

**North Caribou Lake First Nation
Consolidated Financial Statements
For the year ended March 31, 2014**

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Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of North Caribou Lake First Nation 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 standards prescribed for governments as recommended by the Public Sector Accounting Board. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Band Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the consolidated financial statements.

The external auditors, BDO Canada LLP, conduct an audit, in accordance with Canadian generally accepted auditing standards, and express their opinion on the consolidated financial statements. The external auditors have access to financial management of North Caribou Lake First Nation and meet when required.



Chief



Band Administrator

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, 2014, 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 is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualification

We have consolidated the financial statements of the government business enterprise owned by the First Nation using the modified equity method. We have not examined or expressed an opinion on this enterprise. We have been unable to determine whether there would be any adjustments to investments in incorporated business entities, equity in incorporated business entities or income of the incorporated business entities had we audited these financial statements for the years ended October 31, 2013 and 2012.

Our audit opinion for the year ended March 31, 2013 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, 2014 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 Accountants, Licensed Public Accountants

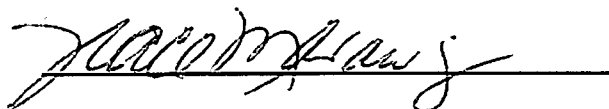
Dryden, Ontario
August 18, 2014

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

March 31	2014	2013
		Restated (Note 1)
Financial assets		
Bank (Note 2)	\$ 420,601	\$ 1,495,883
Short-term investments (Note 3)	403,054	700,336
Accounts receivable (Note 4)	1,695,731	1,811,400
Inventory for resale	713,472	721,556
	3,232,858	4,729,175
Financial liabilities		
Accounts payable (Note 7)	1,922,762	2,947,406
Deferred revenue (Note 8)	188,392	2,089,460
Capital lease obligations (Note 9)	162,991	246,041
Investment in Weagamow Air Corporation (o/a Weagamow Air) (Note 5)	95,693	193,449
	2,369,838	5,476,356
Net financial assets (debt)	863,020	(747,181)
Non-financial assets		
Tangible capital assets (Note 6)	26,526,261	27,744,071
Non-financial assets - inventory of capital supplies	351,977	577,054
Non-financial assets - fuel	466,693	366,857
Prepaid expenses	3,641	16,146
	27,348,572	28,704,128
Accumulated surplus (Note 10)	\$ 28,211,592	\$ 27,956,947

