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PACKAGE ONE -  
ITEMS TO BE PUBLISHED

Private & Confidential

**North Caribou Lake First Nation  
Consolidated Financial Statements  
For the year ended March 31, 2018**

**North Caribou Lake First Nation  
Consolidated Financial Statements  
For the year ended March 31, 2018**

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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.

Derek Kanale  
Chief

Adrienne Crane  
Band Administrator

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## 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, 2018, 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 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, 2017. 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, 2018 and 2017, the assets and liabilities as at March 31, 2018 and 2017, and accumulated surplus as at April 1 and March 31 for both the 2018 and 2017 year ends. Our audit opinion on the consolidated financial statements for the year ended March 31, 2017, was modified accordingly because of the possible effects of this limitation in scope.

#### **Qualified Opinion**

In our opinion, except for the effects of matter described in the Basis for Qualification paragraph, the consolidated financial statements present fairly, in all material respects, the financial position of North Caribou Lake First Nation as at March 31, 2018, 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.

*BDO Canada LLP*

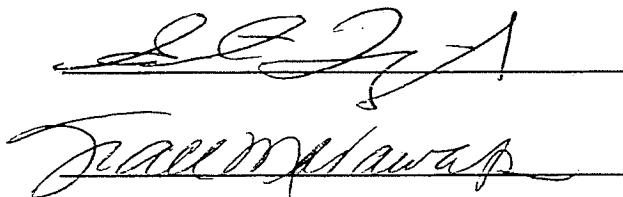
Chartered Professional Accountants, Licensed Public Accountants

Dryden, Ontario  
February 6, 2019

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

<u>March 31</u>	<u>2018</u>	<u>2017</u>
		(Restated - see Note 1)
<b>Financial assets</b>		
Bank (Note 2)	\$ 1,036,707	\$ 1,535,385
Short-term investments (Note 3)	767,197	763,411
Accounts receivable (Note 4)	5,609,913	3,963,720
Inventory for resale	391,349	648,491
Trust Funds Held by Federal Government	352,543	345,217
	<u>8,157,709</u>	<u>7,256,224</u>
<b>Financial liabilities</b>		
Accounts payable (Note 7)	2,168,792	3,081,505
Deferred revenue and government transfers (Note 8)	5,283,023	2,818,051
Long-term debt (Note 9)	135,407	131,028
Investment in Weagamow Air Corporation (o/a Weagamow Air) (Note 5)	1,050,554	853,522
	<u>8,637,776</u>	<u>6,884,106</u>
<b>Net financial assets (debt)</b>	<u>(480,067)</u>	<u>372,118</u>
<b>Non-financial assets</b>		
Tangible capital assets (Note 6)	23,923,766	25,081,658
Non-financial assets - inventory of capital supplies	-	1,035,446
Non-financial assets - fuel	267,183	322,117
	<u>24,190,949</u>	<u>26,439,221</u>
<b>Accumulated surplus (Note 10)</b>	<u>\$ 23,710,882</u>	<u>\$ 26,811,339</u>

Approved on behalf of the Band Council:



