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**Bearskin Lake First Nation  
Consolidated Financial Statements  
For the year ended March 31, 2017**

**Bearskin Lake First Nation**  
**Consolidated Financial Statements**  
**For the year ended March 31, 2017**

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## Management's Responsibility for Financial Reporting

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

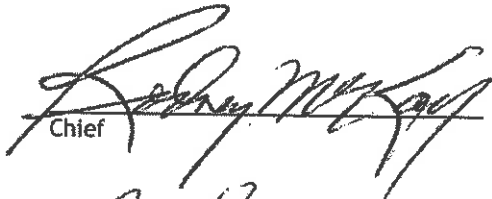
The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting principles. Financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has chosen those it deems most 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 consolidated 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 Manager



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## Independent Auditors' Report

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### To the Members of Bearskin Lake First Nation

We have audited the accompanying consolidated financial statements of Bearskin Lake First Nation which comprise the consolidated statement of financial position as at March 31, 2017, and the consolidated statements of revenue and expenses and fund balance, change in net debt, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting principles, 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. Except as explained in the following paragraph, 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**

As discussed in the Significant Accounting Policies, the Bearskin Lake Economic Development Corporation and the Wellington Group of Companies have been included in the government reporting entity. These organizations have not been subject to audit. We do not know whether there would be any adjustments to the assets, liabilities, surplus, revenue or expenses of the consolidated financial statements, had we audited these financial statements, and we express no opinion on the value of the investment in the government partnership.

Our audit opinion 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 paragraphs, the consolidated financial statements present fairly, in all material respects, the financial position of Bearskin Lake First Nation as at March 31, 2017, and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting principles.

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants

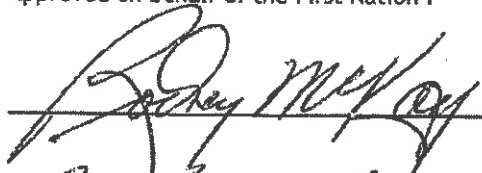
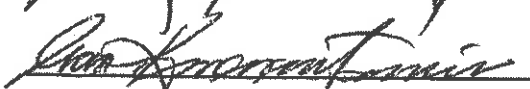
Dryden, Ontario

December 14, 2017

# Bearskin Lake First Nation Consolidated Statement of Financial Position

March 31	2017	2016
<b>Financial assets</b>		
Bank (Note 1)	\$ 4,953,400	\$ 1,076,059
Accounts receivable (Note 3)	2,936,913	892,945
Loans and advances (Note 4)	29,245	58,398
Inventory for resale (Note 5)	1,376,393	837,217
Long-term investments (Note 6)	1	1
Investment in government business partnerships (Note 7)	151,989	243,807
Trust funds held by federal government (Note 14)	69,629	68,362
	<u>9,517,570</u>	<u>3,176,789</u>
<b>Financial liabilities</b>		
Bank indebtedness (Note 8)	4,630,687	4,473,382
Accounts payable and accrued liabilities (Note 9)	5,349,798	1,612,169
Deferred revenue and government transfers (Note 10)	1,645,803	228,196
Long-term debt (Note 11)	308,470	390,678
	<u>11,934,758</u>	<u>6,704,425</u>
<b>Net financial assets (debt)</b>	<b>(2,417,188)</b>	<b>(3,527,636)</b>
<b>Non-financial assets</b>		
Tangible capital assets (Note 12)	<u>19,222,128</u>	<u>20,446,965</u>
<b>Accumulated surplus (Note 13)</b>	<b>\$ 16,804,940</b>	<b>\$ 16,919,329</b>

Approved on behalf of the First Nation :

 Chief  
 First Nation Administrator

## Bearskin Lake First Nation Consolidated Statement of Revenue and Expenses and Fund Balance

For the year ended March 31	Budget 2017	Actual 2017	Actual 2016
<b>Revenue</b>			
Indigenous and Northern Affairs Canada (Note 19)	\$ 7,071,035	\$ 7,065,937	\$ 4,811,172
Canada Mortgage and Housing Corporation	60,767	57,404	70,856
Ontario First Nation Limited Partnership	1,097,711	1,097,711	975,516
Hydro One	113,440	73,829	76,405
Ministry of Transportation	3,221,288	1,656,232	175,748
Ministry of Health	129,849	129,849	129,357
Ministry of Aboriginal Affairs	90,000	80,631	301,500
Ministry of Northern Development and Mines	155,979	155,979	151,421
Ministry of Community and Social Services	542,181	546,381	536,969
Ministry of Education	400,337	400,337	367,434
Ministry of Natural Resources	-	159,114	75,500
Canada Post Corporation	635,932	635,932	828,824
Ministry of Attorney General	-	35,000	-
Sioux Lookout Area Aboriginal Management Board	349,540	350,162	150,585
Health Canada (Note 20)	1,524,539	1,524,539	1,288,053
Northern Nishnawbe Education Council	53,496	53,496	53,496
Nishnawbe Aski Nation	285,564	289,055	111,012
Nishnawbe Aski Nation - Policing	28,024	28,024	23,594
Industry Canada	-	100,000	-
Tikinagan	32,400	51,298	46,800
Transfer from Deferred Revenue	228,196	228,196	195,609
Transfer to Deferred Revenue	(1,672,044)	(1,645,803)	(228,196)
Other	1,393,735	4,268,320	2,962,122
Loss of Wellington Group of Companies	-	(91,818)	(24,569)
Prior year funding adjustment	-	(131,995)	(6,177)
Related party transaction elimination (Note 17)	(1,064,423)	(733,879)	(648,020)
	<u>14,677,546</u>	<u>16,383,931</u>	<u>12,425,011</u>
<b>Expenses</b>			
Band Fund	4,192,656	3,613,684	3,289,006
Day Care	620,733	611,800	558,883
Capital	4,273,070	1,961,070	427,990
Welfare	862,676	850,113	895,533
Education	1,702,117	1,599,902	1,654,096
Operation and Maintenance	4,138,042	3,692,922	2,968,742
General Fund	1,839,345	384,164	371,557
Economic Development Corporation	101,231	2,628,793	2,127,298
Health Authority	1,897,322	1,889,751	1,630,294
Related party transaction elimination (Note 17)	(1,064,423)	(733,879)	(648,020)
	<u>18,562,769</u>	<u>16,498,320</u>	<u>13,275,379</u>
<b>Deficiency of revenue over expenses for the year</b>	(3,885,223)	(114,389)	(850,368)
<b>Accumulated surplus, beginning of year</b>	-	16,919,329	17,769,697
<b>Accumulated surplus, end of year</b>	\$ (3,885,223)	\$ 16,804,940	\$ 16,919,329