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	2014	2013 Restated (Note 1)
Revenue			
Aboriginal Affairs and Northern Development Canada (Note 15)	\$ 4,574,617	\$ 5,580,165	\$ 6,798,895
Ministry of Aboriginal Affairs	-	145,000	116,824
Ministry of Community and Social Services	53,650	630,624	572,176
Ministry of Health	219,191	181,127	165,668
Ministry of Northern Development and Mines	-	107,085	107,085
Miscellaneous	2,396,054	2,994,217	2,752,404
Musselwhite Mine	-	1,830,678	1,909,937
National Health and Welfare Canada (Note 16)	2,323,585	2,194,612	1,486,022
Nishnawbe Aski Nation	195,760	115,760	124,689
Northern Nishnawbe Education Council	89,532	89,532	89,532
Northern Ontario Heritage Fund Corporation	-	-	294,007
Onadamakay Community Store	-	3,131,972	2,651,994
Ontario First Nation Limited Partnership	-	973,879	979,637
Pipestone Contracting	-	175,000	178,000
Placer Dome Inc.	-	695,315	578,005
Sioux Lookout Area Aboriginal Management Board	-	147,021	113,047
Tikinagan Child and Family Services	58,080	58,080	58,080
Transfer from Deferred Revenue	5,231	2,089,460	1,880,653
Transfer to Deferred Revenue	-	(188,392)	(2,089,460)
Share of loss of Weagamow Corporation (o/a Weagamow Air)	-	(11,193)	(178,730)
North Caribou Construction Ltd. sales to First Nation	-	601,604	746,144
North Caribou Construction Ltd. other revenue	-	448,543	183,195
Prior year funding adjustments	-	(35,000)	(9,915)
Interorganization elimination	-	(1,907,518)	(2,184,195)
	<u>9,915,700</u>	<u>20,047,571</u>	<u>17,323,694</u>
Expenses			
First Nation Funds	4,010,778	4,899,111	4,675,059
Health and Social Services	2,364,630	2,244,512	1,671,833
Social Development	404,341	1,012,792	999,603
Operations and Maintenance	1,587,124	1,821,396	1,703,531
Education	2,032,617	2,082,917	1,998,516
CAEDS	-	2,032	12,952
Ojijakoos Community Development Corporation	5,500	1,067,350	939,515
Non-INAC	229,892	517,686	525,893
General	1,566,768	3,622,714	3,538,235
Casino Rama	1,409	109,767	280,569
Onadamakay Community Store	10,688	3,000,891	2,524,114
North Caribou Construction Ltd. expenses	82,055	1,428,225	1,173,865
Interorganization elimination	-	(1,907,518)	(2,184,195)
	<u>12,295,802</u>	<u>19,901,875</u>	<u>17,859,490</u>
Excess (deficiency) of revenue over expenses for the year	<u>(2,380,102)</u>	<u>145,696</u>	<u>(535,796)</u>
Financing, transfers and adjustments			
Contributed capital to Weagamow Corporation (o/a Weagamow Air)	-	108,949	200,559
Surplus (deficit) for the year	<u>(2,380,102)</u>	<u>254,645</u>	<u>(335,237)</u>
Accumulated surplus, beginning of year, as previously stated	31,211,368	28,951,552	29,207,221
Prior period adjustment (Note 1)	-	(994,605)	(915,037)
Accumulated surplus, beginning of year, restated	<u>31,211,368</u>	<u>27,956,947</u>	<u>28,292,184</u>
Accumulated surplus, end of year	<u>\$ 28,831,266</u>	<u>\$ 28,211,592</u>	<u>\$ 27,956,947</u>

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

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

For the year ended March 31	Budget 2014	Actual 2014	Actual 2013
			Restated (Note 1)
Annual surplus	\$ (2,380,102)	\$ 254,645	\$ (335,237)
Acquisition of tangible capital assets	(791,342)	(1,877,232)	(4,516,648)
Amortization of tangible capital assets	3,015,476	3,095,042	2,868,719
	<u>(155,968)</u>	<u>1,472,455</u>	<u>(1,983,166)</u>
Acquisition of non-financial assets	-	(822,312)	(960,057)
Use of non-financial assets	-	960,058	756,375
	<u>-</u>	<u>137,746</u>	<u>(203,682)</u>
Net change in net financial assets (debt)	(155,968)	1,610,201	(2,186,848)
Net financial assets (debt), beginning of year	(747,181)	(747,181)	1,439,667
Net financial assets (debt), end of year	\$ (903,149)	\$ 863,020	\$ (747,181)

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 Cash Flows

For the year ended March 31	2014	2013
		Restated (Note 1)
Cash provided by (used in)		
Operating activities		
Excess (deficiency) of revenue over expenses for the year	\$ 145,696	\$ (535,796)
Item not involving cash		
Amortization	3,095,042	2,868,719
Changes in non-cash working capital balances		
Accounts receivable	115,669	963,906
Inventory for resale	8,084	(109,648)
Accounts payable	(1,024,644)	1,001,920
Deferred revenue	(1,901,068)	208,807
Non-financial assets - inventory of supplies	225,077	(163,619)
Non-financial assets - fuel	(99,836)	(27,861)
Prepaid expenses	12,505	(12,201)
	<u>576,525</u>	<u>4,194,227</u>
Capital activities		
Purchase of capital assets	<u>(1,877,232)</u>	<u>(4,516,648)</u>
Financing activities		
Decrease in debt financing	-	(50,000)
Repayment of capital lease obligations	<u>(83,050)</u>	<u>(65,596)</u>
	<u>(83,050)</u>	<u>(115,596)</u>
Investing activities		
Decrease (increase) in short-term investments	297,282	392,967
Increase (decrease) in investment in Weagamow Air Corporation (o/a Weagamow Air)	<u>(97,756)</u>	<u>(21,829)</u>
Contributed capital to Weagamow Air Corporation (o/a Weagamow Air)	<u>108,949</u>	<u>200,559</u>
	<u>308,475</u>	<u>571,697</u>
Increase (decrease) in cash during the year	(1,075,282)	133,680
Bank, beginning of year	<u>1,495,883</u>	<u>1,362,203</u>
Bank, end of year	\$ 420,601	\$ 1,495,883
Supplementary cash flow information		
Interest received in year	\$37,131	\$29,364
Interest paid in year	\$15,565	\$17,847