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

For the year ended March 31	Budget	2018	2017
<b>Revenue</b>			(Restated - see Note 1)
Indigenous and Northern Affairs Canada (Note 14)	\$ 7,622,063	\$ 13,204,634	\$ 11,601,187
Ministry of Aboriginal Affairs	179,516	92,578	89,997
Ministry of Community and Social Services	-	1,117,414	1,066,798
Ministry of Health	89,191	232,595	193,955
Ministry of Northern Development and Mines	-	122,398	118,835
Ministry of the Attorney General	-	100,000	-
Miscellaneous	2,640,982	1,941,347	2,079,316
Musselwhite Mine	-	1,417,816	1,458,551
Health Canada (Note 15)	2,510,811	2,509,202	1,698,539
Nishnawbe Aski Nation	770,927	351,040	267,749
Northern Nishnawbe Education Council	152,136	202,716	152,136
Northern Ontario Heritage Fund Corporation	-	-	24,900
Onadamatay Community Store	-	3,345,139	3,420,266
Ontario First Nation Limited Partnership	-	1,158,076	1,143,993
Placer Dome Inc.	-	723,491	778,960
Sioux Lookout Area Aboriginal Management Board	-	97,509	202,244
Tikinagan Child and Family Services	58,080	58,080	58,080
Share of loss of Weagamow Corporation (o/a Weagamow Air)	-	(197,032)	(311,855)
North Caribou Construction Ltd. other revenue	-	136,245	119,498
	<hr/> 14,023,706	<hr/> 26,613,248	<hr/> 24,163,149
<b>Expenses</b>			
First Nation Funds	1,397,031	6,097,983	6,930,159
Health and Social Services	2,470,472	2,390,268	1,516,655
Social Development	492,041	1,438,880	1,405,369
Operations and Maintenance	1,752,574	1,843,712	1,653,478
Education	3,685,862	2,911,255	2,460,917
CAEDS	-	140	26,980
Ojijakoes Community Development Corporation	-	1,200,708	1,185,167
Non-INAC	265,168	680,600	602,227
General	1,722,569	3,999,137	3,335,642
Casino Rama	-	159,789	87,380
Onadamatay Community Store	-	2,727,788	2,876,548
Realignment Road	-	127,450	127,441
Capital Projects	-	5,249,532	596,239
North Caribou Construction Ltd. expenses	-	886,463	847,667
	<hr/> 11,785,717	<hr/> 29,713,705	<hr/> 23,651,869
<b>Excess (deficiency) of revenue over expenses for the year</b>	<hr/> 2,237,989	<hr/> (3,100,457)	<hr/> 511,280
Accumulated surplus, beginning of year	22,362,762	26,811,339	25,865,716
Prior period adjustment (Note 1)	-	-	434,343
Accumulated surplus, beginning of year, restated	22,362,762	26,811,339	26,300,059
Accumulated surplus, end of year	<hr/> \$ 24,600,751	<hr/> \$ 23,710,882	<hr/> \$ 26,811,339

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

<u>For the year ended March 31</u>	<u>Budget 2018</u>	<u>Actual 2018</u>	<u>Actual 2017</u>
			(Restated - see Note 1)
<b>Annual surplus (deficit)</b>	<b>\$ 2,237,989</b>	<b>\$ (3,100,457)</b>	<b>\$ 511,280</b>
Acquisition of tangible capital assets	(1,657,891)	(2,362,827)	(4,511,080)
Amortization of tangible capital assets	-	3,520,719	3,567,768
	<u>580,098</u>	<u>(1,942,565)</u>	<u>(432,032)</u>
Acquisition of non-financial assets	-	(267,186)	(1,357,566)
Use of non-financial assets	-	1,357,566	885,867
	<u>-</u>	<u>1,090,380</u>	<u>(471,699)</u>
<b>Net change in net financial assets (debt)</b>	<b>580,098</b>	<b>(852,185)</b>	<b>(903,731)</b>
<b>Net financial assets, beginning of year, as previously stated</b>	<b>372,118</b>	<b>372,118</b>	<b>841,506</b>
<b>Prior period adjustment (Note 1)</b>	<b>-</b>	<b>-</b>	<b>434,343</b>
<b>Net financial assets, beginning of year, restated</b>	<b>372,118</b>	<b>372,118</b>	<b>1,275,849</b>
<b>Net financial assets (debt), end of year</b>	<b>\$ 952,216</b>	<b>\$ (480,067)</b>	<b>\$ 372,118</b>

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

**For the year ended March 31**

**2018**

**2017**

(Restated -  
see Note 1)

**Cash provided by (used in)**

**Operating activities**

Excess (deficiency) of revenue over expenses for the year	\$ (3,100,457)	\$ 511,280
Item not involving cash		
Amortization	3,520,719	3,567,768

**Changes in non-cash working capital balances**

Accounts receivable	(1,646,193)	(1,975,663)
Inventory for resale	257,142	(77,022)
Accounts payable	(912,713)	1,112,240
Deferred revenue	2,464,972	2,712,875
Non-financial assets - inventory of supplies	1,035,446	(452,323)
Non-financial assets - fuel	<u>54,934</u>	<u>(19,375)</u>

**1,673,850** **5,379,780**

**Capital activities**

Purchase of capital assets	<u>(2,362,827)</u>	<u>(4,511,080)</u>
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**Financing activities**

Repayment of long-term debt	<u>4,379</u>	<u>(62,395)</u>
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**Investing activities**