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



## Bearskin Lake First Nation Consolidated Statement of Change in Net Debt

For the year ended March 31	Budget 2017	Actual 2017	Actual 2016
Annual deficit	\$ (3,885,223)	\$ (114,389)	\$ (850,368)
Acquisition of tangible capital assets	(1,693,125)	(1,517,291)	(1,693,125)
Amortization of tangible capital assets	2,742,128	2,742,128	2,519,459
Net change in net financial assets (debt)	(2,836,220)	1,110,448	(24,034)
Net debt, beginning of year	(3,527,636)	(3,527,636)	(3,503,602)
Net debt, end of year	\$ (6,363,856)	\$ (2,417,188)	\$ (3,527,636)

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

## Bearskin Lake First Nation Consolidated Statement of Cash Flows

For the year ended March 31	2017	2016
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Deficiency of revenue over expenses for the year	\$ (114,389)	\$ (850,368)
Item not involving cash		
Amortization	2,742,128	2,519,459
Changes in non-cash working capital balances		
Accounts receivable	(2,043,968)	(177,933)
Loans and advances	29,153	(15,456)
Inventory for resale	(539,176)	157,976
Accounts payable	3,737,629	351,800
Deferred revenue	1,417,607	32,587
	<u>5,228,984</u>	<u>2,018,065</u>
<b>Capital activities</b>		
Purchase of capital assets	<u>(1,517,291)</u>	<u>(1,693,125)</u>
<b>Investing activities</b>		
Decrease in investment in Wellington Group of Companies	<u>91,818</u>	<u>24,569</u>
<b>Financing activities</b>		
Repayment of long-term debt	(82,208)	(92,594)
Increase in short-term investment	<u>(1,267)</u>	<u>(1,420)</u>
	<u>(83,475)</u>	<u>(94,014)</u>
<b>Increase in cash during the year</b>	<u>3,720,036</u>	<u>255,495</u>
<b>Bank (deficiency), beginning of year</b>	<u>(3,397,323)</u>	<u>(3,652,818)</u>
<b>Bank (deficiency), end of year</b>	<u>\$ 322,713</u>	<u>\$ (3,397,323)</u>
<b>Represented by:</b>		
Bank	\$ 4,953,400	\$ 1,076,059
Bank indebtedness	<u>(4,630,687)</u>	<u>(4,473,382)</u>
	<u>\$ 322,713</u>	<u>\$ (3,397,323)</u>

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

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## Bearskin Lake First Nation Summary of Significant Accounting Policies

**March 31, 2017**

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<b>Basis of Presentation</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>Portfolio Investments</b>	Portfolio investments are recorded at cost. Portfolio investments are written down where there has been a loss in value that is other than a temporary decline.								
<b>Inventory for Resale</b>	Inventory of supplies and goods available for resale are recorded at the lower of cost and net realizable value. Cost is determined based on first-in, first-out.								
<b>Long-term Investments</b>	Shares and partnership interests are recorded at cost. If there has been a permanent decline in the value of these investments, it is written down to its net realizable value.								
<b>Tangible Capital Assets</b>	<p>Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue.</p> <p>Amortization of these assets is recorded on a straight-line basis commencing in the year of acquisition or construction as follows:</p> <table><tr><td>Linear Assets</td><td>5% - 30%</td></tr><tr><td>Buildings</td><td>5%</td></tr><tr><td>Vehicles</td><td>30%</td></tr><tr><td>Equipment</td><td>5% - 30%</td></tr></table> <p>Assets under construction are not amortized until the asset is available to be put into service.</p>	Linear Assets	5% - 30%	Buildings	5%	Vehicles	30%	Equipment	5% - 30%
Linear Assets	5% - 30%								
Buildings	5%								
Vehicles	30%								
Equipment	5% - 30%								

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## Bearskin Lake First Nation Summary of Significant Accounting Policies

March 31, 2017

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**Revenue Recognition** Revenues are recognized in the period in which the transaction or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis.

