

**Pic Mober First Nation
Consolidated Financial Statements**
March 31, 2018

**Pic Mober First Nation
Contents**

For the year ended March 31, 2018

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Management's Responsibility

To the Chief and Council and Members of Pic Mober First Nation

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

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

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

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

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

September 26, 2018



Finance Manager

Independent Auditors' Report

To the Chief and Council and Members of Pic Mobert First Nation:

We have audited the accompanying consolidated financial statements of Pic Mobert First Nation, which comprise the consolidated statement of financial position as at March 31, 2018 and the consolidated statements of operations and surplus, 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 Consolidated Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

Pic Mobert First Nation is a partner in Maygwayyawk Forestry Services Limited Partnership, a partnership formed to provide services including harvest and supply of timber as well as road construction and maintenance. We were unable to obtain sufficient appropriate audit evidence regarding the carrying values of the proportionate share of the financial assets of \$568,574, liabilities of \$4,267,394, non-financial assets of \$1,271,890, revenue of \$4,477,065, expenses of \$6,189,463, annual deficit of \$1,712,397 as well as the related disclosures of the partnership included in these consolidated financial statements. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

Qualified Opinion

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraphs, the consolidated financial statements present fairly, in all material respects, the financial position of Pic Mobert First Nation as at March 31, 2018 and the results of its operations and surplus, changes in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Thunder Bay, Ontario
September 26, 2018

MNP LLP

Chartered Professional Accountants
Licensed Public Accountants

Pic Mober First Nation
Consolidated Statement of Financial Position
As at March 31, 2018

	2018	2017 (Restated)
Financial assets		
Cash resources (Note 4)	726,747	2,352,855
Portfolio investments (Note 5)	71,340,520	71,349,639
Accounts receivable (Note 6)	999,831	601,552
Inventory	458,126	1,075,523
Due from government and other government organizations (Note 7)	728,978	748,113
Investments in government business partnership and enterprise (Note 8)	1,964,804	1,722,710
Trust funds held by federal government (Note 9)	75,119	73,558
Total financial assets	76,294,125	77,923,950
Liabilities		
Accounts payable and accruals (Note 10)	3,119,194	4,047,824
Deferred revenue (Note 11)	2,892,827	2,739,449
Due from related party	257,526	-
Due to government and other government organizations (Note 12)	49,561	72,908
Due to Regional Power Inc. (Note 13)	81,909,318	79,143,116
Long-term debt (Note 14)	3,312,951	2,769,702
Capital lease obligations	600,876	-
Total liabilities	92,142,253	88,772,999
Net debt	(15,848,128)	(10,849,049)
Contingent liabilities (Note 15)		
Non-financial assets		
Tangible capital assets (Schedule 1)	25,600,325	23,987,468
Intangible capital assets	1,986	1,986
Prepaid expenses	581,270	474,377
Total non-financial assets	26,183,581	24,463,831
Accumulated surplus	10,335,453	13,614,782

Approved on behalf of the Council

Chief
Councillor
Councillor

Councillor
Councillor

Pic Mobert First Nation
Consolidated Statement of Operations and Surplus
For the year ended March 31, 2018

	2018 Budget	2018	2017
Revenue			
Indigenous Services Canada (Note 16), (Note 18)	3,188,031	4,543,253	6,328,011
Dilico Ojibway Child and Family Services	201,687	206,219	205,559
Ontario First Nations Limited Partnership	720,000	744,198	734,358
Ministry of Health and Long-Term Care	43,500	120,259	56,033
Health Canada (Note 18)	446,950	529,393	477,416
Ministry of Community, Family and Children's Services	743,598	1,017,485	937,019
Union of Ontario Indians	79,615	299,479	260,289
Anishinabek Employment and Training Services	146,000	279,269	154,640
Canada Mortgage and Housing Corporation (Note 18)	174,000	201,868	342,981
Ministry of Indigenous Affairs	90,000	450,145	295,122
Ministry of Natural Resources	-	31,355	-
Ministry of Northern Development, Mines and Forestry	19,764	-	15,804
Ministry of Transportation	30,804	30,804	30,804
Ministry of Tourism, Culture and Sport	65,331	18,616	46,715
Ministry of Environment	-	7,176	440,000
Ministry of Education	-	8,253	6,275
Regional Power Inc.	-	31,894	72,307
Canadian Environmental Assessment	-	-	16,000
Rent revenue	394,725	608,639	448,444
Contract revenue - Barrick Gold	2,199,000	2,362,344	2,398,824
Administration fees	620,946	596,433	650,189
Miscellaneous revenue	578,086	531,712	400,684
Northern Ontario Heritage Fund	-	-	7,277
Service contract revenue	-	150,000	-
Independent Electricity System Operator	-	-	26,847
Fundraising revenue	-	20,200	64,450
Forestry Services	-	4,477,065	2,811,924
Inter-department cost recoveries	335,304	322,066	319,835
Total revenue	10,077,341	17,588,125	17,547,807
Expenses			
Administration and Chief and Council	1,289,846	1,435,016	1,157,156
Infrastructure Programs	763,675	1,238,776	1,342,075
Social, Cultural, Spiritual and Recreational Programs	522,246	668,371	586,196
Education Programs	2,204,399	2,403,049	2,016,982
Health Programs	1,793,852	2,121,904	1,960,045
Capital Programs	1,106,772	1,315,923	1,810,421
Economic Development Programs	3,532,925	3,105,414	2,864,535
Business Enterprise Projects	-	9,001,597	6,583,763
Casino Rama Fund	-	96	110
Total expenses (Schedule 2)	11,213,715	21,290,146	18,321,283
Deficit before other items	(1,136,374)	(3,702,021)	(773,476)

Continued on next page

Pic Mober First Nation
Consolidated Statement of Operations and Surplus
For the year ended March 31, 2018

	2018	2018	2017
Deficit before other items <i>(Continued from previous page)</i>	(1,136,374)	(3,702,021)	(773,476)
Other income			
Earnings from investment in government business partnership	-	384,767	-
Earnings from investment in government business enterprise	184,490	46,914	406,698
	184,490	431,681	406,698
Deficit	(951,884)	(3,270,340)	(366,778)
Accumulated surplus, beginning of year	13,614,782	13,614,782	13,995,351
Prior year surplus recoveries	-	(8,989)	(13,791)
Accumulated surplus, end of year	12,662,898	10,335,453	13,614,782

Pic Mober First Nation
Consolidated Statement of Change in Net Debt
For the year ended March 31, 2018