Increase in short-term investments	(3,786)	(4,346)
increase in trust funds held by Federal Government	(7,326)	(6,283)
Increase in investment in Weagamow Air Corporation (o/a Weagamow Air)	<u>197,032</u>	<u>311,855</u>

**185,920** **301,226**

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

**(498,678)** **1,107,531**

Bank, beginning of year

**1,535,385** **427,854**

Bank, end of year

**\$ 1,036,707** **\$ 1,535,385**

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

March 31, 2018

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**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	-	5%
Equipment	-	20%
Linear Assets	-	5%
Roads & Bridges	-	8%

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, 2018

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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 management's best estimates as additional information becomes available in the future.

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

March 31, 2018

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### 1. Prior Period Adjustment - Ontario First Nations Limited Partnership Revenue

During the year, the First Nation determined that the Ontario First Nations Limited Partnership ("OFNLP") program funds should not have been deferred and instead reflected in accumulated surplus. This error has been corrected retroactively with restatement of prior years. The correction had the following effect on the comparative financial statements:

#### Consolidated Statement of Financial Position

Decrease in deferred revenues	\$ (603,284)
Increase in annual surplus	<u>168,941</u>
	<u>\$ (434,343)</u>

#### Consolidated Statement of Revenue and Expenses and Fund Balance

Increase in revenue	\$ 168,941
Increase in annual surplus	<u>\$ 168,941</u>

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### 2. Bank

	2018	2017
Administration Account	\$ 1,522,181	\$ 1,154,540
CAEDS	32,234	26,921
Capital Projects	(640,575)	196,255
Casino Rama	148,272	241,363
Education	(22,610)	171,459
General	(102,990)	(78,885)
Health and Social Services	(388,713)	(568,198)
Non-INAC	(16,649)	99,864
OCDC - General	2,962	3,092
OCDC - Payroll	127,964	96,998
Onadamatay Community Store	511,641	109,991
Operation and Maintenance	(202,375)	(45,352)
North Caribou Construction Ltd.	(21,037)	3,786
Realignment Road	3,964	4,072
Social Development	<u>82,438</u>	<u>119,479</u>
	<u><u>\$ 1,036,707</u></u>	<u><u>\$ 1,535,385</u></u>

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 has an operating line of credit for each of their accounts. These are secured by Band Council Resolutions.

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.

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

March 31, 2018

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### 3. Short-term Investments

	2018	2017
Casino Rama	\$ 377,425	\$ 375,536
Education	23,923	23,826
General	252,965	251,718
Health and Social Services	101,193	100,699
CAEDS	5,467	5,439
North Caribou Construction Ltd.	<u>6,224</u>	<u>6,193</u>
	<hr/> <b>\$ 767,197</b>	<hr/> <b>\$ 763,411</b>

The short-term investments are comprised of guaranteed investment certificates with interest at 0.45-0.60% and maturity dates within the next fiscal year.

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# North Caribou Lake First Nation Notes to Consolidated Financial Statements

March 31, 2018

## 4. Accounts Receivable

	2018	2017
<b>Administration</b>		
Indigenous and Northern Affairs Canada	\$ 2,992,937	\$ 1,319,569
Harmonized sales tax	15,866	16,302
Other	47,839	146,023
Allowance for doubtful accounts	<u>(25,046)</u>	<u>(22,956)</u>
	<u>3,031,596</u>	<u>1,458,938</u>
<b>CAEDS</b>		
Loans	34,430	38,440
Allowance for doubtful accounts	<u>(27,497)</u>	<u>(27,497)</u>
	<u>6,933</u>	<u>10,943</u>
<b>Education</b>		
Other	6,377	91,090
Harmonized sales tax	16,974	13,670
Allowance for doubtful accounts	<u>(5,973)</u>	<u>(5,973)</u>
	<u>17,378</u>	<u>98,787</u>
<b>OCDC Payroll</b>		
Musselwhite Mine	464,329	436,152
Other	41,150	38,983
Allowance for doubtful accounts	<u>(106,866)</u>	<u>(110,386)</u>
	<u>398,613</u>	<u>364,749</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)	432,117	436,798
Premier Gold	7,161	7,161
Harmonized sales tax	46,386	26,154
Other	1,307,847	1,214,042
Musselwhite Mine	142,923	121,030
Allowance for doubtful accounts	<u>(1,373,893)</u>	<u>(1,162,274)</u>
	<u>686,736</u>	<u>767,106</u>
<b>Capital Projects</b>		
Other	1,353	42,347
Sub-total carried forward	4,142,609	2,742,870