Grant revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under funding arrangements which relate to a subsequent fiscal period is reflected as incomplete projects in the year of receipt and classified as incomplete projects on the consolidated statement of cash flows.

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 revenue and expenses and fund balance as the stipulation liabilities are settled.

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.

Rental and user fee revenue is recognized on a monthly basis as income is earned and when collection is reasonably assured.

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.

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## Bearskin Lake First Nation Summary of Significant Accounting Policies

**March 31, 2017**

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**Reporting Entity and  
Principles of  
Financial Reporting**

Bearskin Lake First Nation reporting entity includes Bearskin 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 the following entities which use accounting principles which lend themselves to consolidation:

Bearskin Lake Economic Development Corporation  
Bearskin Lake Cable  
Bearskin Petro Products Ltd.  
Michikan Lake Business Centre Inc.

A government business partnership exists where the First Nation has shared control over the board or entity. The First Nation's pro rata share of the assets, liabilities, and revenue and expenses are reflected in the consolidated financial statements using the modified equity method. The First Nation's proportionate interest of the following government business partnership is reflected in the consolidated financial statements:

Wellington Group of Companies - 50%

**Deferred Revenue**

Deferred revenue represents unspent accountable contributions for programs which are not completed at the year end. The unspent revenue is carried forward to be matched with additional expenses to be incurred in the subsequent year.

**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.

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## Bearskin Lake First Nation Notes to Consolidated Financial Statements

March 31, 2017

1. Bank

	2017	2016
Administration	\$ 183,089	\$ 52,998
Apartment	11,361	11,361
Canada Post	81,525	53,977
Capital Projects	3,497,529	305,065
Capital Projects - Upgrade	2,134	2,134
Casino Rama	740	54,817
CMHC Rental	28,118	26,694
CMHC Replacement Reserve	16,084	16,094
Day Care	11,442	37,745
Economic Development Centre	514,892	197,811
Education	186,502	55,951
Environmental Remediation	52,656	60,353
Operations and Maintenance	-	16,102
Makoop Lake	705	705
New School Construction	290	290
Nursing Station Addition	312	312
Insurance	75	100
Health Authority	220,948	-
Seniors' Complex	22,872	27,197
Seniors' Reserve	6,995	7,091
Soil Remediation	5,700	5,700
Welfare	109,032	143,163
Youth Centre	399	399
	<u>\$ 4,953,400</u>	<u>\$ 1,076,059</u>

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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## Bearskin Lake First Nation Notes to Consolidated Financial Statements

**March 31, 2017**

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### 2. Portfolio Investments

The First Nation has investments in the Wasaya Group Inc. and the Wasaya Partnership recorded as follows:

	<u>2017</u>	<u>2016</u>
Wasaya Group Inc.	\$ 1,370,052	-
Wasaya Partnership	1,038,789	-
Less: valuation allowance	<u>(2,408,841)</u>	-
	<u>\$ -</u>	<u>\$ -</u>

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## Bearskin Lake First Nation Notes to Consolidated Financial Statements

March 31, 2017

### 3. Accounts Receivable

	2017	2016
<b>Administration</b>		
Bearskin Lake Economic Development Corporation	\$ 405,783	\$ 333
Estimated HST receivable	589,154	164,671
Health Canada	650	650
Indigenous and Northern Affairs Canada	3,496	3,496
Makoop Lake Tourism Project	1,200	1,200
Ministry of Natural Resources	65,000	-
Ministry of Northern Development and Mines	38,995	-
Ministry of Transportation - Airport	2,874	4,161
Muskrat Dam First Nation	27,178	27,178
Nishnawbe Aski Nation	2,500	1,000
Nishnawbe Aski Police Service	1,737	6,198
Ontario Hydro	1,022	-
Other	7,380	6,707
Receiver General - HST	45,586	65,882
Sioux Lookout Area Aboriginal Management Board	-	5,715
The Law Foundation of Ontario	10,000	-
True Grit Consulting Ltd.	7,956	-
Wasaya Manow Inc.	717	717
White Cedar Pharmacy	3,695	-
Windigo First Nations Council	8,615	8,615
Allowance for doubtful accounts	(24,342)	(53,528)
	<u>1,199,196</u>	<u>242,995</u>
<b>Education</b>		
Keewaytinook Okimakanak	2,000	2,000
Northern Nishnawbe Corporate Services	15,109	-
Other	(1,035)	(555)
Tikinagan	9,500	9,500
Windigo Education	-	20,830
Allowance for doubtful accounts	(11,780)	(11,780)
	<u>13,794</u>	<u>19,995</u>
<b>Operation and Maintenance</b>		
Arnason Industries	43,105	24,564
Bearskin Lake Economic Development Corporation	19,315	19,315
Brooklin Electric	5,787	5,787
Clow Darling	6,276	6,276
Indigenous and Northern Affairs Canada	9,000	9,000
Keewatinook Okimakanak	4,000	4,000
Other	12,355	11,605
Sioux Lookout Area Aboriginal Management Board	6,826	-
Windigo Education Authority	14,250	14,250
Allowance for doubtful accounts	(36,320)	(39,215)
	<u>84,594</u>	<u>55,582</u>
<b>Makoop Lake</b>		
Roger McKay	176	176
Thomas Beady	176	176
	<u>352</u>	<u>352</u>
Sub-total carried forward	1,297,936	318,924