	2018	2018	2017
Annual deficit			
Purchases of tangible capital assets	-	(3,270,340)	(366,778)
Amortization of tangible capital assets	-	(2,599,659)	(3,605,027)
Prior year surplus recoveries	-	986,802	897,429
Proceeds of disposal of tangible capital assets	-	(8,989)	(13,791)
Acquisition of prepaid expenses	-	(106,893)	(389,663)
Increase in net debt		(4,999,079)	(3,475,280)
Net debt, beginning of year		(10,849,049)	(7,373,769)
Net debt, end of year	-	(15,848,128)	(10,849,049)

Pic Mober First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2018

	2018	2017
Cash provided by (used for) the following activities		
Operating activities		
Deficit	(3,270,340)	(366,778)
Prior year surplus recoveries	(8,989)	(13,791)
Non-cash items		
Amortization	986,802	897,429
Net income from government business partnerships	(431,679)	(406,698)
Changes in working capital accounts		
Accounts receivable	(398,279)	(53,589)
Inventory	617,397	(619,610)
Due from government and other government organizations	19,133	(343,435)
Trust funds held by federal government	(1,561)	(1,339)
Prepaid expenses	(106,893)	(389,663)
Deferred revenue	153,378	750,553
Accounts payable and accruals	(928,630)	(271,120)
Due to government and other government organizations	(23,347)	31,854
	(3,393,008)	(786,187)
Financing activities		
Advances of long-term debt	898,344	1,020,534
Repayment of long-term debt	(355,095)	(313,825)
Repayment of capital lease obligations	(56,601)	-
Advances from shareholder	257,526	-
	744,174	706,709
Capital activities		
Purchases of tangible capital assets	(1,942,182)	(3,605,027)
Proceeds of disposal of tangible capital assets	-	2,550
	(1,942,182)	(3,602,477)
Investing activities		
Proceeds on disposal of temporary investments	371,997	435,853
Distributions received from government business partnership	200,000	-
Increase in due to Regional Power Inc.	2,766,202	2,672,778
Purchase of temporary investments	(362,878)	(372,017)
Investment in government business partnership	(10,413)	-
	2,964,908	2,736,614
Decrease in cash resources	(1,626,108)	(945,341)
Cash resources, beginning of year	2,352,855	3,298,196
Cash resources, end of year	726,747	2,352,855
Supplementary cash flow information		
Interest paid	95,334	83,199

The accompanying notes are an integral part of these financial statements

Pic Mober First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

1. Operations

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

2. Significant accounting policies

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

Reporting entity consolidated

The Pic Mober First Nation reporting entity includes the Pic Mober First Nation and all related entities that are controlled by the First Nation.

Principles of consolidation

All controlled entities are fully consolidated on a line-by-line basis except for the commercial enterprises which meet the definition of government business enterprise, which are included in the consolidated financial statements on a modified equity basis.

Government partnerships are proportionately consolidated on a line-by-line basis except for the partnerships which meet the definition of government business partnership, which are included in the consolidated financial statements on a modified equity basis.

Under the modified equity method of accounting, only the Pic Mober First Nation's investment in the government business enterprise and the enterprise's net income and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprise that are different from those of Pic Mober First Nation.

Organizations consolidated in Pic Mober First Nation's consolidated financial statements include:

- White Lake Resources Corporation
- Gitchi Animki Energy Limited Partnership
- Gitchi Animki Energy Corporation
- Maygwayyawk Forestry Services Corp.
- Giizis Power LP
- Giizis Power GP Corp.

Organizations proportionately consolidated in Pic Mober First Nation's consolidated financial statements include:

- Maygwayyawk Forestry Services Limited Partnership

All inter-entity balances have been eliminated on consolidation; however, transactions between departments have not been eliminated in order to present the results of operations for each specific department.

Organizations accounted for on a modified equity basis include:

- White Lake Limited Partnership
- BMI-Maamwigaaboo Contracting (2017) Limited Partnership

Pic Mober First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

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

Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks net of bank overdrafts and term deposits having a maturity of three months or less at acquisition which are held for the purpose of meeting short-term cash commitments.

Inventory

Inventory of goods available for resale are recorded at the lower of cost and net realizable value.

Portfolio investments

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

Tangible capital assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

Leases that transfer substantially all the benefits and risks of ownership to the lessee are recorded as capital leases. Accordingly, at the inception of the leases, the tangible capital asset and related lease obligations are recorded at an amount equal to the present value of future lease payments discounted at the lower of the interest rate inherent in the lease contracts and the First Nation's incremental cost of borrowing.

Tangible capital assets are written down when conditions indicate they no longer contribute to the First Nation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the consolidated statement of operations.

Contributed capital assets are recorded into revenue at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as tangible capital assets. Assets under construction are not amortized until the asset is available to be put into service.

Pic Mober First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

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

Amortization

Tangible capital assets are amortized annually using the declining balance and straight-line methods at rates intended to amortize the cost of the assets over their estimated useful lives as follows:

	Method	Rate
Office equipment	declining balance	20 %
General equipment	declining balance	20 %
Police office trailer	declining balance	30 %
Computer hardware	declining balance	30 %
Computer software	declining balance	100 %
Automotive	declining balance	30 %
Assets under capital lease	declining balance	20 %
Housing - Section 10	straight-line	35 years
Infrastructure	straight-line	35 years
Gymnasium/Auditorium	straight-line	35 years
CMHC Housing - Section 95	straight-line	35 years
Administration office	straight-line	35 years
Housing renovations	straight-line	35 years
Skating rink	straight-line	35 years
Health clinic	straight-line	35 years
CMHC Housing - Section 95 (2008/2010)	straight-line	35 years
School building	straight-line	35 years
Dilico building	straight-line	35 years
Elder's residences	straight-line	35 years
Water treatment facility	straight-line	35 years
OW building	straight-line	35 years
Pow-wow Arbour	straight-line	35 years
Cultural Centre	straight-line	35 years
Dilico Building - 2017	straight-line	35 years
ISC Housing - 2017	straight-line	35 years
Daycare	straight-line	35 years
Maygwayyawk Forestry Services Limited Partnership	declining balance	20-30 %
Assets		

Long-term debt and capital lease obligations

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 or capital lease obligation.

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

Capital lease repayments are recognized as a decrease in capital lease obligations.

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 value of an asset, or group of assets, may not be recoverable. Impairment losses are recognized when undiscounted future cash flows from its use and disposal are less than the assets' carrying amount. Impairment is measured as the amount by which the asset's carrying value exceeds its fair value.

Pic Mober First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

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.

