

**North Caribou Lake First Nation
Consolidated Financial Statements
For the year ended March 31, 2016**

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Consolidated Financial Statements
For the year ended March 31, 2016**

Contents

Management's Responsibility for Financial Reporting	2
Independent Auditors' Report	3
Consolidated Financial Statements	
Consolidated Statement of Financial Position	5
Consolidated Statement of Revenue and Expenses and Fund Balance	6
Consolidated Statement of Changes in Net Financial Assets	7
Consolidated Statement of Cash Flows	8
Summary of Significant Accounting Policies	9
Notes to Consolidated Financial Statements	11

Management's Responsibility for Financial Reporting

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.



Chief



Band Administrator



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BDO Canada LLP
37 King Street
PO Box 3010
Dryden ON P8N 3G3 Canada

Independent Auditors' Report

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, 2016, and the consolidated statements of revenue and expenses and fund balance, changes in net financial assets, 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 should account for its investment in Weagamow Air Corporation ("Weagamow") on a consolidated basis as the entity is not self sufficient. The First Nation has recorded this entity as a government business enterprise and accounts for it using the modified equity method. This constitutes a departure from Canadian public sector accounting standards. Under this method, the First Nation records their share of the income as reported in the most recently available unaudited financial statements of Weagamow, which are for the year ended October 31, 2015. As a result of the statements being unaudited and for a different year end, we are unable to determine the impact of this departure on the revenue, expenses and accumulated surplus for the years ended March 31, 2016 and 2015, the assets and liabilities as at March 31, 2016 and 2015, and accumulated surplus as at April 1 and March 31 for both the 2016 and 2015 year ends.

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, 2016, and the results of its operations, change in net financial assets, and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Dryden, Ontario
August 19, 2016

North Caribou Lake First Nation

Consolidated Statement of Financial Position

March 31	2016	2015
Financial assets		
Bank (Note 1)	\$ 427,854	\$ 1,401,404
Short-term investments (Note 2)	759,065	406,283
Accounts receivable (Note 3)	1,681,152	1,834,280
Inventory for resale	571,469	574,572
Trust Funds Held by Federal Government (Note 12)	338,934	331,893
	<u>3,778,474</u>	<u>4,548,432</u>
Financial liabilities		
Accounts payable (Note 6)	1,662,358	2,452,152
Deferred revenue and government transfers (Note 7)	539,520	527,810
Long-term debt (Note 8)	193,423	252,047
Capital lease obligations (Note 9)	-	80,636
Investment in Weagamow Air Corporation (o/a Weagamow Air) (Note 4)	541,667	72,789
	<u>2,936,968</u>	<u>3,385,434</u>
Net financial assets	<u>841,506</u>	<u>1,162,998</u>
Non-financial assets		
Tangible capital assets (Note 5)	24,138,345	25,826,449
Non-financial assets - inventory of capital supplies	583,123	547,977
Non-financial assets - fuel	302,742	349,627
Prepaid expenses	-	6,359
	<u>25,024,210</u>	<u>26,730,412</u>
Accumulated surplus (Note 10)	<u>\$ 25,865,716</u>	<u>\$ 27,893,410</u>

Approved on behalf of the Band Council:

