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**North Caribou Lake First Nation  
Consolidated Financial Statements  
For the year ended March 31, 2015**

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Consolidated Financial Statements  
For the year ended March 31, 2015**

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## Management's Responsibility for Financial Reporting

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The accompanying consolidated financial statements of North Caribou Lake First Nation and all the information provided in this annual report are the responsibility of management and have been approved by the Chief and Council of the Band.

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

The Band maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the 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 financial statements.

The Chief and Council review the Band's consolidated financial statements and recommend their approval. The Chief and Council meet periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the consolidated financial statements and the external auditors' report. The Chief and Council takes this information into consideration when approving the consolidated financial statements for issuance to the Members. The Chief and Council also consider the engagement of the external auditors.

The consolidated financial statements have been audited by BDO Canada LLP in accordance with Canadian generally accepted auditing standards on behalf of the Members. BDO Canada LLP has full access to the Band Council.

Denah Kasale  
Chief

Jeanne Crane  
Band Administrator

## Independent Auditors' Report

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### To the Members of North Caribou Lake First Nation

We have audited the accompanying consolidated financial statements of North Caribou Lake First Nation which comprise the consolidated statement of financial position as at March 31, 2015, and the consolidated statements of revenue and expenses and fund balance, changes in net financial assets (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' judgement, 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 auditors consider 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 in our audit is sufficient and appropriate to provide a basis for our qualified audit opinion.

**Basis for Qualification**

The First Nation accounts for its investment in Weagamow Air Corporation ("Weagamow") using the modified equity method. Under this method, the First Nation records their share of the income as reported in the most recently available financial statements of Weagamow, which are for the year ended October 31, 2014. Under Canadian public sector accounting standards, the First Nation should be using financial information from Weagamow that substantially coincides with the First Nation's year end. In this respect, these financial statements are not in accordance with Canadian public sector accounting standards. We were unable to determine the impact on the reported amount of the investment as at March 31, 2015 and 2014, the equity income recognized for the years ended March 31, 2015 and 2014, and the accumulated surplus as of April 1 and March 31 for both the 2015 and 2014 years as a result of this difference in reporting periods.

In addition, the financial statements of Weagamow for the years ended October 31, 2014 and 2013 were not audited nor were we able to satisfy ourselves as to the reliability of these financial statements through alternate means. Therefore, we were not able to determine whether any further adjustments may have been required to the reported amount of the investment at March 31, 2015 and 2014, the equity income recorded for the years ended March 31, 2015 and 2014, and the accumulated surplus as of April 1 and March 31 for both the 2015 and 2014 years had we audited these financial statements.

Our audit opinion for the year ended March 31, 2014, was modified accordingly because of the possible effects of these limitations in scope.

**Qualified Opinion**

In our opinion, except for the effects of matter described in the Basis for Qualification paragraphs, the consolidated financial statements present fairly, in all material respects, the financial position of North Caribou Lake First Nation as at March 31, 2015, and the results of its operations, change in net financial assets (debt), and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

A handwritten signature in black ink that reads "BDO Canada LLP". The "BDO" is in a larger, bold, sans-serif font, while "Canada LLP" is in a smaller, regular, sans-serif font.

Chartered Accountants, Licensed Public Accountants

Dryden, Ontario  
August 31, 2015

**North Caribou Lake First Nation  
Consolidated Statement of Financial Position**

<u>March 31</u>	<u>2015</u>	<u>2014</u>
		Restated (Notes 1 and 2)
<b>Financial assets</b>		
Bank (Note 3)	\$ 1,401,404	\$ 420,601
Short-term investments (Note 4)	406,283	403,054
Accounts receivable (Note 5)	1,834,280	1,695,731
Inventory for resale	574,572	713,472
Trust Funds Held by Federal Government (Note 14)	<u>331,893</u>	<u>322,759</u>
	<u>4,548,432</u>	<u>3,555,617</u>
<b>Financial liabilities</b>		
Accounts payable (Note 8)	2,452,152	1,922,762
Deferred revenue and government transfers (Note 9)	527,810	188,392
Long-term debt (Note 10)	252,047	307,128
Capital lease obligations (Note 11)	80,636	162,991
Investment in Weagamow Air Corporation (o/a Weagamow Air) (Note 6)	<u>72,789</u>	<u>95,693</u>
	<u>3,385,434</u>	<u>2,676,966</u>
<b>Net financial assets</b>	<u>1,162,998</u>	<u>878,651</u>
<b>Non-financial assets</b>		
Tangible capital assets (Note 7)	25,826,449	26,837,719
Non-financial assets - inventory of capital supplies	547,977	351,977
Non-financial assets - fuel	349,627	466,693
Prepaid expenses	<u>6,359</u>	<u>3,641</u>
	<u>26,730,412</u>	<u>27,660,030</u>
<b>Accumulated surplus (Note 12)</b>	<u>\$ 27,893,410</u>	<u>\$ 28,538,681</u>

Approved on behalf of the Band Council:

Derek Kanale  
By Dene Crane

**North Caribou Lake First Nation**  
**Consolidated Statement of Revenue and Expenses and Fund Balance**

For the year ended March 31	Budget	2015	2014
			Restated (Notes 1 and 2)
<b>Revenue</b>			
Aboriginal Affairs and Northern Development Canada (Note 17)	\$ 5,222,451	\$ 6,878,433	\$ 5,580,165
Ministry of Aboriginal Affairs	35,668	145,000	
Ministry of Community and Social Services	53,650	807,052	630,624
Ministry of Health	219,191	198,580	181,127
Ministry of Northern Development and Mines		111,077	107,085
Miscellaneous	1,667,011	3,698,493	3,002,708
Musselwhite Mine		1,581,576	1,830,678
Health Canada (Note 18)	1,562,571	1,681,542	2,194,612
Nishnawbe Aski Nation	119,560	127,598	115,760
Northern Nishnawbe Education Council	29,844	89,532	89,532
Onadamatay Community Store		3,327,976	3,131,972
Ontario First Nation Limited Partnership	964,061	998,928	973,879
Pipestone Contracting			175,000
Placer Dome Inc.		695,811	695,315
Sioux Lookout Area Aboriginal Management Board		121,668	147,021
Tikinagan Child and Family Services	58,080	58,080	58,080
Transfer from Deferred Revenue		188,392	2,089,460
Transfer to Deferred Revenue		(527,809)	(188,392)
Share of loss of Weagamow Corporation (o/a Weagamow Air)		(8,370)	(11,193)
North Caribou Construction Ltd. sales to First Nation		1,249,814	601,604
North Caribou Construction Ltd. other revenue		404,169	448,543
Prior year funding adjustments			(35,000)
Interorganization elimination		(3,114,175)	(1,907,518)
	9,896,419	18,604,035	20,056,062
<b>Expenses</b>			
First Nation Funds	4,556,197	3,702,016	4,553,047
Health and Social Services	1,625,166	1,676,002	2,244,512
Social Development	379,763	1,209,065	1,012,792
Operations and Maintenance	1,596,328	1,939,474	1,821,396
Education	2,016,257	1,988,053	2,082,917
CAEDS		25,990	2,032
Ojijakoes Community Development Corporation	5,500	1,221,420	1,067,350
Non-AANDC	232,329	454,784	517,685
General	1,422,591	3,625,333	3,964,449
Casino Rama	1,409	76,587	109,767
Onadamatay Community Store	10,688	3,383,548	3,000,891
Realignment Road	49,024	1,456,791	
North Caribou Construction Ltd. expenses	86,304	1,635,692	1,428,225
Interorganization elimination		(3,114,175)	(1,907,518)
	11,981,556	19,280,580	19,897,545
<b>Excess (deficiency) of revenue over expenses for the year</b>	(2,085,137)	(676,545)	158,517
<b>Financing, transfers and adjustments</b>			
Contributed capital to Weagamow Corporation (o/a Weagamow Air)		31,274	108,949
<b>Surplus (deficit) for the year</b>	(2,085,137)	(645,271)	267,466
Accumulated surplus, beginning of year, as previously stated	30,498,140	28,211,592	27,956,947
Prior period adjustment (Note 1)		4,330	
Prior period adjustment (Note 2)		322,759	314,268
Accumulated surplus, beginning of year, restated	30,498,140	28,538,681	28,271,215
Accumulated surplus, end of year	\$ 28,413,003	\$ 27,893,410	\$ 28,538,681

The accompanying summary of significant accounting policies and notes are an integral part of these consolidated financial statements.

**North Caribou Lake First Nation**  
**Consolidated Statement of Changes in Net Financial Assets (Debt)**

<u>For the year ended March 31</u>	<u>Budget 2015</u>	<u>Actual 2015</u>	<u>Actual 2014</u>
			Restated (Note 1 and 2)
Annual surplus (deficit)	\$ (2,085,137)	\$ (645,271)	\$ 267,466
Acquisition of tangible capital assets	(1,121,247)	(2,411,333)	(2,223,297)
Amortization of tangible capital assets	3,422,604	3,422,604	3,129,649
	<u>216,220</u>	<u>366,000</u>	<u>1,173,818</u>
Acquisition of non-financial assets		(903,965)	(822,312)
Use of non-financial assets		<u>822,312</u>	<u>960,058</u>
		<u>(81,653)</u>	<u>137,746</u>
Net change in net financial assets	<u>216,220</u>	<u>284,347</u>	<u>1,311,564</u>
<b>Net financial assets (debt), beginning of year, as previously stated</b>	<b>878,651</b>	<b>555,892</b>	<b>(747,181)</b>
<b>Prior period adjustment (Note 2)</b>		<b>322,759</b>	<b>314,268</b>
<b>Net financial assets (debt), beginning of year</b>	<b>878,651</b>	<b>878,651</b>	<b>(432,913)</b>
<b>Net financial assets, end of year</b>	<b>\$ 1,094,871</b>	<b>\$ 1,162,998</b>	<b>\$ 878,651</b>

**North Caribou Lake First Nation**  
**Consolidated Statement of Cash Flows**

**For the year ended March 31**

**2015**

**2014**

Restated  
(Notes 1 and 2)