Loan guarantees

The First Nation records a provision for losses on loan guarantees when it determines that a loss is likely.

The provision is determined based on the current circumstances of the individual borrowers and is reviewed on an ongoing basis as new events occur, as more experience is acquired, or as additional information is obtained. Any changes in the provision is charged or credited to expenses. A provision for loss on a loan guarantee is removed from the First Nation's statement of financial position when the guaranteed loan has been discharged or the term of the loan guarantee has expired.

Net financial assets (net debt)

The First Nation's consolidated financial statements are presented so as to highlight net financial assets (net debt) as the measurement of financial position. The financial assets (net debt) of the First Nation is determined by its financial assets less its liabilities. Net financial assets (net debt) combined with non-financial assets comprise a second indicator of financial position, accumulated surplus (deficit).

Revenue recognition

Revenue is recognized in the period in which the transactions or events occurred that gave rise to the revenue. All revenue is recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impractical.

Government transfers are recognized as revenue when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when the transfer stipulations give rise to a liability. Transfer revenue is recognized in the consolidated statement of operations as the stipulations are settled.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose.

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

Pic Mober First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

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

Measurement uncertainty

The preparation of consolidated financial statements for the First Nation 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 consolidated 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.

Inventory is stated after evaluation of its original cost and any applicable selling costs, less an amount for obsolete materials, if applicable.

Accounts payable and accruals are estimated based on historical charges for unbilled goods and services at year-end.

Deferred revenue is estimated based on management's review of revenue received, but unspent at year-end.

Segments

The First Nation conducts its business through nine reportable segments: Administration and Chief and Council, Infrastructure Programs, Social, Cultural, Spiritual and Recreational Programs, Education Programs, Health Programs, Capital Programs, Economic Development Programs, Business Enterprise Projects, and Casino Rama Fund. 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.

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

Funds held by federal government

Funds held in trust on behalf of First Nation members by the Government of Canada in the Ottawa Trust Fund are reported on the consolidated statement of financial position with an offsetting amount in revenue on the consolidated statement of operations and surplus (deficit). Trust monies consist of:

- Capital trust monies 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.

Pic Mober First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

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

Financial instruments

The First Nation recognizes its financial instruments when the First Nation becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, the First Nation may irrevocably elect to subsequently measure any financial instrument at fair value. The First Nation has not made such an election during the year.

The First Nation subsequently measures investments in equity instruments quoted in an active market at fair value. Fair value is determined by published price quotations. Transactions to purchase or sell these items are recorded on the trade date. Net gains and losses arising from changes in fair value are recognized in the statement of remeasurement gains and losses. The First Nation has not presented a statement of remeasurement gains and losses as it does not have any items giving rise to remeasurement gains (losses). Investments in equity instruments not quoted in an active market are subsequently measured at cost. All other financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in operating surplus (deficit). Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

All financial assets are tested annually for impairment. Any impairment, which is not considered temporary, is recorded in the consolidated statement of operations. Write-downs of financial assets measured at cost and/or amortized cost to reflect losses in value are not reversed for subsequent increases in value. Reversals of any net remeasurements of financial assets measured at fair value are reported in the statement of remeasurement gains and losses.

Loans receivable

Loans are recorded at cost less any amount for valuation allowance. Valuation allowances are made when collection is in doubt as assessed by management. Loans are reviewed on an annual basis by management. Interest income is accrued on loans receivable to the extent it is deemed collectable.

Administration fees

It is the First Nation's policy to allocate certain administrative costs to various programs. Such allocations are recorded as administration fees revenue on the consolidated administration program schedule of revenue and expenses.

Expense allocation

Certain expenses which pertain to the operations as a whole have been allocated to various programs at the discretion of Chief and Council.

3. Change in accounting policies

Effective April 1, 2017, the First Nation adopted the recommendations relating to the following Sections, as set out in the CPA Canada Public Sector Accounting Handbook:

- PS 2200 Related Party Disclosures
- PS 3420 Inter-entity Transactions
- PS 3210 Assets
- PS 3320 Contingent Assets
- PS 3380 Contractual Rights

Pursuant to the recommendations, the changes were applied prospectively, and prior periods have not been restated. There was no material impact on the consolidated financial statements of adopting the new Sections.

Pic Mobert First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

4. Cash resources

	2018	2017
HST account	20,414	20,537
Petty cash	500	500
General account	(500,375)	(146,382)
Water Treatment account	264,209	563,620
Welfare account	61,341	108,664
Equity Trust account	743,708	1,493,017
Casino Rama account	168,128	174,195
CMHC Replacement Reserve account (restricted)	246,147	261,028
Land claims account	(51,505)	-
Gitchi Animki Energy Limited Partnership	40,606	1,291
<u>Maygwayyawk Forestry Services Limited Partnership</u>	<u>(266,426)</u>	<u>(123,615)</u>
	726,747	2,352,855

Under the terms of an agreement with Canada Mortgage and Housing Corporation, the First Nation must set aside funds annually for the repair, maintenance and replacement of worn out assets. These funds are to be held in a separate bank account and invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as otherwise approved by the Canada Mortgage and Housing Corporation.

The general account has an overdraft available of up to \$500,000 (2017 - \$300,000) with interest at bank prime plus 1.5% (2017 - 2%) (4.95% at March 31, 2018) (2017 - 4.7%) which is secured by a general security agreement (\$Nil outstanding at March 31, 2018 and March 31, 2017).

The welfare bank account has overdraft available up to \$10,000 with interest at bank prime plus 1.5% (2017 - 2%) (4.95% at March 31, 2018) (2017 - 4.7%) which is secured by a general security agreement (\$Nil outstanding at March 31, 2018 and March 31, 2017).

The land claims account has overdraft available up to \$490,000 (2017 - \$Nil) with interest at bank prime plus 1.5% (4.95% at March 31, 2018) which is secured by a general security agreement. The balance outstanding at year-end was \$22,256 (2017 - \$Nil).

The Maygwayyawk Forestry Services Limited Partnership account has an overdraft available of up to \$500,000 (2017 - \$250,000) with interest at bank prime plus 3% and a general security guarantee by Pic Mobert First Nation. The balance outstanding at year-end was \$241,963 (2017 - \$Nil).