Dual Karole

OKanem

North Caribou Lake First Nation

Consolidated Statement of Revenue and Expenses and Fund Balance

For the year ended March 31	Budget	2016	2015
Revenue			
Aboriginal Affairs and Northern Development Canada (Note 17)	\$ 4,878,887	\$ 6,745,560	\$ 6,878,433
Ministry of Aboriginal Affairs	-	189,950	35,668
Ministry of Community and Social Services	53,650	931,455	807,052
Ministry of Health	219,191	190,467	198,580
Ministry of Northern Development and Mines	-	108,837	111,077
Miscellaneous	2,334,231	3,437,194	3,659,369
Musselwhite Mine	-	1,521,619	1,581,576
Health Canada (Note 18)	1,421,963	1,612,177	1,681,542
Nishnawbe Aski Nation	143,559	168,559	127,598
Northern Nishnawbe Education Council	167,058	152,136	89,532
Onadamakay Community Store	-	3,097,201	3,327,976
Ontario First Nation Limited Partnership	-	1,009,078	998,928
Placer Dome Inc.	-	672,027	695,811
Sioux Lookout Area Aboriginal Management Board	-	106,630	121,668
Tikinanagan Child and Family Services	58,080	58,080	58,080
Transfer from Deferred Revenue	-	527,809	188,392
Transfer to Deferred Revenue	-	(539,520)	(527,809)
Share of loss of Weagamow Corporation (o/a Weagamow Air)	-	(468,948)	(8,370)
North Caribou Construction Ltd. sales to First Nation	-	594,993	1,249,814
North Caribou Construction Ltd. other revenue	-	190,123	404,169
Interorganization elimination	-	(2,090,642)	(3,114,175)
	9,276,619	18,214,785	18,564,911
Expenses			
First Nation Funds	4,649,520	5,731,699	3,702,016
Health and Social Services	1,638,355	1,734,244	1,676,002
Social Development	393,801	1,321,734	1,209,065
Operations and Maintenance	1,668,326	1,638,153	1,939,474
Education	2,165,094	2,172,472	1,956,853
CAEDS	-	23,141	25,990
Ojijakoes Community Development Corporation	5,500	1,090,780	1,228,496
Non-AANDC	231,385	428,382	454,784
General	1,596,025	3,248,499	3,610,333
Casino Rama	705	116,595	76,587
Onadamakay Community Store	10,688	3,175,071	3,383,548
Realignment Road	112,695	552,899	1,456,791
North Caribou Construction Ltd. expenses	72,927	1,099,452	1,635,692
Interorganization elimination	-	(2,090,642)	(3,114,175)
	12,545,021	20,242,479	19,241,456
Deficiency of expenditures for the year	(3,268,402)	(2,027,694)	(676,545)
Financing, transfers and adjustments			
Contributed capital to Weagamow Corporation (o/a Weagamow Air)	-	-	31,274
Deficit for the year	(3,268,402)	(2,027,694)	(645,271)
Accumulated surplus, beginning of year	29,830,581	27,893,410	28,538,681
Accumulated surplus, end of year	\$ 26,562,179	\$ 25,865,716	\$ 27,893,410

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

For the year ended March 31	Budget 2016	Actual 2016	Actual 2015
Annual deficit	\$ (3,268,402)	\$ (2,027,694)	\$ (645,271)
Acquisition of tangible capital assets	(1,121,247)	(1,797,944)	(2,411,333)
Amortization of tangible capital assets	3,486,048	3,486,048	3,422,604
	(903,601)	(339,590)	366,000
Acquisition of non-financial assets	-	(885,867)	(903,965)
Use of non-financial assets	-	903,965	822,312
	-	18,098	(81,653)
Net change in net financial assets	(903,601)	(321,492)	284,347
Net financial assets, beginning of year, as previously stated	1,162,998	1,162,998	555,892
Prior period adjustment (Note 2)	-	-	322,759
Net financial assets, beginning of year	1,162,998	1,162,998	878,651
Net financial assets, end of year	\$ 259,397	\$ 841,506	\$ 1,162,998