# Bearskin Lake First Nation

## Notes to Consolidated Financial Statements

**March 31, 2017**

<b>3. Accounts Receivable (continued)</b>	<b>2017</b>	<b>2016</b>
Sub-total brought forward	1,297,936	318,924
<b>Welfare</b>		
Bearskin Lake Economic Development Corporation	39,772	39,772
Bearskin Lake Ogass Masters	2,702	2,702
Indigenous and Northern Affairs Canada	160	160
Other	(716)	(716)
Province of Ontario	9,703	29,305
Sioux Lookout Area Aboriginal Management Board	35,113	-
Allowance for doubtful accounts	(1,767)	(2,245)
	<b>84,967</b>	<b>68,978</b>
<b>Day Care</b>		
Allowance for doubtful accounts	(3,391)	(3,391)
Bearskin Lake Economic Development Corporation	11,808	11,808
Ministry of Education	61,799	-
Other	5,859	5,477
Sioux Lookout Area Aboriginal Management Board	31,500	35,113
	<b>107,575</b>	<b>49,007</b>
<b>Capital</b>		
Bearskin Petro	248,417	-
Indigenous and Northern Affairs Canada	1,005,304	14,958
Industry Canada	36,699	-
Ministry of Transportation	672,941	-
Other	310	310
	<b>1,963,671</b>	<b>15,268</b>
<b>Economic Development Corporation</b>		
Trade	<b>135,567</b>	<b>276,683</b>
<b>Casino Rama</b>		
Bearskin Petro Products Ltd.	1,170,989	825,622
Makooop Lake Lodge	5,240	5,240
Money Held in Trust	2,506	52,506
	<b>1,178,735</b>	<b>883,368</b>
<b>Canada Mortgage and Housing Corporation</b>	<b>-</b>	<b>3,363</b>
<b>BMO Loans</b>		
Bearskin Petro Products Ltd.	<b>41,841</b>	<b>41,841</b>
<b>Canada Post</b>		
Bearskin Co-op	<b>-</b>	<b>429</b>
<b>Health Authority</b>		
Health Canada	22,591	76,267
NAN Corporate Services	19,442	64,078
Sioux Lookout First Nations Health Authority	10,000	30,000
Other	4,202	6,928
	<b>56,235</b>	<b>177,273</b>
<b>Seniors' Complex</b>	<b>2,542</b>	<b>2,542</b>
<b>Inter-entity elimination</b>	<b>(1,932,156)</b>	<b>(944,731)</b>
	<b>\$ 2,936,913</b>	<b>\$ 892,945</b>

## Bearskin Lake First Nation Notes to Consolidated Financial Statements

March 31, 2017

### 4. Loans and Advances

	2017	2016
<b>Administration</b>		
Abel Hudson	\$ 175	\$ 175
Agnes Kamenawatamin	75	75
Bernard Mekanak	405	405
Betsy Fox	150	150
Cecilia Fiddler	4,513	4,513
Charles Brown	-	116
Christian Assembly Church	600	600
Chris Fox	300	300
Clarence McKay	75	75
Coralee Pans	225	225
Danny Mekanak	150	150
Eddie Brown	196	196
Edna Fox	75	75
Edward Fiddler	-	534
Emily McKay	200	200
Eric Peters	579	579
Florence McKay	525	525
Galius Fiddler	445	445
Gary Kamenawatamin	799	268
Geoffrey Beardy	-	330
George Chapman	1,721	1,721
George Kamenawatamin	14,908	9,378
Glen Mekanak	75	75
Illa Beardy	75	75
Jeanette Peters	75	75
Jimmy Hudson	75	75
Joseph Beardy	168	95
Joseph Nothing	-	354
Joyce McKay	3,681	3,681
Julie McKay	83	83
Katie Nothing	171	171
Kirsten Chapman	300	300
Lawrence McKay	75	75
Leona Beardy	576	576
Leonard Brown	5,429	5,418
Louie Fox	763	763
Melvin Delorme	354	354
Michikan Lake School	1,549	1,549
Nora Fox	75	75
Patsy Kamenawatamin	96	96
Peter McKay	555	555
Randy McKay	4,565	3,622
Rebecca Kakekagumick	75	75
Richard McKay	-	629
Richard Moskotaywenene	123	123
Robert Beardy	308	308
Robert Kamenawatamin	2,756	4,109
Rosemary McKay	-	18
Roy Brown	2	2
Samuel Mekanak	106	106
Tyler McKoop	-	100
Vincent Ostberg	6,070	244
Sub-total carried forward	54,296	44,816