Pic Mober First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

5. Portfolio investments

	2018	2017
Bank of Montreal 1 year GIC, redeemed in 2017	-	147,939
Bank of Montreal 1 year GIC, redeemed in 2017	-	25,413
Bank of Montreal 1 year GIC, redeemed in 2017	-	40,011
Bank of Montreal 1 year GIC, redeemed in 2017	-	20,129
Bank of Montreal 1 year GIC, redeemed in 2018	-	18,665
Bank of Montreal 1 year GIC, redeemed in 2018	-	10,165
Bank of Montreal 1 year GIC, redeemed in 2018	-	19,959
Bank of Montreal 1 year GIC, redeemed in 2018	-	89,716
Bank of Montreal 1 year GIC, bearing interest at 0.55% maturing May 2018	148,749	-
Bank of Montreal 1 year GIC, bearing interest at 0.55% maturing June 2018	25,552	-
Bank of Montreal 1 year GIC, bearing interest at 0.55% maturing December 2018	20,240	-
Bank of Montreal 1 year GIC, bearing interest at 0.70% maturing December 2018	40,230	-
Bank of Montreal 1 year GIC, bearing interest at 0.70% maturing January 2019	10,221	-
Bank of Montreal 1 year GIC, bearing interest at 0.90% maturing February 2019	7,603	-
Bank of Montreal 1 year GIC, bearing interest at 0.90% maturing February 2019	90,208	-
Bank of Montreal 1 year GIC, bearing interest at 0.90% maturing February 2019	20,068	-
Bamkushwada Limited Partnership	1	1
Pic Mober Hydro Inc.	70,977,621	70,977,621
Bamkushwada GP Inc.	1	-
AETS Property LP	10	10
AETS Property GP Inc.	10	10
Supercom Industries Limited Partnership	1	-
Supercom Industries Ltd.	1	-
Northeast Superior First Nation Investment LP	1	-
Northeast Superior First Nation Investment GP Inc.	1	-
Ontario First Nations Sovereign Wealth Limited Partnership	1	-
OFN Asset Management GP Corp.	1	-
	71,340,520	71,349,639

6. Accounts receivable

	2018	2017
CMHC	332,144	31,177
Members rent	138,403	100,565
Members advances	18,672	15,844
Barrick Gold	219,905	252,239
Dilico Ojibway Child and Family Services	24,481	30,426
Anishinabek Employment and Training Services	3,884	40,655
Union of Ontario Indians	44,867	1,696
Other miscellaneous receivables	317,779	229,515
Less: allowance for doubtful accounts	(100,304)	(100,565)
	999,831	601,552

Pic Mober First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

7. Due from government and other government organizations

	2018	2017
Federal government		
Indigenous Services Canada	515,948	213,538
Health Canada	38,640	38,985
HST recoverable	31,169	80,768
Canadian Environmental Assessment Agency	18,080	18,080
Maygwayyawk Forestry Services Limited Partnership - HST recoverable	29,201	151,229
Provincial government		
Ministry of Community and Social Services	56,274	14,866
Ministry of Health and Long-Term Care	17,224	21,587
Ministry of Natural Resources	-	7,500
Ministry of Northern Development and Mines	-	3,922
Ministry of Indigenous Affairs	22,442	182,772
Ministry of Education	-	14,866
	728,978	748,113

8. Investments in government partnership and enterprise

The First Nation owns 99.99% of the partnership units of White Lake Limited Partnership and 48% of the partnership units of the partnership units of BMI-Maamwigaaboo Contracting (2017) Limited Partnership.

The First Nation's investment in government business partnership consists of the following:

	2018	2017
White Lake Limited Partnership	1,579,989	1,722,710

The First Nation's investment in government business enterprise consists of the following:

	2018	2017
BMI-Maamwigaaboo Contracting (2017) Limited Partnership	384,815	-
Investments in government partnership and enterprise	1,964,804	1,722,710

Pic Mober First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

8. Investments in government partnership and enterprise *(Continued from previous page)*

The following table presents condensed financial information for White Lake Limited Partnership for the years ended March 31, 2018 and March 31, 2017 is shown below.

	As at March 31, 2018	As at March 31, 2017
Assets		
Current		
Cash	505,460	745,144
Accounts receivable	1,744,464	1,147,308
Government remittances receivable	-	1,931
Prepaid expenses	9,473	8,162
Due from related parties	513,194	17,963
	2,772,591	1,920,508
Equipment	196,001	229,337
Investment in related parties	350	100
	2,968,942	2,149,945
 Liabilities		
Current		
Accounts payable	300,509	182,655
Government remittances payable	40,135	-
Short-term debt	500,000	34,000
Term loan due on demand	42,127	77,705
Due to related parties	250	100
Current portion of long-term debt	33,864	33,864
Current portion of deferred revenue	100,000	-
	1,016,885	328,324
Long-term debt	62,071	99,011
Deferred revenue	300,000	-
	1,378,956	427,335
Partners' Capital	1,589,986	1,722,610
	2,968,942	2,149,945
 Year ending		
	March 31, 2018	Year ending
Revenue	2,820,409	March 31, 2017
Expenses	2,753,033	2,963,699
Net earnings	67,376	2,548,012
	415,687	

White Lake Limited Partnership's was formed in February 2009, to hold, manage and otherwise deal with all business ventures, joint ventures, which the partners have developed or engaged in business relationships for the improvement of the general welfare of the Pic Mober First Nation.

Pic Mobert First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

8. Investments in government partnership and enterprise *(Continued from previous page)*

The Partnership is related to Pic Mobert First Nation by virtue of the fact that Pic Mobert First Nation owns 99.99% of the units of the Partnership. The Partnership is related to Pic Mobert Hydro Inc., Maygawayyawk Forestry Services Limited Partnership, White Lake Resources Corporation, Gitchi Animki Limited Partnership and Pic Mobert Sawmill Corporation by virtue of the fact that they are controlled by Pic Mobert First Nation. The Partnership is related to Possibility Group by virtue of the fact that it is owned by the CEO of Pic Mobert First Nation and White Lake Limited Partnership.

Included in accounts receivable for the current year is \$240,258 (2017 - \$255,408) from Pic Mobert First Nation, \$38,714 (2017 - \$98,809) from Pic Mobert Hydro Inc.

Included in accounts payable for the current year is \$53,200 (2017 - \$Nil) to Maygawayyawk Forestry Services Limited Partnership and \$79,602 (2017 - \$45,371) to Pic Mobert First Nation.

Included in revenue for the current year is \$Nil (2017 - \$427,457) to Pic Mobert Hydro Inc., \$446,080 (2017 - \$1,047,147) to Pic Mobert First Nation, and \$38,358 (2017 - \$27,896) to Maygawayyawk Forestry Services Limited Partnership.