North Caribou Lake First Nation

Consolidated Statement of Cash Flows

For the year ended March 31	2016	2015
Cash provided by (used in)		
Operating activities		
Deficiency of revenue over expenses for the year	\$ (2,027,694)	\$ (676,545)
Item not involving cash		
Amortization	3,486,048	3,422,604
Changes in non-cash working capital balances		
Accounts receivable	153,128	(138,549)
Inventory for resale	3,103	138,900
Accounts payable	(789,794)	529,390
Deferred revenue	11,710	339,418
Non-financial assets - inventory of supplies	(35,146)	(196,000)
Non-financial assets - fuel	46,885	117,066
Prepaid expenses	6,359	(2,719)
	<u>854,599</u>	<u>3,533,565</u>
Capital activities		
Purchase of capital assets	<u>(1,797,944)</u>	<u>(2,411,333)</u>
Financing activities		
Repayment of capital lease obligations	(80,636)	(82,355)
Repayment of long-term debt	<u>(58,624)</u>	<u>(55,081)</u>
	<u>(139,260)</u>	<u>(137,436)</u>
Investing activities		
Increase in short-term investments	(352,782)	(3,229)
Increase in trust funds held by Federal Government	(7,041)	(9,134)
Decrease (increase) in investment in Weagamow Air Corporation (o/a Weagamow Air)	468,878	(22,904)
Contributed capital to Weagamow Air Corporation (o/a Weagamow Air)	-	31,274
	<u>109,055</u>	<u>(3,993)</u>
Increase (decrease) in cash during the year	(973,550)	980,803
Bank, beginning of year	<u>1,401,404</u>	<u>420,601</u>
Bank, end of year	\$ 427,854	\$ 1,401,404
Supplementary cash flow information		
Interest received in year	\$62,356	\$43,150
Interest paid in year	\$16,711	\$26,310

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

North Caribou Lake First Nation Summary of Significant Accounting Policies

March 31, 2016

Basis of Accounting 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.

Reporting Entity and Principles of Consolidation 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).

Investments Investments are recorded at cost. Investments are written down where there has been a loss in value that is other than a temporary decline.

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

Tangible Capital Assets 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:

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.

North Caribou Lake First Nation Summary of Significant Accounting Policies

March 31, 2016

Inventories Held for Use	Inventories of supplies held for consumption are recorded at the lower of cost and replacement cost.
Revenue Recognition	<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>
Use of Estimates	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.

North Caribou Lake First Nation

Notes to Consolidated Financial Statements

March 31, 2016

1. Bank

	2016	2015
Administration Account	\$ 22,113	\$ (278,076)
CAEDS	19,282	52,483
Casino Rama	235,212	220,209
Education	(126,334)	(116,619)
General	335,161	656,957
Health and Social Services	(235,137)	(34,945)
Non-AANDC	(10,432)	(59,121)
OCDC - General	45,440	174,037
OCDC - Payroll	6,776	112,703
Onadamakay Community Store	177,517	165,383
Operation and Maintenance	(116,181)	(161,777)
North Caribou Construction Ltd.	8,902	(31,544)
Realignment Road	4,171	684,457
Social Development	61,364	17,257
	<u>\$ 427,854</u>	<u>\$ 1,401,404</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.

2. Short-term Investments

	2016	2015
Casino Rama	\$ 373,345	\$ 371,170
Education	23,783	23,609
General	250,256	-
Health and Social Services	100,118	-
CAEDS	5,407	5,379
North Caribou Construction Ltd.	6,156	6,125
	<u>\$ 759,065</u>	<u>\$ 406,283</u>

The short-term investments are comprised of guaranteed investment certificates with interest at 0.60% and maturity dates within the next fiscal year.