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, 2014

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, 2014

Inventories Held for Use Inventories of supplies held for consumption are recorded at the lower of cost and replacement cost.

Revenue Recognition 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.

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.

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.

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, 2014

1. Prior Period Adjustment - Increase in Amortization

During the current year preparation an error was found in the amortization of various assets purchased in 2001. The amortization taken was lower than the First Nation's amortization policy for these assets. The prior year figures have been retroactively adjusted as follows:

Consolidated Statement of Financial Position

Decrease in tangible capital assets	\$ (994,605)
Decrease in annual surplus	<u>(79,568)</u>
Decrease in opening accumulated surplus	<u><u>(915,037)</u></u>

Consolidated Statement of Operations and Accumulated Surplus

Increase in First Nation Funds expenses	\$ (79,568)
Decrease in annual surplus	<u><u>(79,568)</u></u>

2. Bank

	2014	2013
Administration Account	\$ (330,970)	\$ 261,722
CAEDS	79,392	82,423
Casino Rama	58,793	204,562
Education	(159,530)	(116,123)
General	820,711	497,406
Health and Social Services	(55,122)	(39,797)
Janitorial	183,640	283,843
Non-INAC	17,734	29,164
OCDC - General	128,292	153,599
Onadamakay Community Store	184,096	253,247
Operation and Maintenance	(238,979)	(73,784)
North Caribou Construction Ltd.	(127,971)	(88,023)
Social Development	(139,485)	47,644
	<u><u>\$ 420,601</u></u>	<u><u>\$ 1,495,883</u></u>

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

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

North Caribou Lake First Nation Notes to Consolidated Financial Statements

March 31, 2014

3. Short-term Investments

	<u>2014</u>	<u>2013</u>
Casino Rama	\$ 368,286	\$ 665,264
Education	23,353	23,215
Health and Social Services	-	533
CAEDS	5,338	5,296
North Caribou Construction Ltd.	<u>6,077</u>	<u>6,028</u>
	<u>\$ 403,054</u>	<u>\$ 700,336</u>

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

North Caribou Lake First Nation Notes to Consolidated Financial Statements

March 31, 2014

4. Accounts Receivable

	2014	2013
Administration		
Aboriginal Affairs and Northern Development		
Canada	\$ 50,578	\$ 143,665
Harmonized sales tax	(15,024)	16,606
Other	69,421	31,190
Allowance for doubtful accounts	(32,191)	(27,152)
	<u>72,784</u>	<u>164,309</u>
CAEDS		
Loans	5,843	17,407
Allowance for doubtful accounts	(4,020)	(17,000)
	<u>1,823</u>	<u>407</u>
Education		
Other	10,740	18,602
Allowance for doubtful accounts	(3,373)	(3,373)
	<u>7,367</u>	<u>15,229</u>
Janitorial		
Musselwhite Mine	170,546	214,302
Other	1,904	1,904
Allowance for doubtful accounts	(96,953)	(94,099)
	<u>75,497</u>	<u>122,107</u>
General		
Finn Way General Contractors	74,324	74,324
Oakley Construction	49,871	258,343
Weagamow Air Corporation (o/a Weagamow Air)	237,299	253,677
Premier Gold	3,161	3,161
Harmonized sales tax	(10,249)	2,975
Other	898,297	796,881
Musselwhite Mine	163,378	157,582
Allowance for doubtful accounts	(771,112)	(699,837)
	<u>644,969</u>	<u>847,106</u>
Sub-total carried forward	802,440	1,149,158