# Bearskin Lake First Nation

## Notes to Consolidated Financial Statements

**March 31, 2017**

4. Loans and Advances (continued)	2017	2016
Sub-total brought forward	54,296	44,816
Samantha Mekanak	75	75
Sarah Beardy Jr.	273	273
Scott Nothing	381	-
Selma Mosquito	75	75
Shady Beardy	616	1,168
Shawn Kamenawatamin	75	75
Steven Chapman	75	75
Stewart Kamenawatamin	2,075	2,075
Stuart Kamenawatamin	-	80
Tommy Fiddler	-	1,130
Valina Kamenawatamin	300	300
Walter McKay	75	75
Wesley Nothing	912	912
William Mekanak	75	75
Less: Allowance for Doubtful Accounts	(34,023)	(21,233)
	<u>25,280</u>	<u>29,971</u>
<b>Operation and Maintenance</b>		
Alex Fiddler	(400)	-
David Mekanak	108	2,344
Henry McKay	553	553
Lance Trimble	760	760
Lawrence McKay	122	122
Lenny Mekanak	3,426	10,512
Lyn Mekanak	-	1,725
Melvin Delorme	(114)	(114)
Moses Loon	150	1,282
Percy Mekanak	1,306	9,046
Sameul Mekanak	354	2,134
Simeon McKay	(276)	(276)
Walter McKay	1,011	-
Allowance for Doubtful Accounts	(2,895)	-
	<u>4,105</u>	<u>28,088</u>
<b>Welfare</b>		
Caleb Beardy	-	333
Sally Beardy	100	100
Terry Beardy	217	217
Lydia Cutfeet	-	47
Cecilia Fiddler	100	100
Galius Fiddler	616	616
George Fox	741	741
Sally Keeash	-	100
Harriet McKay	(100)	(100)
Emily Moskotaywenene	400	400
Rachel Fox	100	100
Robert Beardy	200	200
Gladys Mekanak	150	150
Glen Mekanak	(1)	(1)
Gretta Moskotaywenene	-	(1)
Less: Allowance for Doubtful Accounts	(3,002)	(3,002)
	<u>(479)</u>	<u>-</u>
Sub-total carried forward	28,906	58,059

## Bearskin Lake First Nation Notes to Consolidated Financial Statements

**March 31, 2017**

<b>4. Loans and Advances (continued)</b>	<b>2017</b>	<b>2016</b>
Sub-total brought forward	28,906	58,059
<b>Makoop Lake</b>		
Eddie Brown	190	190
Leon Kamenawatamin	149	149
	<u>339</u>	<u>339</u>
	<u>\$ 29,245</u>	<u>\$ 58,398</u>

<b>5. Inventory for Resale</b>	<b>2017</b>	<b>2016</b>
Bearskin Lake Economic Development Corporation - fuel inventory	<u>\$ 1,376,393</u>	<u>\$ 837,217</u>

<b>6. Long-term Investments</b>	<b>2017</b>	<b>2016</b>
1490342 Ontario Limited (1 common share)	<u>\$ 1</u>	<u>\$ 1</u>

Due to the financial difficulties facing the Wasaya Leasing Corporation, a valuation allowance has been accrued for the total balance as amounts are not likely to be recovered.

# Bearskin Lake First Nation

## Notes to Consolidated Financial Statements

**March 31, 2017**

### 7. Investment in Government Business Partnerships

	2017	2016
Equity in Wellington Group of Companies	\$ 151,989	\$ 243,807

The Wellington Group of Companies (Wellington Limited Partnership, Wellington General Partner Ltd., Wellington Leasing Corporation) is owned jointly by Bearskin Lake First Nation and Muskrat Dam First Nation. Since both First Nations share control of operations, the investment has been accounted for as a government business partnership on a modified equity basis in these consolidated financial statements. The following information provides condensed supplementary information for the corporation for the year ended December 31, 2016.

I) Financial Position (NOT SUBJECT TO AUDIT)	2016 Total	2015 Total
Current assets	\$ 426,192	\$ 460,512
Capital assets	392,098	301,156
	<u>\$ 818,290</u>	<u>\$ 761,668</u>
Current liabilities	<u>\$ 553,958</u>	<u>\$ 338,700</u>
Share capital	100	100
Retained earnings and partners' equity	264,232	422,868
	<u>264,332</u>	<u>422,968</u>
	<u>\$ 818,290</u>	<u>\$ 761,668</u>
II) Results of Operations and Retained Earnings (NOT SUBJECT TO AUDIT)	2016 Total	2015 Total
Revenue	\$ 5,283,872	\$ 5,238,872
Expenses	5,417,508	5,238,009
	(133,636)	863
Dividends, purchased premiums and adjustments	(25,000)	(50,000)
Retained earnings, beginning of year	422,868	472,005
Retained earnings, end of year	<u>\$ 264,232</u>	<u>\$ 422,868</u>

## Bearskin Lake First Nation Notes to Consolidated Financial Statements

**March 31, 2017**

### 8. Bank Indebtedness

	2017	2016
Health Authority	\$ -	\$ 34,780
Operations and Maintenance	78,474	-
BMO Truck Loan #1	176,171	-
BMO General Account #1998-607 - interest payable monthly at prime plus 2.00%	228,848	250,733
BMO Construction Credit Facility - repayable in monthly instalments of \$18,889 plus interest at prime plus 2.00%; due 2029	2,701,111	2,927,778
BMO Payout - repayable in monthly instalments of \$14,167 plus interest at prime plus 2.25%; due 2018	226,667	396,667
BMO Housing Loan - repayable in monthly instalments of \$1,944 plus interest at prime plus 2.00%; due 2031	309,096	332,424
BMO Fuel Loan #1 - repayable in monthly instalments of \$10,736 plus interest at prime plus 2.25%	128,836	-
BMO Fuel Loan #2 - repayable in monthly instalments of \$20,806 plus interest at prime plus 2.25%	249,678	-
BMO Fuel Loan #2 - repayable in monthly instalments of \$26,211 plus interest at prime plus 2.25%	-	288,320
BMO Fuel Loan #2 - repayable in monthly instalments of \$2,171 plus interest at prime plus 2.25%	-	23,883
BMO Fuel Loan #3 - repayable in monthly instalments of \$38,297 plus interest at prime plus 2.25%	459,560	218,797
BMO Truck Loan #2	72,246	-
	<b>\$ 4,630,687</b>	<b>\$ 4,473,382</b>

The First Nation has an operating line of credit for their General account. The BMO General account and demand loans are secured by Band Council Resolution.