North Caribou Lake First Nation

Notes to Consolidated Financial Statements

March 31, 2016

3. Accounts Receivable

	2016	2015
Administration		
Aboriginal Affairs and Northern Development		
Canada	\$ 72,910	\$ 193,040
Harmonized sales tax	16,828	(3,722)
Other	18,140	35,658
Allowance for doubtful accounts	(21,867)	(23,739)
	<u>86,011</u>	<u>201,237</u>
CAEDS		
Loans	39,368	12,864
Allowance for doubtful accounts	(1,020)	(4,173)
	<u>38,348</u>	<u>8,691</u>
Education		
Other	7,604	42,156
Harmonized sales tax	8,667	3,214
Allowance for doubtful accounts	(5,773)	(3,373)
	<u>10,498</u>	<u>41,997</u>
OCDP Payroll		
Musselwhite Mine	230,924	132,079
Other	14,914	5,835
Allowance for doubtful accounts	(123,299)	(98,014)
	<u>122,539</u>	<u>39,900</u>
General		
Finn Way General Contractors	74,324	74,324
Oakley Construction	49,871	49,871
Weagamow Air Corporation (o/a Weagamow Air)	268,529	271,865
Premier Gold	7,161	7,161
Harmonized sales tax	24,729	22,638
Other	1,284,696	1,151,869
Musselwhite Mine	124,719	109,227
Allowance for doubtful accounts	(985,520)	(949,995)
	<u>848,509</u>	<u>736,960</u>
Sub-total carried forward	1,105,905	1,028,785

North Caribou Lake First Nation

Notes to Consolidated Financial Statements

March 31, 2016

3. Accounts Receivable (continued)	2016	2015
Sub-total brought forward	1,105,905	1,028,785
Social Development		
Harmonized sales tax	1,121	-
Ministry of Community and Social Services	26,705	24,066
Ministry of Health	18,967	20,735
Other	1,021	-
	47,814	44,801
Casino Rama	-	8,361
Health and Social Services		
Health Canada	113,803	-
Harmonized sales tax	6,947	13,143
Other	7,533	7,069
Allowance for doubtful accounts	(5,116)	(3,883)
	123,167	16,329
Non-AANDC		
Other	30,649	30,849
Harmonized sales tax	875	2,434
Nishnawbe Aski Nation	14,356	27,918
Sioux Lookout Area Aboriginal Management Board	6,495	9,441
Allowance for doubtful accounts	(39,000)	(39,073)
	13,375	31,569
North Caribou Construction Ltd.		
Other	154,735	241,618
Harmonized sales tax	7,026	476
North Caribou Lake First Nation	4,588	393,661
Intercompany eliminations	(4,588)	(393,661)
Allowance for doubtful accounts	(39,747)	(15,248)
	122,014	226,846
Operation and Management		
Harmonized sales tax	1,035	7,479
Other	33,778	23,466
Weagamow Air Corporation (o/a Weagamow Air)	36,012	36,062
Allowance for doubtful accounts	(48,816)	(48,816)
	22,009	18,191
Sub-total carried forward	1,434,284	1,374,882

North Caribou Lake First Nation Notes to Consolidated Financial Statements

March 31, 2016

3. Accounts Receivable (continued)	2016	2015
Sub-total brought forward	<u>1,434,284</u>	<u>1,374,882</u>
Onadamakay Community Store		
Other	305,820	339,180
Weagamow Air Corporation (o/a Weagamow Air)	173,010	185,471
Harmonized sales tax	116,444	117,001
Allowance for doubtful accounts	<u>(359,078)</u>	<u>(193,928)</u>
	<u>236,196</u>	<u>447,724</u>
OCDC - General		
Other	7,920	33,368
Harmonized sales tax	2,053	266
Weagamow Air Corporation	146,078	118,414
Allowance for doubtful accounts	<u>(146,078)</u>	<u>(146,078)</u>
	<u>9,973</u>	<u>5,970</u>
Realignment Road		
Harmonized sales tax	<u>699</u>	<u>5,704</u>
	<u>\$ 1,681,152</u>	<u>\$ 1,834,280</u>

4. Investment in Weagamow Air Corporation (o/a Weagamow Air)

	2015	2014
Weagamow Air Corporation (o/a Weagamow Air)	<u>\$ (541,667)</u>	<u>\$ (72,789)</u>

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 \$108,809 (2015 - \$95,604).