Included in contract work expenses for the current year is \$Nil (2017 - \$53,780) paid to Pic Mobert First Nation and \$19,073 (2017 - \$Nil) to Possibilities Group.

Included in donation expenses for the current year is \$Nil (2017 - \$70,000) paid to Pic Mobert First Nation.

Included in management fees for the current year is \$81,142 (2017 - \$60,000) paid to Possibilities Group.

Included in rent expenses for the current year is \$3,600 (2017 - \$3,900) paid to Pic Mobert First Nation.

Included in salaries, wages and benefits is \$1,150 (2017 - \$Nil) paid to Pic Mobert First Nation.

Included in travel expenses for the current year is \$2,470 (2017 - \$Nil) paid to Possibilities Group.

Included in vehicle expenses for the current year is \$332 (2017 - \$Nil) paid to Possibilities Group.

The revenue and expenses were conducted in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Pic Mober First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

8. Investments in government partnership and enterprise *(Continued from previous page)*

The following table presents condensed financial information for BMI-Maamwigaaboo Contracting (2017) Limited Partnership for the period ended March 31, 2018 is shown below.

	As at March 31, 2018
Financial assets	
Cash	485,775
Accounts receivable	141,716
Due from related parties	237,118
Total financial assets	864,609
Liabilities	
Bank indebtedness	-
Accounts payable and accruals	4,610
Government remittances payable	22,626
Deferred contract revenue	69,444
Total liabilities	96,680
Net financial assets	767,929
Non-financial assets	
Prepaid expenses	1,857
Partners' capital	769,786
	247 days ending March 31, 2018
Revenue	1,269,973
Expenses	500,285
Net earnings	769,688

Pic Mober First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

8. Investments in government partnership and enterprise *(Continued from previous page)*

BMI-Maamwigaaboo Contracting (2017) Limited Partnership's main business activity is general contracting.

The Partnership is related to Biigtigong Nishnaabeg by virtue that the entity holds 48% of the units of the Partnership. The Partnership is related to Pic Mober First Nation by virtue that the entity holds 48% of the units of the Partnership. The partnership is related to White Lake Limited Partnership by virtue of common control, as Pic Mober First Nation, a limited partner, holds 99.99% of the units of White Lake Limited Partnership. The partnership is related to MKWA Timber Limited Partnership by virtue of common control, as Biigtigong Nishnaabeg, a limited partner, controls MKWA Timber Limited Partnership.

Included in accounts receivable for the current year is \$48 receivable from Pic Mober First Nation and \$48 receivable from Biigtigong Nishnaabeg.

Included in salaries and benefits expense is \$1,650 paid to Pic Mober First Nation.

Included in equipment rental expense is \$18,525 paid to White Lake Limited Partnership and \$59,670 paid to MKWA Timber Limited Partnership..

Included in professional fees expense is \$1,887 paid to White Lake Limited Partnership.

Included in travel expense is \$697 paid to White Lake Limited Partnership.

The transactions were conducted in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

9. Trust funds held by federal government

The trust funds arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

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

	2018	2017
Capital Trust		
Balance, beginning of year	4,619	4,619
Balance, end of year	4,619	4,619
Revenue Trust		
Balance, beginning of year	68,939	67,600
Interest	1,561	1,339
Balance, end of year	70,500	68,939
	75,119	73,558

Pic Mober First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

10. Accounts payable and accruals

	2018	2017
Trade payables	3,051,370	3,962,444
Accrued salaries and benefits payable	35,746	53,302
Other accruals	32,078	32,078
	3,119,194	4,047,824

11. Deferred revenue

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

	<i>Balance, beginning of year</i>	<i>Revenue received</i>	<i>Revenue recognized</i>	<i>Balance, end of year</i>
ISC - Band Operated School	161,303	-	161,303	-
ISC - Comprehensive Planning	58,343	75,000	86,383	46,960
ISC - Capital Planning	25,000	-	-	25,000
ISC - ISC School Fesibility Study	-	65,000	21,186	43,814
Barrick Gold - Administration	866,208	437,834	518,757	785,285
PGM Stillwater Palladium Mine - Environmental Assessments	23,694	-	11,143	12,551
PGM Stillwater Palladium Mine - Administration	25,000	-	-	25,000
Ontario Power Authority - Hydro Project	13,468	-	-	13,468
Westdome Gold Mine - Administration	20,000	-	-	20,000
Rio Tinto Exploration Canada Inc. - Administration	5,000	-	-	5,000
Ministry of Tourism - Ontario Sport and Recreation Communities Fund	18,616	-	18,616	-
Dilico - Church renovation	10,000	-	-	10,000
Prepaid rent	12,779	-	12,779	-
<u>Maygwayawk Forestry Services Limited Partnership</u>	<u>1,500,038</u>	<u>4,882,776</u>	<u>4,477,065</u>	<u>1,905,749</u>
	2,739,449	5,460,610	5,307,232	2,892,827

12. Due to government and other government organizations

	2018	2017
Federal government		
Receiver General	49,561	72,908

13. Due to Regional Power Inc.

The balance due to Regional Power Inc. represents development costs incurred on behalf of Gitchi Animiki Energy Limited Partnership ("GAELP") by White River Hydro Limited Partnership ("WRHLP"), the other joint venture partner. Under the joint venture agreement, Regional Power Inc. has a commitment to loan GAELP amounts equal to its share of qualifying projects costs. Interest on the loan is accrued monthly and bears interest at varying interest rates of up to 3.45% per annum. The balance owing at March 31, 2018 includes \$12,146,923 (March 31, 2017 - \$9,380,722) in cumulative accrued interest.

The loan is collateralized by GAELP's interest in the Pic Mober Hydro Power Joint Venture ("PMHPJV"). GAELP is under no obligation to repay the loan and interest. However, GAELP will forfeit its interest in the joint venture, and any potential future profits thereof, if the loan is not repaid. Per the loan agreement, loan repayments are to be financed through the use of future project revenue. The project officially commenced in May 2016.