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## Bearskin Lake First Nation Notes to Consolidated Financial Statements

**March 31, 2017**

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### 9. Accounts Payable and Accrued Liabilities

	2017	2016
Administration	\$ 1,412,001	\$ 993,507
Apartment	10,454	10,454
Capital Projects	3,278,606	60,318
Casino Rama	7,983	7,983
Canada Post	412	133
CMHC Rentals	-	157
Day Care	38,977	22,968
Education	96,003	104,680
Health Authority	188,266	112,002
Environmental Remediation	189,696	26,160
Makoop Lake	3,776	3,776
New School Construction	(355)	(355)
Operation and Maintenance	222,474	155,808
Seniors' Complex	1,219	1,373
Soil Remediation	5,253	5,253
BMO Loans	8,988	8,988
Welfare	91,254	77,818
Bearskin Lake Economic Development Corporation	292,988	197,750
Inter-entity Payables	(498,197)	(176,604)
	<u>\$ 5,349,798</u>	<u>\$ 1,612,169</u>

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## Bearskin Lake First Nation Notes to Consolidated Financial Statements

**March 31, 2017**

### 10. Deferred Revenue and Government Transfers

	Balance March 31 2016	Funding Received 2017	Revenue Recognized 2017	Balance March 31 2017
<b>Federal Government</b>				
Indigenous and Northern Affairs Canada	\$ 73,017	\$ 7,065,937	\$ 5,648,281	\$ 1,490,673
National Health and Welfare Canada	-	1,524,539	1,495,356	29,183
Canada Mortgage and Housing Corporation	-	57,404	57,404	-
	<u>73,017</u>	<u>8,647,880</u>	<u>7,201,041</u>	<u>1,519,856</u>
<b>Provincial Government</b>				
Ministry of Community and Social Services	-	546,381	546,381	-
Ministry of Aboriginal Affairs	35,000	80,631	115,631	-
Ministry of Health	-	129,849	129,849	-
Ministry of Natural Resources	-	159,114	118,601	40,513
Ministry of Transportation	-	1,656,232	1,656,232	-
Ministry of Attorney General	-	35,000	1,351	33,649
Ministry of Northern Development and Mines	-	155,979	155,979	-
	<u>35,000</u>	<u>2,763,186</u>	<u>2,724,024</u>	<u>74,162</u>
<b>Other</b>				
Ontario First Nation Limited Partnership	120,179	1,097,711	1,175,737	42,153
Sioux Lookout Area Aboriginal Management Board	-	350,162	340,530	9,632
	<u>120,179</u>	<u>1,447,873</u>	<u>1,516,267</u>	<u>51,785</u>
	<u>\$ 228,196</u>	<u>\$ 12,858,939</u>	<u>\$ 11,441,332</u>	<u>\$ 1,645,803</u>

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

The Ministry of Attorney General, Ministry of Natural Resources, National Health and Welfare Canada, Sioux Lookout Area Aboriginal Management Board, and the Ontario First Nation Limited Partnership balances relate to funds to be spent on specific areas. Until the funding has been utilized, it has not been earned, and therefore has been deferred.



## Bearskin Lake First Nation Notes to Consolidated Financial Statements

March 31, 2017

### 11. Long-term Debt

	<u>2017</u>	<u>2016</u>
CMHC		
CIBC - 5.15%, mortgage repayable in monthly payments of \$4,899 including interest, secured by building and guarantee from INAC	\$ -	\$ 43,205
CIBC - 5.25%, mortgage repayable in monthly payments of \$4,554 including interest, secured by building and guarantee from INAC; due 2022	<u>308,470</u>	<u>347,473</u>
	<u>\$ 308,470</u>	<u>\$ 390,678</u>

Schedule of principal reduction and interest over the next four years are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 40,902	\$ 13,742	\$ 54,644
2019	42,885	11,759	54,644
2020	44,963	9,681	54,644
2021	<u>179,713</u>	<u>1,404</u>	<u>181,117</u>
	<u>\$ 308,463</u>	<u>\$ 36,586</u>	<u>\$ 345,049</u>

The interest charged to operations in the current year was \$16,286.

## Bearskin Lake First Nation Notes to Consolidated Financial Statements

March 31, 2017

### 12. Tangible Capital Assets

	2017						
	Land	Buildings	Equipment	Vehicles	Linear Assets	Construction in Progress	Total
Cost, beginning of year	\$ -	\$ 37,953,204	\$ 2,780,248	\$ 2,962,092	\$ 8,789,313	\$ 3,303,082	\$ 55,787,939
Additions	-	193,087	139,379	348,298	9,110	827,417	1,517,291
Transfers	-	2,632,837	-	-	-	(2,632,837)	-
Cost, end of year	\$ -	\$ 40,779,128	\$ 2,919,627	\$ 3,310,390	\$ 8,798,423	\$ 1,497,662	\$ 57,305,230
Accumulated amortization, beginning of year	\$ -	\$ 23,201,266	\$ 2,617,095	\$ 2,891,064	\$ 6,631,549	\$ -	\$ 35,340,974
Amortization	-	1,964,100	132,877	205,230	439,921	-	2,742,128
Accumulated amortization, end of year	\$ -	\$ 25,165,366	\$ 2,749,972	\$ 3,096,294	\$ 7,071,470	\$ -	\$ 38,083,102
Net carrying amount, end of year	\$ -	\$ 15,613,762	\$ 169,655	\$ 214,096	\$ 1,726,953	\$ 1,497,662	\$ 19,222,128

The net book value of tangible capital assets not being amortized because they are under construction is \$1,497,662 (2016 - \$3,303,082).