North Caribou Lake First Nation Notes to Consolidated Financial Statements

March 31, 2014

4. Accounts Receivable (continued)	2014	2013
Sub-total brought forward	802,440	1,149,158
Social Development		
Ministry of Community and Social Services	22,032	26,979
Ministry of Health	28,723	16,817
Other	-	1,800
	50,755	45,596
Casino Rama	7,689	5,200
Health and Social Services		
Harmonized sales tax	6,043	14,035
Other	2,793	6,705
Allowance for doubtful accounts	(4,848)	(5,248)
	3,988	15,492
Non-AANDC		
Other	31,959	28,909
Harmonized sales tax	1,403	3,722
Nishnawbe Aski Nation	6,836	31,541
Sioux Lookout Area Aboriginal Management Board	30,221	13,640
Allowance for doubtful accounts	(35,034)	(28,539)
	35,385	49,273
North Caribou Construction Ltd.		
Other	297,844	132,711
Harmonized sales tax	23,542	8,357
North Caribou Lake First Nation	284,184	296,725
Intercompany eliminations	(284,184)	(296,725)
Allowance for doubtful accounts	(95,831)	(12,706)
	225,555	128,362
Operation and Management		
Harmonized sales tax	5,029	8,289
Other	6,470	16,066
Weagamow Air Corporation (o/a Weagamow Air)	36,062	35,848
Allowance for doubtful accounts	(49,860)	(39,706)
	(2,299)	20,497
Sub-total carried forward	1,123,513	1,413,578

North Caribou Lake First Nation Notes to Consolidated Financial Statements

March 31, 2014

	2014	2013
4. Accounts Receivable (continued)		
Sub-total brought forward	1,123,513	1,413,578
Onadamakay Community Store		
Other	183,967	289,169
Harmonized sales tax	276,620	79,867
Allowance for doubtful accounts	17,528	(128,339)
	478,115	240,697
OCDC - General		
Other	118,645	274,709
Allowance for doubtful accounts	(24,542)	(117,584)
	94,103	157,125
	\$ 1,695,731	\$ 1,811,400

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

	2013	2012
Weagamow Air Corporation (o/a Weagamow Air)	\$ (95,693)	\$ (193,449)

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 \$137,855 (2013 - \$104,460).

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

March 31, 2014

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

	2013	2012
Assets		
Current	\$ 279,629	\$ 216,420
Capital assets	266,387	292,105
	\$ 546,016	\$ 508,525
Liabilities and Members' Deficit		
Current	\$ 167,610	\$ 290,330
Long-term debt	474,099	411,644
	641,709	701,974
Members' deficit		
Contributed surplus	1,291,130	1,182,181
Deficit	(1,386,823)	(1,375,630)
	(95,693)	(193,449)
Deficit end of year	\$ 546,016	\$ 508,525

Statement of Operations

(NOT SUBJECT TO AUDIT)

For the year ended October 31

	2013	2012
Revenue		
Flight	\$ 946,937	\$ 883,932
Other	66,586	73,704
	1,013,523	957,636
Expenses		
Cost of goods sold	802,461	920,396
Expenses	222,255	215,970
	1,024,716	1,136,366
Net loss for the year	\$ (11,193)	\$ (178,730)