North Caribou Lake First Nation

Notes to Consolidated Financial Statements

March 31, 2016

4. 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

Current

Capital assets

	2015	2014
	\$ 366,312	\$ 392,325
	164,200	206,697
	<u>\$ 530,512</u>	<u>\$ 599,022</u>

Liabilities and Members' Deficit

Current

Long-term debt

	\$ 433,815	\$ 244,375
	638,364	427,436
	<u>1,072,179</u>	<u>671,811</u>

Members' deficit

Contributed surplus

Deficit

	1,322,404	1,322,404
	<u>(1,864,071)</u>	<u>(1,395,193)</u>

Deficit end of year

	<u>(541,667)</u>	<u>(72,789)</u>
	<u>\$ 530,512</u>	<u>\$ 599,022</u>

Statement of Operations
(NOT SUBJECT TO AUDIT)
For the year ended October 31

Revenue

Flight

Other

	2015	2014
	\$ 980,465	\$ 1,111,605
	27,976	80,248
	<u>1,008,441</u>	<u>1,191,853</u>

Expenses

Cost of goods sold

Expenses

	1,200,709	1,000,046
	276,680	200,177
	<u>1,477,389</u>	<u>1,200,223</u>

Net loss for the year

	<u>\$ (468,948)</u>	<u>\$ (8,370)</u>
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**North Caribou Lake First Nation
Notes to Consolidated Financial Statements**

March 31, 2016

5. Tangible Capital Assets

	2016					
	Land	Buildings	Equipment	Linear Assets	Roads & Bridges	Total
Cost, beginning of year	\$ -	\$ 33,758,438	\$ 4,694,617	\$ 25,620,452	\$ 1,384,850	\$ 65,458,357
Additions	-	1,303,802	302,983	-	191,159	1,797,944
Cost, end of year	\$ -	\$ 35,062,240	\$ 4,997,600	\$ 25,620,452	\$ 1,576,009	\$ 67,256,301
Accumulated amortization, beginning of year	\$ -	\$ 16,349,599	\$ 3,882,501	\$ 19,280,721	\$ 119,087	\$ 39,631,908
Amortization	-	1,695,892	390,700	1,281,022	118,434	3,486,048
Accumulated amortization, end of year	\$ -	\$ 18,045,491	\$ 4,273,201	\$ 20,561,743	\$ 237,521	\$ 43,117,956
Net carrying amount, end of year	\$ -	\$ 17,016,749	\$ 724,399	\$ 5,058,709	\$ 1,338,488	\$ 24,138,345

Assets under construction in the amount of \$129,483 (2015 - \$82,217) are included in building but no amortization has been taken.

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

March 31, 2016

5. Tangible Capital Assets (continued)

							2015
	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

North Caribou Lake First Nation

Notes to Consolidated Financial Statements

March 31, 2016

6. Accounts Payable

	2016	2015
Administration	\$ 677,587	\$ 713,249
Casino Rama	4,148	4,148
Education	66,041	24,210
General	269,466	835,348
Janitorial	66,427	71,583
Social Development	23,419	2,017
OCDC - General	(2,455)	4,557
Onadamakay Community Store	5,636	115,032
Operation and Maintenance	(2,466)	32,258
Non-AANDC	34,254	7,569
North Caribou Construction Ltd.	393,574	542,497
Health	131,322	2,028
Realignment Road	(7)	491,317
Intercompany eliminations	(4,588)	(393,661)
	<u>\$ 1,662,358</u>	<u>\$ 2,452,152</u>