**Bearskin Lake First Nation**  
**Notes to Consolidated Financial Statements**

March 31, 2017

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

	2016					
	Land	Buildings	Equipment	Vehicles	Linear Assets	Construction in Progress
Cost, beginning of year	\$ -	\$ 35,718,723	\$ 2,599,019	\$ 2,868,179	\$ 8,789,313	\$ 4,119,580
Additions	-	347,006	181,229	93,913	-	1,070,977
Transfers	-	1,887,475	-	-	-	(1,887,475)
Cost, end of year	\$ -	\$ 37,953,204	\$ 2,780,248	\$ 2,962,092	\$ 8,789,313	\$ 3,303,082
Accumulated amortization, beginning of year	\$ -	\$ 21,392,427	\$ 2,470,357	\$ 2,767,103	\$ 6,191,628	\$ -
Amortization	-	1,808,839	146,738	123,961	439,921	-
Accumulated amortization, end of year	\$ -	\$ 23,201,266	\$ 2,617,095	\$ 2,891,064	\$ 6,631,549	\$ -
Net carrying amount, end of year	\$ -	\$ 14,751,938	\$ 163,153	\$ 71,028	\$ 2,157,764	\$ 3,303,082
						\$ 20,446,965

## Bearskin Lake First Nation Notes to Consolidated Financial Statements

**March 31, 2017**

### 13. Accumulated Surplus

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

	2017	2016
Investment in capital assets	\$ 15,552,963	\$ 16,275,681
Investment in trust funds	69,629	68,362
Unrestricted	836,518	91,708
Equity in Bearskin Lake Economic Development Corporation	299,822	345,752
Equity in Wellington Group of Companies	46,008	137,826
	<u>\$ 16,804,940</u>	<u>\$ 16,919,329</u>

### 14. Cash Held in Trust by Indigenous and Northern Affairs Canada

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	\$ 533	\$ 67,829	\$ 68,362
Interest earned during the year	-	1,267	1,267
Balance, end of year	<u>\$ 533</u>	<u>\$ 69,096</u>	<u>\$ 69,629</u>

## Bearskin Lake First Nation Notes to Consolidated Financial Statements

**March 31, 2017**

### 15. Economic Dependence

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

### 16. 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.

	<u>2017</u>
Financial Plan (Budget)	\$ (1,143,095)
Add:	
Capital expense	
Less:	
Amortization	<u>(2,742,128)</u>
Budget deficit per consolidated statement of revenue and expenses and fund balance	<u>\$ (3,885,223)</u>

### 17. Related Party Transaction Elimination

Bearskin Lake First Nation and Bearskin Lake Economic Development Corporation transacted on various business ventures during the year. Since Bearskin Lake Economic Development Corporation has been fully consolidated into the financial statements, inter-entity transactions have been eliminated.

	Bearskin Lake Cable	Michikan Lake Business Centre Inc.	Bearskin Petro Products Ltd.	Bearskin Economic Development Corp.	2017	2016
Revenue	\$ -	\$ -	\$ 405,450	\$ -	\$ 405,450	\$ -
Expenses	3,203	56,399	956,388	123,339	1,139,329	648,020
Net elimination	<u>\$ 3,203</u>	<u>\$ 56,399</u>	<u>\$ 550,938</u>	<u>\$ 123,339</u>	<u>\$ 733,879</u>	<u>\$ 648,020</u>

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## Bearskin Lake First Nation Notes to Consolidated Financial Statements

**March 31, 2017**

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### 18. Segmented Information

Bearskin Lake First Nation is a diversified local government that provides a wide range of services to its citizens and members, including Band support, infrastructure, housing, employment, rental and other programs, economic development, social services, health, education and training, child care and commercial enterprises. The Casino Rama segment includes the use of funds received under Ontario First Nations Limited Partnership agreements.

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.