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

**March 31, 2018**

4. Accounts Receivable (continued)	2018	2017
Sub-total brought forward	4,142,609	2,742,870
<b>Social Development</b>		
Harmonized sales tax	4,464	4,892
Ministry of Community and Social Services	62,414	13,479
Ministry of Health	13,235	7,672
Other	100	(450)
	<u>80,213</u>	<u>25,593</u>
<b>Casino Rama</b>	<u>1,825</u>	<u>2,264</u>
<b>Health and Social Services</b>		
Health Canada	579,986	363,386
Harmonized sales tax	13,672	9,183
Other	8,649	7,948
Allowance for doubtful accounts	(11,443)	(9,968)
	<u>590,864</u>	<u>370,549</u>
<b>Non-INAC</b>		
Other	64,684	39,795
Harmonized sales tax	2,880	3,279
Nishnawbe Aski Nation	119,059	63,370
Sioux Lookout Area Aboriginal Management Board	22,740	6,495
Allowance for doubtful accounts	(48,564)	(38,670)
	<u>160,799</u>	<u>74,269</u>
<b>North Caribou Construction Ltd.</b>		
Other	192,663	191,211
Harmonized sales tax	11,393	7,703
North Caribou Lake First Nation	50,208	36,945
Intercompany eliminations	(50,208)	(36,945)
Allowance for doubtful accounts	(97,167)	(47,617)
	<u>106,889</u>	<u>151,297</u>
<b>Operation and Management</b>		
Harmonized sales tax	6,984	5,779
Other	101,700	38,864
Weagamow Air Corporation (o/a Weagamow Air)	36,012	36,012
Allowance for doubtful accounts	(53,196)	(48,816)
	<u>91,500</u>	<u>31,839</u>
Sub-total carried forward	5,174,699	3,398,681

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

March 31, 2018

4. Accounts Receivable (continued)	2018	2017
Sub-total brought forward	5,174,699	3,398,681
<b>Onadamakay Community Store</b>		
Other	613,469	580,023
Weagamow Air Corporation (o/a Weagamow Air)	173,010	173,010
Harmonized sales tax	101,807	110,854
Allowance for doubtful accounts	<u>(455,209)</u>	<u>(306,903)</u>
	<u>433,077</u>	<u>556,984</u>
<b>Onadamakay Community Store - ATM Account</b>		
Other	189	189
<b>OCDC - General</b>		
Other	14,246	17,649
Harmonized sales tax	1,158	2,485
Weagamow Air Corporation	145,664	145,664
Allowance for doubtful accounts	<u>(159,120)</u>	<u>(158,631)</u>
	<u>1,948</u>	<u>7,167</u>
<b>Realignment Road</b>		
Harmonized sales tax	-	699
	<u>\$ 5,609,913</u>	<u>\$ 3,963,720</u>

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

	2017	2016
Weagamow Air Corporation (o/a Weagamow Air)	<u>\$ (1,050,554)</u>	<u>\$ (853,522)</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 \$67,813 (2017 - \$48,920).

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

March 31, 2018

**5. 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

	<b>2017</b>	<b>2016</b>
<b>Assets</b>		
Current	\$ 300,439	\$ 279,672
Capital assets	<u>166,710</u>	<u>183,000</u>
	<b>\$ 467,149</b>	<b>\$ 462,672</b>
<b>Liabilities and Members' Deficit</b>		
Current	\$ 730,442	\$ 602,214
Long-term debt	<u>787,261</u>	<u>713,980</u>
	<b>1,517,703</b>	<b>1,316,194</b>
<b>Members' deficit</b>		
Contributed surplus	1,322,404	1,322,404
Deficit	<u>(2,372,958)</u>	<u>(2,175,926)</u>
Deficit end of year	<b>(1,050,554)</b>	<b>(853,522)</b>
	<b>\$ 467,149</b>	<b>\$ 462,672</b>