Pic Mober First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

14. Long-term debt

	2018	2017
Mortgage #0041501821 payable to Bank of Montreal with payments of \$11,497 per month including interest at 2.7% per annum maturing April 2018, secured by a ministerial guarantee from Indigenous and Northern Affairs Canada and a first mortgage on 26 housing units.	11,471	147,725
Mortgage #19151315001 payable to CMHC with payments of \$2,075 per month including interest at 1.08% per annum maturing May 2025, secured by a ministerial guarantee from Indigenous and Northern Affairs Canada and a first mortgage on 6 housing units.	171,835	194,774
Mortgage #19151315002 payable to CMHC with payments of \$5,016 per month including interest at 1.62% per annum maturing January 2028, secured by a ministerial guarantee from Indigenous and Northern Affairs Canada and a first mortgage on 8 housing units.	547,737	598,721
Mortgage #19151315003 payable to CMHC with payments of \$5,032 per month including interest at 2.35% per annum maturing August 2023, secured by a ministerial guarantee from Indigenous and Northern Affairs Canada and a first mortgage on 10 housing units.	307,526	360,169
Mortgage #19151315004 payable to CMHC with payments of \$4,680 per month including interest at 1.08% per annum maturing August 2025, secured by a ministerial guarantee from Indigenous and Northern Affairs Canada and a first mortgage on 9 housing units.	396,144	447,779
Mortgage #19151315005 payable to CMHC incurring interest at 1.44% per annum. A fixed term loan contract will be negotiated at the completion of the project. Loan is secured by an assignment of lease revenue.	898,344	-
Mortgage payable to Bank of Montreal with principal payments of \$4,415 plus interest (2017 - interest-only payments) at prime plus 1% (4.95% at March 31, 2018) (2017 - 4.7%) during the construction phase of the Dilico building. A fixed term loan contract will be negotiated at the completion of the project. Loan is secured by an assignment of lease revenue.	979,894	1,020,534
	3,312,951	2,769,702

Principal repayments on long-term debt in each of the next five years, assuming long-term debt subject to refinancing is renewed, are estimated as follows:

	Principal	Interest	Total
2019	246,504	68,098	314,602
2020	237,961	62,461	300,422
2021	240,943	56,798	297,741
2022	243,977	51,080	295,057
2023	247,067	45,309	292,376
	1,216,452	283,746	1,500,198
Thereafter	2,096,499	244,753	2,341,252

Interest on long-term debt amounted to \$25,145 (2017 - \$32,076).

Pic Mobert First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

15. Contingent liabilities

The First Nation has been named as a defendant in a lawsuit by a former employee. The lawsuit is seeking to recover damages allegedly sustained by them as a result of Pic Mobert First Nation cancelling the plaintiff's short-term and long-term disability benefits, life insurance benefits and health benefits without the consent of the plaintiff. The lawsuit remains at an early stage, and as litigation is subject to many uncertainties, it is not possible to predict the ultimate outcome of this lawsuit or to estimate the loss, if any, which may result. Any amount awarded as a result of this action will be recorded when reasonably estimable. Total damages being claimed by the plaintiff is \$1,050,000.

White River Forest Products Inc. ("WRFPI"), a partner of Maygwayyawk Forestry Services Limited Partnership ("MFSLP") which has been proportionately consolidated in these consolidated financial statements, has been named as a defendant in a lawsuit for which it was acting as agent for the partnership and the partnership had indemnified WRFPI. The lawsuit is seeking to recover damages allegedly sustained by them as a result of unutilized equipment standby charges. The lawsuit remains at an early stage, and as litigation is subject to many uncertainties, it is not possible to predict the ultimate outcome of this lawsuit or to estimate the loss, if any, which may result. Any amount awarded as a result of this action will be recorded when reasonably estimable. Legal counsel defending WRFPI and MFSLP in this claim does not foresee the claim to exceed \$200,000. The guarantees were provided without recourse.

The First Nation has entered into contribution agreements with various federal government departments and other entities. Funding received under these contribution agreements is subject to repayment if the First Nation fails to comply with the terms and conditions of the agreements.

In addition, in the normal course of its operations, the First Nation may become involved in legal actions or payroll liability disputes. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded on the First Nation's consolidated financial statements. As of March 31, 2018, no contingent liabilities have been recorded in the consolidated financial statements.

16. ISC funding reconciliation

	2018	2017
ISC revenue per consolidated financial statements	4,543,253	6,328,011
Change in deferred revenue	(128,872)	(357,496)
ISC revenue per confirmation	4,414,381	5,970,515

Pic Mobert First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

17. Segments

The First Nation has nine reportable segments. These segments are differentiated by the major activities or services they provide. The First Nation's segments are as follows:

Administration and Chief and Council - includes administration and governance activities.

Infrastructure Programs - includes Band programs and maintenance.

Social, Cultural, Spiritual and Recreational Programs - includes activities delivering social programs.

Education Programs - includes the operations of education programs.

Health Programs - includes the operations of health programs.

Capital Programs - includes the operations of capital programs.

Economic Development Programs - includes the operations of economic programs.

Business Enterprise Projects - includes the operations of significantly influenced business enterprises for consolidation.

Casino Rama Fund - reports on the First Nation's Ontario First Nations Limited Partnership funding.

Inter-segment transfers are recorded at their exchange amount. The accounting policies are the same as those described in Note 2.

18. Government transfers

Pic Mobert First Nation receives a significant portion of its revenue pursuant to a funding agreement with Indigenous Services Canada ("ISC"). Under the terms of the agreement, funding from the agreement can be suspended if the First Nation does not comply with the terms of the agreement.

	<i>Operating</i>	<i>Capital</i>	<i>2018</i>	<i>2017</i>
Federal government transfers				
Indigenous Services Canada	4,192,613	350,640	4,543,253	6,328,011
Health Canada	529,393	-	529,393	477,416
Canada Mortgage and Housing Corporation	167,953	33,915	201,868	342,981
Provincial government transfers	4,889,959	384,555	5,274,514	7,148,408
Other provincial government	1,684,093	-	1,684,093	1,835,049
	6,574,052	384,555	6,958,607	8,983,457

19. Defined contribution plans

Defined contribution pension plan

The First Nation has a defined contribution pension plan covering substantially all full-time employees. Members are required to contribute 5.5% of their basic salary. The First Nation contributes 5.5% which is directed to the members' contribution account. The amount of retirement benefit to be received by the employees will be the amount of retirement annuity that could be purchased based on the member's share of the pension plan at the time of the members' withdrawal from the plan. The First Nation contributions and corresponding expense totalled \$103,017 in 2018 (2017 - \$109,045). ISC provides funding to the First Nation for its share of pension contributions for full-time employees.

Pic Mober First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

20. Financial instruments

The First Nation as part of its operations carries a number of financial instruments. It is management's opinion that the First Nation is not exposed to significant interest, currency, credit or liquidity risks arising from these financial instruments except as otherwise disclosed.

Fair value of financial instruments

The fair value of current financial assets and current financial liabilities approximates their carrying value due to their short-term maturity.

Credit risk

Credit risk is the risk of financial loss because a counter party to a financial instrument fails to discharge its contractual obligations.