**Cash provided by (used in)**

**Operating activities**

Excess (deficiency) of revenue over expenses for the year	\$ (676,545)	\$ 158,517
Item not involving cash		
Amortization	3,422,604	3,129,649
Changes in non-cash working capital balances		
Accounts receivable	(138,549)	115,669
Inventory for resale	138,900	8,084
Accounts payable	529,390	(1,024,644)
Deferred revenue	339,418	(1,901,068)
Non-financial assets - inventory of supplies	(196,000)	225,077
Non-financial assets - fuel	117,066	(99,836)
Prepaid expenses	<u>(2,719)</u>	<u>12,505</u>
	<u>3,533,565</u>	<u>623,953</u>

**Capital activities**

Purchase of capital assets	<u>(2,411,333)</u>	<u>(2,223,297)</u>
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**Financing activities**

Increase in long-term debt	-	311,565
Repayment of capital lease obligations	(82,355)	(87,487)
Repayment of long-term debt	<u>(55,081)</u>	<u>-</u>
	<u>(137,436)</u>	<u>224,078</u>

**Investing activities**

Decrease (increase) in short-term investments	(3,229)	297,282
Increase in trust funds held by Federal Government	(9,134)	(8,491)
Decrease in investment in Weagamow Air Corporation (o/a Weagamow Air)	(22,904)	(97,756)
Contributed capital to Weagamow Air Corporation (o/a Weagamow Air)	<u>31,274</u>	<u>108,949</u>
	<u>(3,993)</u>	<u>299,984</u>

**Increase (decrease) in cash during the year**

Bank, beginning of year	<u>420,601</u>	<u>1,495,883</u>
Bank, end of year	<u>\$ 1,401,404</u>	<u>\$ 420,601</u>

**Supplementary cash flow information**

Interest received in year	\$43,150	\$37,131
Interest paid in year	\$26,310	\$17,187

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## North Caribou Lake First Nation Summary of Significant Accounting Policies

**March 31, 2015**

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<b>Basis of Accounting</b>	These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting standards for governments, as defined by the Public Sector Accounting Board.								
<b>Reporting Entity and Principles of Consolidation</b>	North Caribou Lake First Nation reporting entity includes the North Caribou Lake First Nation government and related entities which are accountable to the First Nation and are either owned or controlled by the First Nation. These financial statements consolidate the assets, liabilities and results of operations for North Caribou Construction Ltd. which uses accounting principles which lend themselves to consolidation.								
	Incorporated business entities, which are owned or controlled by North Caribou Lake First Nation and which are not dependent on the First Nation for their continuing operations are included in the consolidated financial statements using the modified equity method. This includes Weagamow Air Corporation (o/a Weagamow Air).								
<b>Investments</b>	Investments are recorded at cost. Investments are written down where there has been a loss in value that is other than a temporary decline.								
<b>Inventories for Resale</b>	Inventories of supplies and goods available for resale are recorded at the lower of cost and net realizable value.								
<b>Tangible Capital Assets</b>	Tangible capital assets are recorded at cost less accumulated amortization. Cost 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.								
	Amortization of these assets is recorded on a straight-line basis commencing in the year of acquisition or construction as follows:								
	<table><tbody><tr><td>Buildings and improvements</td><td>4%-5%</td></tr><tr><td>General housing</td><td>5%</td></tr><tr><td>Infrastructure</td><td>5%</td></tr><tr><td>Equipment</td><td>20%-30%</td></tr></tbody></table>	Buildings and improvements	4%-5%	General housing	5%	Infrastructure	5%	Equipment	20%-30%
Buildings and improvements	4%-5%								
General housing	5%								
Infrastructure	5%								
Equipment	20%-30%								
	Tangible capital assets are written down when conditions indicate that 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 revenues 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.								
	Assets under construction are not amortized until the asset is available to be put into service.								

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## North Caribou Lake First Nation Summary of Significant Accounting Policies

March 31, 2015

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<b>Inventories Held for Use</b>	Inventories of supplies held for consumption are recorded at the lower of cost and replacement cost.
<b>Revenue Recognition</b>	<p>Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis.</p> <p>Government transfers are recognized as revenues 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 transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.</p> <p>Contributions, other than government transfers, are deferred when restrictions are placed on their use by the external contributor, and are recognized as revenue when used for the specific purpose.</p> <p>Rental and user fee revenue is recognized on a monthly basis as income is earned and when collection is reasonably assured.</p> <p>Sale of goods and other revenue from services provided is recognized when title passes to the buyer and/or when services have been rendered and the transaction can be reasonably assured.</p>
<b>Use of Estimates</b>	The preparation of the consolidated financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and may have impact on future periods.