**Bearskin Lake First Nation**  
**Notes to Consolidated Financial Statements**  
**Schedule of Segmented Disclosure**

nd Support	Casino Rama	Infrastructure	Housing	Employment, Rental & Other Programs	Economic Development	Social Services	Health	Education and Training	Child Care	Commercial Enterprises	Intercompany Elimination	Consolidated 2017
664,939 \$	1,097,711 \$	6,541,267 \$	57,404 \$	385,647 \$	56,900 \$	870,610 \$	1,524,539 \$	1,254,461 \$	455,637 \$	- \$	- \$	\$ 12,909,115
(112,217)	78,026	(1,300,439)	-	(44,162)	-	-	(29,183)	-	(9,632)	-	-	(1,417,607)
-	-	-	-	-	-	-	-	-	-	2,127,966	-	2,127,966
871,647	-	877,449	60,000	1,050,053	-	5,641	254,726	180,862	169,814	(91,818)	-	(91,818)
-	-	-	-	-	-	-	-	-	-	251,957	-	3,722,149
-	-	(43,044)	-	-	-	-	(62,271)	(26,680)	-	-	(733,879)	(733,879)
1,424,369	1,175,737	6,075,233	117,404	1,391,538	56,900	876,251	1,687,811	1,408,643	615,819	2,288,105	(733,879)	16,383,931
39,306	-	1,705,727	548,999	-	-	-	-	448,096	-	-	-	2,742,128
-	-	(1,517,291)	-	-	-	-	-	-	-	-	-	(1,517,291)
794,036	216,935	4,559,237	125,338	271,212	-	588,174	656,567	358,279	258,111	756,738	-	8,584,627
548,482	-	1,055,487	222,421	693,436	-	250,821	785,195	855,246	331,361	320,713	-	5,063,162
43,134	-	10,536	-	113,184	-	11,118	49,110	21,783	22,328	49,462	-	320,655
-	-	-	-	-	-	-	-	-	-	1,363,100	-	1,363,100
45,901	-	313,242	-	66,506	-	-	173,952	13,477	-	62,740	-	675,818
-	-	-	-	-	-	-	-	-	-	-	(733,879)	(733,879)
1,470,859	216,935	6,126,938	896,758	1,144,338	-	850,113	1,664,824	1,696,881	611,800	2,552,753	(733,879)	16,498,320
(46,490) \$	958,802 \$	(51,705) \$	(779,354) \$	247,200 \$	56,900 \$	26,138 \$	22,987 \$	(288,238) \$	4,019 \$	(264,648) \$	- \$	\$ (114,389)

**Bearskin Lake First Nation**  
**Notes to Consolidated Financial Statements**  
**Schedule of Segmented Disclosure**

nd Support	Casino Rama	Infrastructure	Housing	Employment, Rental & Other Programs	Economic Development	Social Services	Health	Education and Training	Child Care	Commercial Enterprises	Intercompany Elimination	Consolidated 2016
602,601 \$	975,516 \$	3,322,962 \$	70,856 \$	358,836 \$	56,900 \$	891,386 \$	1,288,053 \$	893,682 \$	422,733 \$	- \$	- \$	8,883,525
-	60,430	(78,017)	-	(15,000)	-	-	-	-	-	-	-	(32,587)
-	-	-	-	-	-	-	-	-	-	1,857,610	-	1,857,610
1,063,296	-	172,319	50,000	310,714	-	680	208,878	184,656	137,159	(24,569)	-	(24,569)
-	-	-	-	-	-	-	-	-	-	267,527	-	2,395,229
-	-	-	-	-	-	-	(6,177)	-	-	-	(648,020)	(648,020)
-	-	-	-	-	-	-	-	-	-	-	-	(6,177)
<b>1,665,897</b>	<b>1,035,946</b>	<b>3,417,264</b>	<b>120,856</b>	<b>654,550</b>	<b>56,900</b>	<b>892,066</b>	<b>1,490,754</b>	<b>1,078,338</b>	<b>559,892</b>	<b>2,100,568</b>	<b>(648,020)</b>	<b>12,425,011</b>
39,306	-	1,483,058	548,999	-	-	-	-	448,096	-	-	-	2,519,459
-	-	(1,693,125)	-	-	-	-	-	-	-	-	-	(1,693,125)
1,084,310	640,527	2,355,749	113,801	227,154	-	604,695	475,343	335,225	176,125	586,345	-	6,599,274
539,968	-	792,242	227,088	428,143	17,293	280,889	742,712	851,264	337,660	325,544	-	4,542,803
24,366	-	49,502	3,386	126,119	-	9,948	37,208	21,942	45,097	78,565	-	396,133
-	-	-	-	-	-	-	-	-	-	1,069,100	-	1,069,100
44,728	-	159,763	-	59,878	-	-	152,331	8,147	-	64,908	-	489,755
-	-	-	-	-	-	-	-	-	-	-	(648,020)	(648,020)
<b>1,732,678</b>	<b>640,527</b>	<b>3,147,189</b>	<b>893,274</b>	<b>841,294</b>	<b>17,293</b>	<b>895,532</b>	<b>1,407,594</b>	<b>1,664,674</b>	<b>558,882</b>	<b>2,124,462</b>	<b>(648,020)</b>	<b>13,275,379</b>
(66,781) \$	395,419 \$	270,075 \$	(772,418) \$	(186,744) \$	39,607 \$	(3,466) \$	83,160 \$	(586,336) \$	1,010 \$	(23,894) \$	- \$	(850,368)



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## Bearskin Lake First Nation Notes to Consolidated Financial Statements

**March 31, 2017**

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**19. Indigenous and Northern Affairs Canada - Funding Reconciliation**

	<u>2017</u>	<u>2016</u>
Funding per confirmation	\$ 7,071,035	\$ 4,811,172
Skills Link repayable	(3,301)	-
Summer Work Experience repayable	(1,797)	-
Indigenous and Northern Affairs Canada, revenue per financial statements	<u>\$ 7,065,937</u>	<u>\$ 4,811,172</u>

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**20. Health Canada - Funding Reconciliation**

	<u>2017</u>	<u>2016</u>
Funding per confirmation	<u>\$ 1,524,539</u>	<u>\$ 1,288,053</u>
Health Canada revenue per financial statements	<u>\$ 1,524,539</u>	<u>\$ 1,288,053</u>

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**21. 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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