Risk management

The First Nation manages its credit risk by providing allowances for potentially uncollectible accounts receivable.

Liquidity risk

Liquidity risk is the risk that the First Nation will encounter difficulty in meeting obligations associated with financial liabilities. The First Nation enters into transactions to purchase goods and services on credit for which repayment is required at various maturity dates.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The First Nation is exposed to interest rate risk with respect to its long-term debt as they are at fixed rates. The First Nation has loans with fixed rates ranging from 1.08% to 4.95% and maturities of one to eleven years.

21. Loan guarantees

As at March 31, 2018, the First Nation has guaranteed the \$241,963 (2017 - \$Nil) credit facility overdraft of Maygwayyawk Forestry Services Limited Partnership, a limited partnership controlled by the First Nation, up to a maximum amount of \$500,000 (2017 - \$500,000) that bears interest at prime plus 3% (6.45% at March 31, 2018) (2017 - 5.7%) and is collateralized by a general security agreement. As at March 31, 2018, no liability has been recorded associated with this guarantee.

As at March 31, 2018, the First Nation has guaranteed the \$1,416,667 (2017 - \$Nil) credit facility term loan of Northeast Superior First Nation Investment LP, a limited partnership portfolio investment to the First Nation, up to a maximum amount of \$1,416,667 (2017 - \$Nil). As at March 31, 2018, no liability has been recorded associated with this guarantee.

22. Budget information

The disclosed budget information has been approved by the Chief and Council of the Pic Mober First Nation at the Chief and Council meeting held on April 26, 2017. The budget was prepared on an unconsolidated basis and as a result does not include the activity of the business enterprise projects.

23. Economic dependence

Pic Mober First Nation receives a significant portion of its revenue from Indigenous Services Canada as a result of treaties entered into with the Government of Canada. These treaties are administered by ISC 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.

Pic Mober First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

24. Comparative figures

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

Pic Mober First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2018

	<i>Housing - Section 10</i>	<i>CMHC Housing - Section 95</i>	<i>CMHC Housing - Section 95 (2008/2010)</i>	<i>Infrastructure</i>	<i>Water Treatment Facility</i>	<i>Housing renovations</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	2,654,332	853,499	2,739,628	2,676,489	12,465,468	763,684	22,153,100
Acquisition of tangible capital assets	-	-	-	-	190,072	-	190,072
Construction-in-progress	-	-	-	-	-	-	-
Disposal of tangible capital assets	-	-	-	-	-	-	-
Balance, end of year	2,654,332	853,499	2,739,628	2,676,489	12,655,540	763,684	22,343,172
Accumulated amortization							
Balance, beginning of year	1,451,689	707,200	759,062	962,944	359,360	185,416	4,425,671
Annual amortization	75,838	24,386	78,275	76,471	361,587	21,820	638,377
Accumulated amortization on disposals	-	-	-	-	-	-	-
Balance, end of year	1,527,527	731,586	837,337	1,039,415	720,947	207,236	5,064,048
Net book value of tangible capital assets	1,126,805	121,913	1,902,291	1,637,074	11,934,593	556,448	17,279,124
2017							
Net book value of tangible capital assets	1,202,643	146,299	1,980,566	1,713,545	12,106,108	578,268	17,727,429

Pic Mober First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2018

	Subtotal	OW Building	Dilico Building	School Building	Gymnasium / Auditorium	Police office trailer	Subtotal
Cost							
Balance, beginning of year	22,153,100	296,911	201,300	1,773,911	156,174	5,670	24,587,066
Acquisition of tangible capital assets	190,072	-	-	-	-	-	190,072
Construction-in-progress	-	-	-	-	-	-	-
Disposal of tangible capital assets	-	-	-	-	-	-	-
Balance, end of year	22,343,172	296,911	201,300	1,773,911	156,174	5,670	24,777,138
Accumulated amortization							
Balance, beginning of year	4,425,671	42,415	112,151	814,319	82,548	5,669	5,482,773
Annual amortization	638,377	8,483	5,751	50,683	4,462	1	707,757
Accumulated amortization on disposals	-	-	-	-	-	-	-
Balance, end of year	5,064,048	50,898	117,902	865,002	87,010	5,670	6,190,530
Net book value of tangible capital assets	17,279,124	246,013	83,398	908,909	69,164	-	18,586,608
	2017						
Net book value of tangible capital assets	17,727,429	254,496	89,149	959,592	73,626	1	19,104,293

Pic Mober First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2018

	<i>Subtotal</i>	<i>Office equipment</i>	<i>Computer hardware</i>	<i>Computer software</i>	<i>General equipment</i>	<i>Administration office</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	24,587,066	59,315	109,893	28,355	54,650	715,423	25,554,702
Acquisition of tangible capital assets	190,072	-	-	-	21,800	-	211,872
Construction-in-progress	-	-	-	-	-	-	-
Disposal of tangible capital assets	-	-	-	-	-	-	-
Balance, end of year	24,777,138	59,315	109,893	28,355	76,450	715,423	25,766,574
Accumulated amortization							
Balance, beginning of year	5,482,773	55,432	107,955	28,355	41,176	347,496	6,063,187
Annual amortization	707,757	776	581	-	4,875	20,441	734,430
Accumulated amortization on disposals	-	-	-	-	-	-	-
Balance, end of year	6,190,530	56,208	108,536	28,355	46,051	367,937	6,797,617
Net book value of tangible capital assets	18,586,608	3,107	1,357	-	30,399	347,486	18,968,957
	2017						
Net book value of tangible capital assets	19,104,293	3,883	1,938	-	13,474	367,927	19,491,515

Pic Mober First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2018

	<i>Subtotal</i>	<i>Elder's residences</i>	<i>Automotive</i>	<i>Skating rink</i>	<i>Assets under capital lease</i>	<i>Health Clinic</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	25,554,702	803,665	394,030	229,596	21,706	2,009,202	29,012,901
Acquisition of tangible capital assets	211,872	-	90,806	-	-	-	302,678
Construction-in-progress	-	-	-	-	-	-	-
Disposal of tangible capital assets	-	-	-	-	-	-	-
Balance, end of year	25,766,574	803,665	484,836	229,596	21,706	2,009,202	29,315,579
Accumulated amortization							
Balance, beginning of year	6,063,187	390,353	297,795	78,540	19,491	401,842	7,251,208
Annual amortization	734,430	22,962	42,491	6,560	443	57,406	864,292
Accumulated amortization on disposals	-	-	-	-	-	-	-
Balance, end of year	6,797,617	413,315	340,286	85,100	19,934	459,248	8,115,500
Net book value of tangible capital assets	18,968,957	390,350	144,550	144,496	1,772	1,549,954	21,200,079
	2017						
Net book value of tangible capital assets	19,491,515	413,312	96,235	151,056	2,215	1,607,360	21,761,693