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## North Caribou Lake First Nation Notes to Consolidated Financial Statements

March 31, 2015

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### 1. Prior Period Adjustment - Long-Term Debt

During the current year end preparation, we noted a capital asset acquired using long-term debt that was omitted in the prior year. The prior year figures have been retroactively adjusted as follows:

#### Consolidated Statement of Financial Position

Increase in long-term debt	\$ (307,128)
Increase in tangible capital assets	<u>311,458</u>
Increase in accumulated surplus	<u>\$ 4,330</u>

#### Consolidated Statement of Operations and Accumulated Surplus

Increase in General expenses (amortization)	\$ (34,607)
Decrease in General expenses (loan payment)	4,437
Decrease in OCDC expenses (downpayment)	<u>34,500</u>
Increase in annual surplus	<u>\$ 4,330</u>

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### 2. Prior Period Adjustment - Trust Funds Held by Federal Government

North Caribou Lake First Nation has trust funds that are held in trust in the Consolidated Revenue Fund of the Government of Canada. These funds have been disclosed in the prior year financial statements but were not recorded. The prior year figures have been retroactively adjusted as follows:

#### Consolidated Statement of Financial Position

Increase in trust funds held by	
Federal Government	\$ 322,759
Increase in annual surplus	<u>8,491</u>
Increase in opening 2014 accumulated surplus	<u>\$ 314,268</u>

#### Consolidated Statement of Operations and Accumulated Surplus

Increase in miscellaneous revenue	\$ 8,491
Increase in annual surplus	<u>\$ 8,491</u>

# North Caribou Lake First Nation

## Notes to Consolidated Financial Statements

March 31, 2015

### 3. Bank

	2015	2014
Administration Account	\$ (278,076)	\$ (330,970)
CAEDS	52,483	79,392
Casino Rama	271,197	58,793
Education	(116,619)	(159,530)
General	656,957	820,711
Health and Social Services	(34,945)	(55,122)
Janitorial	112,703	183,640
Non-AANDC	(59,121)	17,734
OCDC - General	174,037	128,292
Onadamatay Community Store	114,395	184,096
Operation and Maintenance	(161,777)	(238,979)
North Caribou Construction Ltd.	(31,544)	(127,971)
Realignment Road	684,457	-
Social Development	<u>17,257</u>	<u>(139,485)</u>
	<u><u>\$ 1,401,404</u></u>	<u><u>\$ 420,601</u></u>

The bank accounts are maintained at one financial institution. The bank accounts are non-interest bearing for account balances under \$100,000, prime less 4% for balances between \$100,000 to \$499,000 and prime less 3% for balances over \$500,000.

The First Nation is, in the normal course of operations, exposed to credit risk from having account balances over the amounts insured by the Canadian Deposit Insurance Corporation.

### 4. Short-term Investments

	2015	2014
Casino Rama	\$ 371,170	\$ 368,286
Education	23,609	23,353
CAEDS	5,379	5,338
North Caribou Construction Ltd.	<u>6,125</u>	<u>6,077</u>
	<u><u>\$ 406,283</u></u>	<u><u>\$ 403,054</u></u>

The short-term investments are comprised of guaranteed investment certificates with rates between 0.80% and 0.90% and maturity dates within the next fiscal year.

**North Caribou Lake First Nation  
Notes to Consolidated Financial Statements**

**March 31, 2015**

**5. Accounts Receivable**

	<b>2015</b>	<b>2014</b>
<b>Administration</b>		
Aboriginal Affairs and Northern Development		
Canada	\$ 193,040	\$ 50,578
Harmonized sales tax	(3,722)	(15,024)
Other	35,658	69,421
Allowance for doubtful accounts	<u>(23,739)</u>	<u>(32,191)</u>
	<u>201,237</u>	<u>72,784</u>
<b>CAEDS</b>		
Loans	12,864	5,843
Allowance for doubtful accounts	<u>(4,173)</u>	<u>(4,020)</u>
	<u>8,691</u>	<u>1,823</u>
<b>Education</b>		
Other	42,156	10,222
Aboriginal Affairs and Northern Development		
Canada	3,214	518
Allowance for doubtful accounts	<u>(3,373)</u>	<u>(3,373)</u>
	<u>41,997</u>	<u>7,367</u>
<b>Janitorial</b>		
Musselwhite Mine	132,079	170,546
Other	5,835	1,904
Allowance for doubtful accounts	<u>(98,014)</u>	<u>(96,953)</u>
	<u>39,900</u>	<u>75,497</u>
<b>General</b>		
Finn Way General Contractors	74,324	74,324
Oakley Construction	49,871	49,871
Weagamow Air Corporation (o/a Weagamow Air)	271,865	237,299
Premier Gold	7,161	3,161
Harmonized sales tax	22,638	(10,249)
Other	1,151,869	898,297
Musselwhite Mine	109,227	163,378
Allowance for doubtful accounts	<u>(949,995)</u>	<u>(771,112)</u>
	<u>736,960</u>	<u>644,969</u>
<b>Sub-total carried forward</b>	<b>1,028,785</b>	<b>802,440</b>