**Statement of Operations  
(NOT SUBJECT TO AUDIT)**

For the year ended October 31

	<b>2017</b>	<b>2016</b>
<b>Revenue</b>		
Flight	\$ 691,877	\$ 730,857
Other	<u>17,901</u>	<u>36,160</u>
	<b>709,778</b>	<b>767,017</b>
<b>Expenses</b>		
Cost of goods sold	678,323	863,022
Expenses	<u>228,487</u>	<u>215,850</u>
	<b>906,810</b>	<b>1,078,872</b>
<b>Net loss for the year</b>	<b>\$ (197,032)</b>	<b>\$ (311,855)</b>

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

March 31, 2018

**6. Tangible Capital Assets**

	<b>2018</b>				
	Land	Buildings	Equipment	Linear Assets	Roads & Bridges
Cost, beginning of year					
Additions	\$ 36,409,453	\$ 5,554,511	\$ 27,838,952	\$ 1,964,465	\$ 71,767,381
	1,661,744	659,439	41,644	-	2,362,827
Cost, end of year	\$ 38,071,197	\$ 6,213,950	\$ 27,880,596	\$ 1,964,465	\$ 74,130,208
Accumulated amortization, beginning of year	\$ 19,808,220	\$ 4,600,135	\$ 21,898,228	\$ 379,140	\$ 46,685,723
Amortization	1,825,478	352,764	1,185,320	157,157	3,520,719
Accumulated amortization, end of year	\$ 21,633,698	\$ 4,952,899	\$ 23,083,548	\$ 536,297	\$ 50,206,442
Net carrying amount, end of year	\$ 16,437,499	\$ 1,261,051	\$ 4,797,048	\$ 1,428,168	\$ 23,923,766

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

March 31, 2018

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

						2017
Cost, beginning of year	\$	-	\$ 35,062,240	\$ 4,997,600	\$ 25,620,452	\$ 1,576,009
Additions		-	1,347,213	556,911	2,218,500	
						388,456
<b>Cost, end of year</b>	<b>\$</b>	<b>-</b>	<b>\$ 36,409,453</b>	<b>\$ 5,554,511</b>	<b>\$ 27,838,952</b>	<b>\$ 1,964,465</b>
Accumulated amortization, beginning of year	\$	-	\$ 18,045,491	\$ 4,273,201	\$ 20,561,743	\$ 237,521
Amortization		-	1,762,729	326,934	1,336,485	
						141,619
<b>Accumulated amortization, end of year</b>	<b>\$</b>	<b>-</b>	<b>\$ 19,808,220</b>	<b>\$ 4,600,135</b>	<b>\$ 21,898,228</b>	<b>\$ 379,140</b>
Net carrying amount, end of year	\$	-	\$ 16,601,233	\$ 954,376	\$ 5,940,724	\$ 1,585,325
						\$ 25,081,658

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

March 31, 2018

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### 7. Accounts Payable

	2018	2017
Administration	\$ 71,351	\$ 910,796
Capital Projects	125,309	397,284
Casino Rama	4,148	4,148
Education	91,321	156,402
General	336,459	453,420
Janitorial	353,411	395,817
Social Development	71,183	65,138
OCDC - General	(5,331)	(5,331)
Onadamakay Community Store	490,627	325,162
Operation and Maintenance	23,941	86,309
North Caribou Construction Ltd.	344,198	236,326
Non-INAC	9,795	51,425
Health	252,387	4,616
Realignment Road	(7)	(7)
	<b>\$ 2,168,792</b>	<b>\$ 3,081,505</b>

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# North Caribou Lake First Nation Notes to Consolidated Financial Statements

March 31, 2018

## 8. Deferred Revenue and Government Transfers

	Balance March 31 2017	Funding Received 2018	Revenue Recognized 2018	Balance March 31 2018
<b>Federal Government</b>				
Indigenous and Northern Affairs Canada	\$ 2,727,419	\$ 15,357,442	\$ 13,204,634	\$ 4,880,227
Health Canada	90,632	2,821,366	2,509,202	402,796
	<b>2,818,051</b>	<b>18,178,808</b>	<b>15,713,836</b>	<b>5,283,023</b>
<b>Provincial Government</b>				
Ontario First Nation Limited Partnership	-	1,158,076	1,158,076	-
Ministry of Community and Social Services	-	1,117,414	1,117,414	-
Ministry of Aboriginal Affairs	-	92,578	92,578	-
Ministry of Health	-	232,595	232,595	-
Ministry of Northern Development and Mines	-	122,398	122,398	-
	<b>-</b>	<b>2,723,061</b>	<b>2,723,061</b>	<b>-</b>
	<b>\$ 2,818,051</b>	<b>\$ 20,901,869</b>	<b>\$ 18,436,897</b>	<b>\$ 5,283,023</b>