Pic Mober First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2018

	Subtotal	Pow-Wow Arbour	Mining claims	Other fully amortized assets	Cultural Centre	Dilico Building - 2017	Subtotal
Cost							
Balance, beginning of year	29,012,901	25,714	30,000	1	183,200	1,020,534	30,272,350
Acquisition of tangible capital assets	302,678	-	-	-	-	-	302,678
Construction-in-progress	-	-	-	-	-	-	-
Disposal of tangible capital assets	-	-	-	-	-	-	-
Balance, end of year	29,315,579	25,714	30,000	1	183,200	1,020,534	30,575,028
Accumulated amortization							
Balance, beginning of year	7,251,208	2,940	-	-	10,468	29,158	7,293,774
Annual amortization	864,292	735	-	-	5,234	29,158	899,419
Accumulated amortization on disposals	-	-	-	-	-	-	-
Balance, end of year	8,115,500	3,675	-	-	15,702	58,316	8,193,193
Net book value of tangible capital assets	21,200,079	22,039	30,000	1	167,498	962,218	22,381,835
2017							
Net book value of tangible capital assets	21,761,693	22,774	30,000	1	172,732	991,376	22,978,576

Pic Mober First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2018

	<i>Subtotal</i>	<i>CMHC Housing - Section 95 (2017) - In- Progress</i>	<i>ISCC Housing - (2017)</i>	<i>Daycare</i>	<i>Maygwayyawk Forestry Services Limited Partnership</i>	<i>2018</i>	<i>2017</i>
Cost							
Balance, beginning of year	30,272,350	125,000	853,980	-	53,163	31,304,493	27,704,567
Acquisition of tangible capital assets	302,678	-	350,220	313,806	764,955	1,731,659	2,626,046
Construction-in-progress	-	868,000	-	-	-	868,000	978,980
Disposal of tangible capital assets	-	-	-	-	-	-	(5,100)
Balance, end of year	30,575,028	993,000	1,204,200	313,806	818,118	33,904,152	31,304,493
Accumulated amortization							
Balance, beginning of year	7,293,774	-	-	-	23,251	7,317,025	6,422,147
Annual amortization	899,419	-	34,406	8,966	44,012	986,802	897,429
Accumulated amortization on disposals	-	-	-	-	-	-	(2,551)
Balance, end of year	8,193,193	-	34,406	8,966	67,263	8,303,827	7,317,025
Net book value of tangible capital assets	22,381,835	993,000	1,169,794	304,840	750,855	25,600,325	23,987,468
Net book value of tangible capital assets	22,978,576	125,000	853,980	29,912	29,912	23,987,468	

Pic Mober First Nation
Schedule 2 - Consolidated Schedule of Expenses by Object
For the year ended March 31, 2018

	2018	2018	2017
Consolidated expenses by object			
Administration	370,094	533,403	647,540
Advertising	500	-	-
Amortization	382,000	986,802	897,429
Bad debts	255,525	186,923	134,533
Bank charges and interest	30,310	82,390	51,123
Breakfast program	3,000	-	3,000
Business fees and licenses	-	-	1,103
Community donations	-	300	-
Community participation	5,000	3,000	-
Equipment rental	-	541	2,592
Food bank	12,000	12,000	12,000
Forestry and logging	-	5,101,475	2,694,852
Fuel	9,000	136,731	111,649
Funeral expense	20,000	24,767	13,611
Garbage disposal fees	68,000	30,289	45,550
General welfare assistance	544,800	740,481	640,608
Honoraria	245,250	231,802	211,415
Insurance	226,748	224,675	238,944
Interest on Regional Power Inc.	-	2,766,202	2,672,778
Interest on long-term debt	41,000	36,584	32,076
Management fees	-	1,020	6,045
Materials and supplies	363,129	396,073	533,551
Medical travel	113,100	145,834	135,642
Meeting expenses	-	4,994	4,000
Miscellaneous	-	-	9
Office expenses	117,034	147,099	117,323
Freight	-	5,954	2,898
Post-secondary allowances	327,577	364,554	281,698
Professional fees	549,390	1,039,788	814,840
Project costs	-	650	405,000
Program expense	1,463,432	1,384,602	1,188,590
Rent	20,550	10,235	6,540
Repairs and maintenance	192,580	568,486	834,608
Salaries and benefits	4,431,296	4,719,694	4,191,366
Stay in school	14,650	19,513	9,222
Student transportation	170,387	185,203	167,887
Telephone	65,500	25,370	11,437
Training	48,673	82,383	71,191
Travel	195,641	266,876	297,886
Tuition - special education	45,000	22,838	27,737
Tuition fees	612,449	453,786	466,257
Utilities	196,800	268,474	259,337
Vehicle expenses	13,000	21,412	15,282
Vehicle fuel	56,700	56,943	57,038
Youth culture and recreation	3,600	-	5,096
	11,213,715	21,290,146	18,321,283

Pic Mober First Nation
Schedule 3 - Consolidated Schedule of Revenue and Expenses and Surplus (Deficit)
For the year ended March 31, 2018

	<i>ISC Revenue</i>	<i>Other Revenue</i>	<i>Total Revenue</i>	<i>Total Expenses</i>	<i>Adjustments/Transfers From (To)</i>	<i>Current Surplus (Deficit)</i>
Administration and Chief and Council	666,270	1,056,542	1,722,812	1,435,016	355,945	643,741
Health Programs	125,600	1,850,129	1,975,729	2,121,904	-	(146,175)
Capital Programs	506,751	1,003,897	1,510,648	1,315,923	100,000	294,725
Economic Development Programs	331,742	2,795,617	3,127,359	3,105,414	63,809	85,754
Business Enterprise Projects	-	4,627,072	4,627,072	9,001,597	-	(4,374,525)
Casino Rama Fund	-	744,687	744,687	96	(750,640)	(6,049)
Infrastructure Programs	364,197	323,774	687,971	1,238,776	-	(550,805)
Social, Cultural, Spiritual and Recreational Programs	84,700	355,279	439,979	668,371	218,144	(10,248)
Education Programs	2,463,993	287,875	2,751,868	2,403,049	12,742	361,561
Total	4,543,253	13,044,872	17,588,125	21,290,146	-	(3,702,021)