**North Caribou Lake First Nation  
Notes to Consolidated Financial Statements**

**March 31, 2015**

5. Accounts Receivable (continued)	2015	2014
Sub-total brought forward	<u>1,028,785</u>	<u>802,440</u>
<b>Social Development</b>		
Ministry of Community and Social Services	24,066	22,032
Ministry of Health	<u>20,735</u>	<u>28,723</u>
	<u>44,801</u>	<u>50,755</u>
<b>Casino Rama</b>	<u>8,361</u>	<u>7,689</u>
<b>Health and Social Services</b>		
Harmonized sales tax	13,143	6,043
Other	7,069	2,793
Allowance for doubtful accounts	<u>(3,883)</u>	<u>(4,848)</u>
	<u>16,329</u>	<u>3,988</u>
<b>Non-AANDC</b>		
Other	30,849	31,959
Harmonized sales tax	2,434	1,403
Nishnawbe Aski Nation	27,918	6,836
Sioux Lookout Area Aboriginal Management Board	9,441	30,221
Allowance for doubtful accounts	<u>(39,073)</u>	<u>(35,034)</u>
	<u>31,569</u>	<u>35,385</u>
<b>North Caribou Construction Ltd.</b>		
Other	241,618	297,844
Harmonized sales tax	476	23,542
North Caribou Lake First Nation	393,661	284,184
Intercompany eliminations	<u>(393,661)</u>	<u>(284,184)</u>
Allowance for doubtful accounts	<u>(15,248)</u>	<u>(95,831)</u>
	<u>226,846</u>	<u>225,555</u>
<b>Operation and Management</b>		
Harmonized sales tax	7,479	5,029
Other	23,466	6,470
Weagamow Air Corporation (o/a Weagamow Air)	36,062	36,062
Allowance for doubtful accounts	<u>(48,816)</u>	<u>(49,860)</u>
	<u>18,191</u>	<u>(2,299)</u>
Sub-total carried forward	<u>1,374,882</u>	<u>1,123,513</u>

**North Caribou Lake First Nation  
Notes to Consolidated Financial Statements**

**March 31, 2015**

5. Accounts Receivable (continued)	2015	2014
Sub-total brought forward	<u>1,374,882</u>	1,123,513
Onadamakay Community Store		
Other	524,651	288,053
Harmonized sales tax	117,267	276,620
Allowance for doubtful accounts	<u>(193,928)</u>	(86,558)
	<u>447,990</u>	478,115
OCDC - General		
Other	5,704	231
Weagamow Air Corporation	146,078	118,414
Allowance for doubtful accounts	<u>(146,078)</u>	(24,542)
	<u>5,704</u>	94,103
Realignment Road		
Harmonized sales tax	<u>5,704</u>	-
	<u>\$ 1,834,280</u>	\$ 1,695,731

**6. Investment in Weagamow Air Corporation (o/a Weagamow Air)**

	2014	2013
Weagamow Air Corporation (o/a Weagamow Air)	<u>\$ (72,789)</u>	\$ (95,693)

**Related Party Transactions**

Weagamow Air Corporation (o/a Weagamow Air) is wholly owned by North Caribou Lake First Nation. Transactions with North Caribou Lake First Nation are in the normal course of operations and are measured at the exchange value (the amount of consideration established and agreed to by the related parties), which approximates the arm's length equivalent value for sales of product and provision of services. Total sales to North Caribou Lake First Nation from Weagamow Air Corporation (o/a Weagamow Air) during the year were \$95,604 (2014 - \$137,855).

**North Caribou Lake First Nation  
Notes to Consolidated Financial Statements**

**March 31, 2015**

**6. Investment in Weagamow Air Corporation (o/a Weagamow Air) (continued)**

**Weagamow Air Corporation (o/a Weagamow Air)**

**Balance Sheet  
(NOT SUBJECT TO AUDIT)**

As at October 31

**Assets**

	<b>2014</b>	<b>2013</b>
Current	\$ 392,325	\$ 279,629
Capital assets	<u>206,697</u>	<u>266,387</u>
	<b>\$ 599,022</b>	<b>\$ 546,016</b>

**Liabilities and Members' Deficit**

	<b>2014</b>	<b>2013</b>
Current	\$ 244,375	\$ 167,610
Long-term debt	<u>427,436</u>	<u>474,099</u>
	<b>671,811</b>	<b>641,709</b>

**Members' deficit**

	<b>2014</b>	<b>2013</b>
Contributed surplus	1,322,404	1,291,130
Deficit	<u>(1,395,193)</u>	<u>(1,386,823)</u>
Deficit end of year	<b>(72,789)</b>	<b>(95,693)</b>
	<b>\$ 599,022</b>	<b>\$ 546,016</b>

**Statement of Operations**

**(NOT SUBJECT TO AUDIT)**

For the year ended October 31

**Revenue**

	<b>2014</b>	<b>2013</b>
Flight	\$ 1,111,605	\$ 946,937
Other	<u>80,248</u>	<u>66,586</u>
	<b>1,191,853</b>	<b>1,013,523</b>

**Expenses**

	<b>2014</b>	<b>2013</b>
Cost of goods sold	1,000,046	802,461
Expenses	<u>200,177</u>	<u>222,255</u>
	<b>1,200,223</b>	<b>1,024,716</b>

