVENUE</b>		
Interest	\$ 3,164	\$ 9,158
EQUITY IN INAC TRUST FUND, beginning of year	143,080	133,922
EQUITY IN INAC TRUST FUND, end of year	\$ 146,244	\$ 143,080

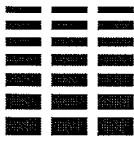


**ATTAWAPISKAT FIRST NATION****CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES - CASINO RAMA FUND****YEARS ENDED MARCH 31**

	2007	2006
EQUITY IN CASINO RAMA FUND, beginning of year	\$ 1,213,684	\$ 744,527
APPROPRIATION FROM (TO) OPERATING FUND	(451,282)	469,157
EQUITY IN CASINO RAMA FUND, end of year	\$ 762,402	\$ 1,213,684

**ATTAWAPISKAT FIRST NATION****CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES - CMHC REPLACEMENT RESERVE FUNDS****YEARS ENDED MARCH 31**

	2007	2006
EQUITY IN CMHC REPLACEMENT RESERVE FUNDS, beginning of year	\$ 269,559	\$ 251,059
APPROPRIATION FROM OPERATING FUND	18,500	18,500
EQUITY IN CMHC REPLACEMENT RESERVE FUNDS, end of year	\$ 288,059	\$ 269,559



# Ross, Pope & Company

**Chartered Accountants**

101 Cedar Street South  
Timmins, Ontario  
P4N 2G7



*Partners with Aboriginals*

Telephone: (705) 264-9484

Fax: (705) 264-0788

inform@rosspope.com

www.rosspope.com

## **DERIVATIVE REPORT BY THE AUDITOR**

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To the members of Attawapiskat First Nation

We have audited the consolidated financial statements of Attawapiskat First Nation as at March 31, 2007 and for the year then ended and reported on December 18, 2007.

A Consolidated Schedule of Salaries, Honouraria and Travel Expenditures (Schedule F) is required to be presented to the membership of Attawapiskat First Nation pursuant to the funding arrangement between Attawapiskat First Nation and Indian and Northern Affairs Canada. The Schedule has been compiled by the management of Attawapiskat First Nation from their records. For the purposes of understanding our involvement with this Schedule, please note that:

We have audited and separately reported on the consolidated financial statements;

Our audit was conducted for the purposes of forming an opinion on the financial statements taken as a whole;

The attached Schedule is presented for the purpose of forming an opinion for the membership and the Department of Indian and Northern Affairs Canada and does not form part of the consolidated financial statements; and

The Schedule has been subjected to the auditing procedures applied to the audit of the consolidated financial statements taken as a whole.

During the course of the aforementioned audit, we encountered no discrepancies on this Schedule. However, no procedures have been carried out on this Schedule in addition to those necessary to form an opinion on the consolidated financial statements taken as a whole.

This report has been prepared in accordance with the applicable Assurance and Related Services Guideline issued by the Canadian Institute of Chartered Accountants.

*Ross, Pope & Company*

Timmins, Ontario  
December 18, 2007

Ross, Pope & Company  
Chartered Accountants  
Licensed Public Accountants

## ATTAWAPISKAT FIRST NATION

## CONSOLIDATED SCHEDULE OF SALARIES, HONOURARIA AND TRAVEL EXPENDITURES

YEAR ENDED MARCH 31, 2007

**(UNAUDITED - SEE DERIVATIVE REPORT BY THE AUDITOR)**

In accordance with the reporting requirements of Indian and Northern Affairs Canada, payments made to First Nation officials were as follows:

	Number of Months	Salary and Honouraria	Travel Expenses	Other Remuneration	Total
<b>ELECTED OFFICIALS</b>		\$	\$	\$	\$
Chief - Mike Carpenter	12	51,921	4,397	-	56,318
Deputy Chief - Miriam Wesley	12	44,550	5,500	-	50,050
<b>Councillors</b>					
Steve Hookimaw	12	8,370	155	-	8,525
Andrew Koostachin	12	8,580	1,035	-	9,615
George Hookimaw	12	8,580	-	-	8,580
Jackie Shisheesh	12	8,580	-	-	8,580
Michael Shisheesh	12	16,500	-	-	16,500
Remi Fireman	12	9,240	-	-	9,240
Thomas Tookate	12	7,530	-	-	7,530
Xavier Hookimaw	12	9,570	-	-	9,570
Douglas Kebokee	12	8,580	5,041	-	13,621
Christine Kataquapit	12	12,196	153	-	12,349
Daniel Bird	12	9,020	734	-	9,754
<b>UNELECTED OFFICIALS</b>					
Band Manager - Ignace Gull	12	54,007	15,372	-	69,379
Co-Manager - George Lanouette	12	122,000	51,001	-	173,001
Manager of Day Care - Theresa Linklater	12	39,053	4,117	-	43,170
Welfare Admin. - Valerie Wesley	6	22,661	3,969	-	26,630
Welfare Admin. - Ignace Koostachin	6	20,001	-	-	20,001
Technical Services Manager - Mike Gull	12	83,077	43,375	-	126,452

ATTAWAPISKAT FIRST NATION

CONSOLIDATED SCHEDULE OF SALARIES, HONOURARIA AND TRAVEL EXPENDITURES (CONT'D)

YEAR ENDED MARCH 31, 2007

(UNAUDITED - SEE DERIVATIVE REPORT BY THE AUDITOR)

	Number of Months	Salary and Honouraria	Travel Expenses	Other Remuneration	Total
<b>EDUCATION AUTHORITY</b>		\$	\$	\$	\$
<b>BOARD MEMBERS</b>					
Steve Hookimaw	12	15,900	8,052	-	23,952
Robert Kataquapit	12	10,660	10,722	-	21,382
John Mattinas	12	10,800	3,891	-	14,691
Gerald Mattinas	1	450	-	-	450
Rollande Hookimaw	12	11,250	3,130	-	14,380
Pauline Nakogee	12	8,425	3,033	-	11,458
Annabella Iahtail	7	5,550	-	-	5,550
Jerry Nakogee	12	9,750	2,338	-	12,088
Travis Koostachin	12	9,375	2,002	-	11,377
Xavier Chookomolin	12	9,975	2,002	-	11,977
Mike Okimaw	12	9,275	3,544	-	12,819
Lindy Mudd	12	10,695	3,910	-	14,605
<b>ADMINISTRATION</b>					
John Nakogee	12	84,774	23,667	-	108,441
Dorothy Hookimaw	12	64,678	3,756	-	68,434

Approved by:

*Heres Lemklata Deputy Chief*  
 Chief

*A. K. K. K.*  
 Councillor