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

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

March 31, 2018

**9. Long-term Debt**

	2018	2017
Loan payable, repayable at \$6,060 per month including interest at 6.25%, secured by equipment; maturing 2019	\$ 64,620	\$ 131,028
Loan payable, repayable at \$2,924 per month including interest at 2.99%, secured by equipment; maturing 2021	<u>70,787</u>	-
	<u><u>\$ 135,407</u></u>	<u><u>\$ 131,028</u></u>

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

	Principal	Interest	Total
2019	\$ 98,048	\$ 3,698	\$ 101,746
2020	34,442	648	35,090
2021	<u>2,917</u>	7	<u>2,924</u>
	<u><u>\$ 135,407</u></u>	<u><u>\$ 4,353</u></u>	<u><u>\$ 139,760</u></u>

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# North Caribou Lake First Nation Notes to Consolidated Financial Statements

March 31, 2018

## 10. Accumulated Surplus

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

	2018	2017
Investment in tangible capital assets	\$ 23,923,766	\$ 25,081,658
Investment in trust funds	352,543	345,217
Amounts to be recovered	(135,407)	(131,028)
Current funds	(3,125,836)	(2,014,300)
Casino Rama surplus	568,751	603,284
Equity in Weagamow Air Corporation	(1,050,554)	(853,522)
Restricted surplus (Note 11)	<u>3,177,619</u>	<u>3,780,030</u>
	<u><b>\$ 23,710,882</b></u>	<u><b>\$ 26,811,339</b></u>

## 11. Restricted Surplus

	2018	2017
Restricted surplus, opening	\$ 3,780,030	\$ 3,880,361
General deficit for the current year	<u>(602,411)</u>	<u>(100,331)</u>
Restricted surplus, ending	<u><b>\$ 3,177,619</b></u>	<u><b>\$ 3,780,030</b></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. 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.

	2018
Financial Plan (Budget) Bylaw surplus for the year	\$ 580,098
Add:	
Capital expenses	1,657,891
Less:	
Amortization	-
Budget surplus per statement of revenue and expenses	<u><b>\$ 2,237,989</b></u>

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

March 31, 2018

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### 13. Economic Dependence

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

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### 14. Indigenous and Northern Affairs Canada - Funding Reconciliation

	2018	2017
Funding per confirmation	<u>\$ 15,538,679</u>	<u>\$ 14,336,161</u>
Prior year deferred revenues	2,727,420	105,177
Current year deferred revenues	(4,880,228)	(2,727,420)
Funding adjustments	(175,192)	-
Welfare administration repayable	-	(10,022)
Special assistance repayable	(6,045)	(1,581)
Funeral and burials repayable	-	(6,905)
Financial management and governance		
capacity development repayable	-	(263)
Education planning design and		
construction repayable	-	(70,053)
First Nation education management and		
governance capacity repayable	-	(16,667)
Prior year in-home care recovery	-	(5,143)
Prior year basic needs recovery	-	(2,097)
Indigenous and Northern Affairs Canada		
revenue per financial statements	<u>\$ 13,204,634</u>	<u>\$ 11,601,187</u>

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

March 31, 2018

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### 15. Health Canada - Funding Reconciliation

	2018	2017
Funding per confirmation	\$ 3,043,068	\$ 1,805,913
Prior year deferred revenues	90,632	-
Current year deferred revenues	(402,796)	(90,632)
Funding adjustments	(10,456)	(16,742)
Med. trans - client insured services	(2,952)	-
Vision care - eye examinations	(105)	-
Capital investments	<u>(208,189)</u>	-
Health Canada revenue per financial statements	<u>\$ 2,509,202</u>	<u>\$ 1,698,539</u>

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### 16. 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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### 17. 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.