**Net loss for the year**

**\$ (8,370) \$ (11,193)**

**North Caribou Lake First Nation  
Notes to Consolidated Financial Statements**

**March 31, 2015**

**7. Tangible Capital Assets**

								<b>2015</b>
		Land	Buildings	Equipment	Linear Assets	Roads & Bridges	Total	
Cost, beginning of year	\$	-	\$ 32,648,261	\$ 4,619,076	\$ 25,620,452	\$ 159,235	\$ 63,047,024	
Additions		-	1,110,177	75,541		1,225,615	2,411,333	
Cost, end of year	\$	-	\$ 33,758,438	\$ 4,694,617	\$ 25,620,452	\$ 1,384,850	\$ 65,458,357	
Accumulated amortization, beginning of year	\$	-	\$ 14,718,040	\$ 3,434,241	\$ 17,999,699	\$ 57,325	\$ 36,209,305	
Amortization		-	1,631,559	448,260	1,281,022	61,762	3,422,603	
Accumulated amortization, end of year	\$	-	\$ 16,349,599	\$ 3,882,501	\$ 19,280,721	\$ 119,087	\$ 39,631,908	
Net carrying amount, end of year	\$	-	\$ 17,408,839	\$ 812,116	\$ 6,339,731	\$ 1,265,763	\$ 25,826,449	

Assets under construction in the amount of \$82,217 (2014 - \$Nil) are included in building but no amortization has been taken.

Assets held under capital leases in the amount of \$386,218 (2014 - \$386,218) are included in equipment and include a mandatory purchase option.

**North Caribou Lake First Nation  
Notes to Consolidated Financial Statements**

March 31, 2015

**7. Tangible Capital Assets (continued)**

	2014					
	Land	Buildings	Equipment	Linear Assets	Roads & Bridges	Total
Cost, beginning of year	\$ 31,199,640	\$ 4,133,529	\$ 25,331,323	\$ 159,235	\$ 60,823,727	
Additions	1,448,621	485,547	289,129			2,223,297
<b>Cost, end of year</b>	<b>\$ 32,648,261</b>	<b>\$ 4,619,076</b>	<b>\$ 25,620,452</b>	<b>\$ 159,235</b>	<b>\$ 63,047,024</b>	
Accumulated amortization, beginning of year	\$ 13,273,728	\$ 3,010,918	\$ 16,750,424	\$ 44,586	\$ 33,079,656	
Amortization	1,444,312	423,323	1,249,275			3,129,649
<b>Accumulated amortization, end of year</b>	<b>\$ 14,718,040</b>	<b>\$ 3,434,241</b>	<b>\$ 17,999,699</b>	<b>\$ 57,325</b>	<b>\$ 36,209,305</b>	
<b>Net carrying amount, end of year</b>	<b>\$ 17,930,221</b>	<b>\$ 1,184,835</b>	<b>\$ 7,620,753</b>	<b>\$ 101,910</b>	<b>\$ 26,837,719</b>	

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## North Caribou Lake First Nation Notes to Consolidated Financial Statements

March 31, 2015

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8. Accounts Payable

	2015	2014
Administration	\$ 713,249	\$ 472,168
Casino Rama	4,148	3,810
Education	24,210	16,365
General	835,348	950,278
Janitorial	71,583	29,843
Social Development	2,017	2,082
OCDC - General	4,557	(333)
Onadamatay Community Store	115,032	258,153
Operation and Maintenance	32,258	36,903
Non-AANDC	7,569	6,400
North Caribou Construction Ltd.	542,497	431,177
Health	2,028	100
Realignment Road	491,317	-
Intercompany eliminations	<u>(393,661)</u>	<u>(284,184)</u>
	<u><u>\$ 2,452,152</u></u>	<u><u>\$ 1,922,762</u></u>

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## North Caribou Lake First Nation Notes to Consolidated Financial Statements

**March 31, 2015**

### 9. Deferred Revenue and Government Transfers

	Balance March 31 2014	Funding Received 2015	Revenue Recognized 2015	Balance March 31 2015
<b>Federal Government</b>				
Aboriginal Affairs and Northern Development Canada	\$ -	\$ 6,878,433	\$ 6,771,149	\$ 107,284
National Health and Welfare Canada	- -	1,681,542	1,681,542	-
	<hr/>	<hr/>	<hr/>	<hr/>
	- -	8,559,975	8,452,691	107,284
<b>Provincial Government</b>				
Ontario First Nation Limited Partnership	188,392	998,928	766,794	420,526
Ministry of Community and Social Services	- -	807,052	807,052	-
Ministry of Aboriginal Affairs	- -	35,668	35,668	-
Ministry of Health	- -	198,580	198,580	-
Ministry of Northern Development and Mines	- -	111,077	111,077	-
	<hr/>	<hr/>	<hr/>	<hr/>
	188,392	2,151,305	1,919,171	420,526
	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 188,392	\$ 10,711,280	\$ 10,371,862	\$ 527,810

The Aboriginal Affairs and Northern Development Canada balance relates to fixed funding that was not spent by year end and will be utilized in the subsequent year.

The Ontario First Nation Limited Partnership balance relates to funds to be spent on specific areas. Until the funding has been utilized, it has not been earned, and therefore has been deferred.