North Caribou Lake First Nation Notes to Consolidated Financial Statements

March 31, 2016

7. Deferred Revenue and Government Transfers

	Balance March 31 2015	Funding Received 2016	Revenue Recognized 2016	Balance March 31 2016
Federal Government				
Aboriginal Affairs and Northern Development Canada	\$ 107,284	\$ 6,745,560	\$ 6,747,667	\$ 105,177
National Health and Welfare Canada	-	1,612,177	1,612,177	-
	<u>107,284</u>	<u>8,357,737</u>	<u>8,359,844</u>	<u>105,177</u>
Provincial Government				
Ontario First Nation Limited Partnership	420,526	1,009,078	995,261	434,343
Ministry of Community and Social Services	-	931,455	931,455	-
Ministry of Aboriginal Affairs	-	189,950	189,950	-
Ministry of Health	-	190,467	190,467	-
Ministry of Northern Development and Mines	-	108,837	108,837	-
	<u>420,526</u>	<u>2,429,787</u>	<u>2,415,970</u>	<u>434,343</u>
	<u>\$ 527,810</u>	<u>\$ 10,787,524</u>	<u>\$ 10,775,814</u>	<u>\$ 539,520</u>

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, 2016

8. Long-term Debt

	2016	2015
Loan payable, repayable at \$6,060 per month including interest at 6.25%, secured by equipment; maturing 2019	\$ 193,423	\$ 252,047

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

	Principal	Interest	Total
2017	\$ 62,395	\$ 10,322	\$ 72,717
2018	66,408	6,308	72,716
2019	64,620	2,037	66,657
	<u>\$ 193,423</u>	<u>\$ 18,667</u>	<u>\$ 212,090</u>

9. Capital Lease Obligations

	2016	2015
Lease payable, repayable at \$4,291 per month including interest at 6.90%, secured by equipment; maturing 2016	\$ -	\$ 45,616
Lease payable, repayable at \$3,294 per month including interest at 6.90%, secured by equipment; maturing 2016	-	35,020
	<u>\$ -</u>	<u>\$ 80,636</u>

North Caribou Lake First Nation

Notes to Consolidated Financial Statements

March 31, 2016

10. Accumulated Surplus

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

	2016	2015
Investment in tangible capital assets	\$ 24,138,345	\$ 25,826,449
Investment in trust funds	338,934	331,893
Amounts to be recovered	(193,423)	(582,623)
Current funds	(1,756,834)	(1,287,534)
Equity in Weagamow Air Corporation	(541,667)	(72,789)
Restricted surplus (Note 11)	3,880,361	3,678,014
	<u>\$ 25,865,716</u>	<u>\$ 27,893,410</u>

11. Restricted Surplus

	2016	2015
Restricted surplus, opening	\$ 3,678,014	\$ 3,423,804
General surplus for the current year	202,347	254,210
Restricted surplus, ending	<u>\$ 3,880,361</u>	<u>\$ 3,678,014</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.

12. 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	\$ 278,073	\$ 331,893
Interest earned during the year	-	7,041	7,041
Balance, end of year	<u>\$ 53,820</u>	<u>\$ 285,114</u>	<u>\$ 338,934</u>

North Caribou Lake First Nation

Notes to Consolidated Financial Statements

March 31, 2016

13. 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.

	2016
Financial Plan (Budget) Bylaw deficit for the year	\$ (1,006,362)
Add:	
Capital expenses	1,224,008
Less:	
Amortization	(3,486,048)
Budget deficit per statement of revenue and expenses	<u>\$ (3,268,402)</u>

14. 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.

15. Aboriginal Affairs and Northern Development Canada - Funding Reconciliation

	2016	2015
Funding per confirmation	\$ 6,758,538	\$ 6,905,323
Welfare administration repayable	(4,023)	-
In-home care repayable	(8,955)	-
Skills link repayable	-	(19,390)
First Nation education management and governance capacity repayable	-	(7,500)
Aboriginal Affairs and Northern Development Canada revenue per financial statements	<u>\$ 6,745,560</u>	<u>\$ 6,878,433</u>

16. Health Canada - Funding Reconciliation

	2016	2015
Funding per confirmation	\$ 1,742,913	\$ 1,686,633
Prior year recoveries	(130,736)	(5,091)
Health Canada revenue per financial statements	<u>\$ 1,612,177</u>	<u>\$ 1,681,542</u>