17. Segmented Information (continued)

North Caribou Lake First Nation  
Notes to Consolidated Financial Statements  
Segmented Disclosure - Statement of Financial Activities

	For the year ended March 31		Segmented Disclosure - Statement of Financial Activities				
	Administration	Commercial Enterprises/ Other	Infrastructure	Health and Social Services	Education	Consolidated 2018	
<b>Revenue</b>							
Government transfers	\$ 861,859	\$ 3,001,947	\$ 8,393,159	\$ 4,059,066	\$ 2,930,211	\$ 19,246,242	
Sales		3,345,139				3,345,139	
Income to business enterprises		(197,032)				(197,032)	
Other	645,168	4,474,963	159,635	17,544	301,084	5,598,394	
North Caribou Construction Ltd. revenue		136,245				136,245	
	<b>1,507,027</b>	<b>10,761,262</b>	<b>8,552,794</b>	<b>4,076,610</b>	<b>3,231,295</b>	<b>28,128,988</b>	
<b>Expenses by object</b>							
Amortization	81,295	247,315	3,162,075	25,687	4,346	3,520,718	
Capital asset additions from operating		(455,787)	(1,681,789)	(181,791)	(43,460)	(2,362,827)	
Contracted services, supplies and other	277,396	3,308,545	7,712,850	2,247,212	703,444	14,249,447	
Salaries and benefits	2,103,706	3,767,079	1,760,533	1,643,373	2,173,616	11,448,307	
Travel and training	103,828	175,304	14,690	245,213	57,439	596,474	
Purchases for resale		2,234,853				2,234,853	
Rent, utilities and telephone	25,570	107,898	477,282	58,973	29,660	699,383	
North Caribou Construction Ltd. expenses		843,090				843,090	
	<b>2,591,795</b>	<b>10,228,297</b>	<b>11,445,641</b>	<b>4,038,667</b>	<b>2,925,045</b>	<b>31,229,445</b>	
<b>Excess (deficiency) of revenue over expenses for the year</b>	<b>\$ (1,084,768)</b>	<b>\$ 532,965</b>	<b>\$ (2,892,847)</b>	<b>\$ 37,943</b>	<b>\$ 306,250</b>	<b>\$ (3,100,457)</b>	

**17. Segmented Information (continued)**

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

		Segmented Disclosure - Statement of Financial Activities					
		Administration	Commercial Enterprises/ Other	Infrastructure	Health and Social Services	Education	
For the year ended March 31							
<b>Revenue</b>							
Government transfers	\$ 863,919	\$ 4,064,622	\$ 5,657,094	\$ 3,153,368	\$ 2,850,272	\$ 16,589,275	
Sales	-	3,420,266	-	-	-	3,420,266	
Income to business enterprises	-	(311,855)	-	-	-	(311,855)	
Other	463,219	4,954,149	108,914	23,214	247,733	5,797,229	
North Caribou Construction Ltd. revenue	-	119,498	-	-	-	119,498	
	<b>1,327,138</b>	<b>12,246,630</b>	<b>5,766,008</b>	<b>3,176,582</b>	<b>3,098,005</b>	<b>25,614,413</b>	
<b>Expenses by object</b>							
Amortization	134,678	190,475	3,235,106	7,508	-	-	3,567,767
Capital asset additions from operating	-	(483,334)	(4,027,747)	-	-	-	(4,511,081)
Contracted services, supplies and other	383,423	4,473,660	4,719,274	1,491,827	583,219	11,651,403	
Salaries and benefits	1,697,207	3,510,927	1,336,506	1,531,963	1,885,082	9,961,685	
Travel and training	137,825	142,304	18,041	152,118	18,940	469,228	
Purchases for resale	-	2,328,397	-	-	-	2,328,397	
Rent, utilities and telephone	22,570	403,090	356,025	45,470	18,703	845,858	
North Caribou Construction Ltd. expenses	-	789,876	-	-	-	789,876	
	<b>2,375,703</b>	<b>11,355,395</b>	<b>5,637,205</b>	<b>3,228,886</b>	<b>2,505,944</b>	<b>25,103,133</b>	
<b>Excess (deficiency) of revenue over expenses for the year</b>	<b>\$ (1,048,565)</b>	<b>\$ 891,285</b>	<b>\$ 128,803</b>	<b>\$ (52,304)</b>	<b>\$ 592,061</b>	<b>\$ 511,280</b>	