**North Caribou Lake First Nation  
Notes to Consolidated Financial Statements**

**March 31, 2015**

**10. Long-term Debt**

	<b>2015</b>	<b>2014</b>
Loan payable, repayable at \$6,060 per month including interest at 6.25%, secured by equipment; maturing 2019	<u>\$ 252,047</u>	<u>\$ 307,128</u>

The future minimum loan payments for the next four years are as follows:

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2016	\$ 58,624	\$ 14,093	\$ 72,717
2017	62,395	10,322	72,717
2018	66,408	6,308	72,716
2019	64,620	2,037	66,657
	<u>\$ 252,047</u>	<u>\$ 32,760</u>	<u>\$ 284,807</u>

**11. Capital Lease Obligations**

	<b>2015</b>	<b>2014</b>
Lease payable, repayable at \$4,291 per month including interest at 6.90%, secured by equipment; maturing 2016	<u>\$ 45,616</u>	<u>\$ 92,205</u>
Lease payable, repayable at \$3,294 per month including interest at 6.90%, secured by equipment; maturing 2016	<u>35,020</u>	<u>70,786</u>
	<u>\$ 80,636</u>	<u>\$ 162,991</u>

The future minimum lease payments for the next year is as follows:

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2016	<u>\$ 80,636</u>	<u>\$ 2,808</u>	<u>\$ 83,444</u>

# North Caribou Lake First Nation

## Notes to Consolidated Financial Statements

**March 31, 2015**

### 12. Accumulated Surplus

The First Nation segregates its accumulated surplus into the following categories:

	2015	2014
Investment in tangible capital assets	\$ 25,826,449	\$ 26,837,717
Amounts to be recovered	(582,623)	(470,119)
Current funds	(955,641)	(1,157,028)
Equity in Weagamow Air Corporation	(72,789)	(95,693)
Restricted surplus (Note 13)	<u>3,678,014</u>	<u>3,423,804</u>
	<u><u>\$ 27,893,410</u></u>	<u><u>\$ 28,538,681</u></u>

### 13. Restricted Surplus

	2015	2014
Restricted surplus, opening	\$ 3,423,804	\$ 2,892,930
General surplus for the current year	<u>254,210</u>	<u>530,874</u>
Restricted surplus, ending	<u><u>\$ 3,678,014</u></u>	<u><u>\$ 3,423,804</u></u>

The restricted surplus represents the surplus of the general program. A large portion of this surplus is applied to advances owing from the First Nation controlled enterprises and is not available for general distribution.

### 14. Trust Funds Held by Federal Government

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 Account	Revenue Account	Total
Balance, beginning of year	\$ 53,820	\$ 268,939	\$ 322,759
Interest earned during the year	-	9,134	9,134
Balance, end of year	<u>\$ 53,820</u>	<u>\$ 278,073</u>	<u>\$ 331,893</u>

# North Caribou Lake First Nation Notes to Consolidated Financial Statements

**March 31, 2015**

## **15. Budget Figures**

Under Canadian public sector accounting principles, budget amounts are to be reported on the consolidated statement of revenue and expenses and fund balance for comparative purposes. These budget figures have been provided by management.

	<b>2015</b>
Financial Plan (Budget) Bylaw surplus for the year	\$ 216,220
Add:	
Capital expenses	1,121,246
Less:	
Amortization	<u>(3,422,603)</u>
Budget surplus per statement of revenue and expenses	<u>\$ (2,085,137)</u>

## **16. Economic Dependence**

North Caribou Lake First Nation received a major portion of its revenue pursuant to a funding arrangement with Aboriginal Affairs and Northern Development Canada.

## **17. Aboriginal Affairs and Northern Development Canada - Funding Reconciliation**

	<b>2015</b>	<b>2014</b>
Funding per confirmation	\$ 6,905,323	\$ 5,580,165
Skills link repayable	<u>(19,390)</u>	-
First Nation education management and governance capacity repayable	<u>(7,500)</u>	-
Aboriginal Affairs and Northern Development Canada revenue per financial statements	<u>\$ 6,878,433</u>	<u>\$ 5,580,165</u>

## **18. Health Canada - Funding Reconciliation**

	<b>2015</b>	<b>2014</b>
Funding per confirmation	\$ 1,686,633	\$ 2,251,395
Prior year recoveries	<u>(5,091)</u>	<u>(56,783)</u>
Health Canada revenue per financial statements	<u>\$ 1,681,542</u>	<u>\$ 2,194,612</u>

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## North Caribou Lake First Nation Notes to Consolidated Financial Statements

March 31, 2015

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### 19. Comparative Figures

Certain of the comparative figures presented in the consolidated financial statements have been restated to conform to the current year's presentation.

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### 20. Segmented Information

North Caribou Lake First Nation is a diversified local government that provides a wide range of services to its citizens and members, including band administration, commercial enterprises, infrastructure, health and social services, and education.

For each reported segment, revenues 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. Administrative fees, based on a percentage of revenues, have been allocated to programs where permitted by the funder.