North Caribou Lake First Nation Notes to Consolidated Financial Statements

March 31, 2016

17. Comparative Figures

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

18. 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

18. Segmented Information (continued)

Segmented Disclosure - Statement of Financial Activities						
For the year ended March 31	Band Administration	Commercial Enterprises/ Other	Infrastructure	Health and Social Services	Education	Consolidated 2016
Revenue						
Government transfers	\$ 859,890	\$ 2,131,074	\$ 3,100,947	\$ 2,934,274	\$ 2,246,744	\$ 11,272,929
Transfer from (to) deferred revenue	37,363	(13,817)	-	-	(35,256)	(11,710)
Sales	-	3,097,201	-	-	-	3,097,201
Income to business enterprises	-	(468,948)	-	-	-	(468,948)
Other	609,514	4,718,105	70,112	19,923	213,185	5,630,839
North Caribou Construction Ltd. revenue	-	785,116	-	-	-	785,116
	<u>1,506,767</u>	<u>10,248,731</u>	<u>3,171,059</u>	<u>2,954,197</u>	<u>2,424,673</u>	<u>20,305,427</u>
Expenses by object						
Amortization	166,573	207,293	3,089,309	13,898	8,975	3,486,048
Capital asset additions from operating	-	(137,694)	(1,635,150)	-	(25,100)	(1,797,944)
Contracted services, supplies and other	376,250	3,383,857	2,185,399	1,482,914	347,416	7,775,836
Salaries and benefits	1,431,789	2,998,759	1,241,401	1,373,774	1,737,732	8,783,455
Travel and training	106,873	65,955	13,604	132,752	56,327	375,511
Purchases for resale	-	2,158,234	-	-	-	2,158,234
Rent, utilities and telephone	20,339	74,292	335,111	45,592	22,023	497,357
North Caribou Construction Ltd. expenses	-	1,054,624	-	-	-	1,054,624
	<u>2,101,824</u>	<u>9,805,320</u>	<u>5,229,674</u>	<u>3,048,930</u>	<u>2,147,373</u>	<u>22,333,121</u>
Excess (deficiency) of revenue over expenses for the year	\$ (595,057)	\$ 443,411	\$ (2,058,615)	\$ (94,733)	\$ 277,300	\$ (2,027,694)

North Caribou Lake First Nation
Notes to Consolidated Financial Statements

18. Segmented Information (continued)

Segmented Disclosure - Statement of Financial Activities

For the year ended March 31	Band Administration	Commercial Enterprises/ Other	Infrastructure	Health and Social Services	Education	Consolidated 2015
Revenue						
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	375,486	5,202,718	71,341	14,868	272,345	5,936,758
North Caribou Construction Ltd. revenue	-	1,653,983	-	-	-	1,653,983
	<u>1,203,068</u>	<u>11,389,366</u>	<u>3,915,119</u>	<u>2,908,692</u>	<u>2,262,840</u>	<u>21,679,085</u>
Expenses by object						
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	3,082,495	3,213,425	1,472,324	304,810	8,236,758
Salaries and benefits	1,376,535	3,122,987	1,078,048	1,256,737	1,579,632	8,413,939
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
	<u>1,832,954</u>	<u>10,610,657</u>	<u>5,107,635</u>	<u>2,846,529</u>	<u>1,957,855</u>	<u>22,355,630</u>
Excess (deficiency) of revenue over expenses for the year	<u>(629,886)</u>	<u>778,709</u>	<u>(1,192,516)</u>	<u>62,163</u>	<u>304,985</u>	<u>(676,545)</u>
Financing, transfers and adjustments	<u>-</u>	<u>31,274</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,274</u>
Surplus (deficit) for the year	<u>\$ (629,886)</u>	<u>\$ 809,983</u>	<u>\$ (1,192,516)</u>	<u>\$ 62,163</u>	<u>\$ 304,985</u>	<u>\$ (645,271)</u>