North Caribou Lake First Nation  
Notes to Consolidated Financial Statements

20. Segmented Information (continued)

For the year ended March 31	Segmented Disclosure - Statement of Financial Activities					Consolidated 2015
	Band Administration	Commercial Enterprises/ Other	Infrastructure	Health and Social Services	Education	
<b>Revenue</b>						
Government transfers	\$ 862,443	\$ 1,482,819	\$ 3,843,778	\$ 2,893,824	\$ 2,025,292	\$ 11,108,156
Transfer to deferred revenue	(34,861)	(269,760)			(34,797)	(339,418)
Sales		3,327,976				3,327,976
Income to business enterprises		(8,370)				(8,370)
Other	278,686	5,336,883	73,099	14,868	272,345	5,975,881
North Caribou Construction Ltd. revenue		1,653,983				1,653,983
	<b>1,106,268</b>	<b>11,523,531</b>	<b>3,916,877</b>	<b>2,908,692</b>	<b>2,262,840</b>	<b>21,718,208</b>
<b>Expenses by object</b>						
Amortization	146,084	261,021	2,974,345	19,982	21,172	3,422,604
Capital asset additions from operating		(38,000)	(2,335,793)	(37,540)		(2,411,333)
Contracted services, supplies and other	163,704	3,090,418	3,213,425	1,472,324	304,810	8,244,681
Salaries and benefits	1,376,535	3,122,987	1,078,048	1,256,737	1,610,832	8,445,139
Travel and training	124,865	87,018	16,825	76,769	29,626	335,103
Purchases for resale		2,398,809				2,398,809
Rent, utilities and telephone	21,766	108,939	160,785	58,257	22,615	372,362
North Caribou Construction Ltd. expenses		1,587,388				1,587,388
	<b>1,832,954</b>	<b>10,618,580</b>	<b>5,107,635</b>	<b>2,846,529</b>	<b>1,989,055</b>	<b>22,394,753</b>
<b>Excess (deficiency) of revenue over expenses for the year</b>						
	<b>(726,686)</b>	<b>904,951</b>	<b>(1,190,758)</b>	<b>62,163</b>	<b>273,785</b>	<b>(676,545)</b>
<b>Financing, transfers and adjustments</b>						
	<b>-</b>	<b>31,274</b>				<b>31,274</b>
<b>Surplus (deficit) for the year</b>						
	<b>\$ (726,686)</b>	<b>\$ 936,225</b>	<b>\$ (1,190,758)</b>	<b>\$ 62,163</b>	<b>\$ 273,785</b>	<b>\$ (645,271)</b>

North Caribou Lake First Nation  
Notes to Consolidated Financial Statements

**20. Segmented Information (continued)**

For the year ended March 31	Segmented Disclosure - Statement of Financial Activities						Consolidated 2014
	Band Administration	Commercial Enterprises/ Other	Infrastructure	Health and Social Services	Education		
<b>Revenue</b>							
Government transfers	\$ 713,448	\$ 1,604,625	\$ 2,829,683	\$ 3,227,777	\$ 1,847,352	\$ 10,222,885	
Transfer from deferred revenue		\$ 1,897,199		\$ 1	\$ 3,868		\$ 1,901,068
Sales		\$ 3,131,972					\$ 3,131,972
Income to business enterprises		\$ (11,193)					\$ (11,193)
Other	280,588	5,047,315	41,183	32,772	301,843		5,703,701
Prior year funding adjustments		\$ (35,000)					\$ (35,000)
North Caribou Construction Ltd. revenue		\$ 1,050,147					\$ 1,050,147
	<b>994,036</b>	<b>12,685,065</b>	<b>2,870,866</b>	<b>3,260,550</b>	<b>2,153,063</b>		<b>21,963,580</b>
<b>Expenses by object</b>							
Amortization	157,450	228,618	2,699,511	19,678	24,392		3,129,649
Capital asset additions from operating		\$ (485,548)	\$ (1,737,749)				\$ (2,223,297)
Contracted services, supplies and other	54,945	3,342,412	2,128,166	1,777,354	319,279		7,622,156
Salaries and benefits	1,502,348	3,057,211	1,227,522	1,327,093	1,674,175		8,788,349
Travel and training	96,205	107,049	34,218	72,067	44,258		353,797
Purchases for resale		2,081,466					2,081,466
Rent, utilities and telephone	22,879	67,914	394,568	61,116	20,813		567,290
North Caribou Construction Ltd. expenses		\$ 1,485,653					\$ 1,485,653
	<b>1,833,827</b>	<b>9,884,775</b>	<b>4,746,236</b>	<b>3,257,308</b>	<b>2,082,917</b>		<b>21,805,063</b>
<b>Excess (deficiency) of revenue over expenses for the year</b>	<b>(839,791)</b>	<b>2,800,290</b>	<b>(1,875,370)</b>	<b>3,242</b>	<b>70,146</b>		<b>158,517</b>
<b>Financing, transfers and adjustments</b>		<b>108,949</b>					<b>108,949</b>
<b>Surplus (deficit) for the year</b>	<b>\$ (839,791)</b>	<b>\$ 2,909,239</b>	<b>\$ (1,875,370)</b>	<b>\$ 3,242</b>	<b>\$ 70,146</b>		<b>\$ 267,466</b>