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

March 31, 2014

6. Tangible Capital Assets

						2014
	Land	Buildings	Equipment	Linear Assets	Roads & Bridges	Total
Cost, beginning of year	\$ -	\$ 31,199,640	\$ 4,133,529	\$ 25,331,323	\$ 159,235	\$ 60,823,727
Additions	-	1,448,621	139,482	289,129	-	1,877,232
Cost, end of year	\$ -	\$ 32,648,261	\$ 4,273,011	\$ 25,620,452	\$ 159,235	\$ 62,700,959
Accumulated amortization, beginning of year	\$ -	\$ 13,273,728	\$ 3,010,918	\$ 16,750,424	\$ 44,586	\$ 33,079,656
Amortization	-	1,444,312	388,716	1,249,275	12,739	3,095,042
Accumulated amortization, end of year	\$ -	\$ 14,718,040	\$ 3,399,634	\$ 17,999,699	\$ 57,325	\$ 36,174,698
Net carrying amount, end of year	\$ -	\$ 17,930,221	\$ 873,377	\$ 7,620,753	\$ 101,910	\$ 26,526,261

Assets held under capital leases in the amount of \$386,218 (2013 - \$386,218) are included in equipment and include a mandatory purchase option.

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

March 31, 2014

6. Tangible Capital Assets (continued)

						2013
	Land	Buildings	Equipment	Linear Assets	Roads & Bridges	Total
Cost, beginning of year	\$ -	\$ 27,850,130	\$ 3,947,164	\$ 24,350,550	\$ 159,235	\$ 56,307,079
Additions	-	3,349,510	186,365	980,773	-	4,516,648
Cost, end of year	\$ -	\$ 31,199,640	\$ 4,133,529	\$ 25,331,323	\$ 159,235	\$ 60,823,727
Accumulated amortization, beginning of year	\$ -	\$ 12,019,150	\$ 2,627,044	\$ 15,532,896	\$ 31,847	\$ 30,210,937
Amortization	-	1,254,578	383,874	1,217,528	12,739	2,868,719
Accumulated amortization, end of year	\$ -	\$ 13,273,728	\$ 3,010,918	\$ 16,750,424	\$ 44,586	\$ 33,079,656
Net carrying amount, end of year	\$ -	\$ 17,925,912	\$ 1,122,611	\$ 8,580,899	\$ 114,649	\$ 27,744,071

North Caribou Lake First Nation Notes to Consolidated Financial Statements

March 31, 2014

7. Accounts Payable

	2014	2013
Administration	\$ 472,168	\$ 1,559,174
Casino Rama	3,810	62,461
Education	16,365	68,507
General	950,278	1,008,843
Janitorial	29,843	3,273
Social Development	2,082	31,654
OCDC - General	(333)	-
Onadamakay Community Store	258,153	177,691
Operation and Maintenance	36,903	51,295
Non-AANDC	6,400	2,934
North Caribou Construction Ltd.	431,177	274,903
Health	100	3,396
Intercompany eliminations	(284,184)	(296,725)
	\$ 1,922,762	\$ 2,947,406

North Caribou Lake First Nation Notes to Consolidated Financial Statements

March 31, 2014

8. Deferred Revenue and Government Transfers

	Balance March 31 2013	Funding Received 2014	Revenue Recognized 2014	Balance March 31 2014
Federal Government				
Aboriginal Affairs and Northern Development Canada	\$ -	\$ 5,580,165	\$ 5,580,165	\$ -
National Health and Welfare Canada	-	2,194,612	2,194,612	-
	<u>-</u>	<u>7,774,777</u>	<u>7,774,777</u>	<u>-</u>
Provincial Government				
Ontario First Nation Limited Partnership	2,085,591	973,879	2,871,078	188,392
Ministry of Community and Social Services	-	630,624	630,624	-
Ministry of Aboriginal Affairs	-	145,000	145,000	-
Ministry of Health	-	181,127	181,127	-
Ministry of Northern Development and Mines	-	107,085	107,085	-
	<u>2,085,591</u>	<u>2,037,715</u>	<u>3,934,914</u>	<u>188,392</u>
Other				
Unearned miscellaneous revenue	3,869	-	3,869	-
	<u>\$ 2,089,460</u>	<u>\$ 9,812,492</u>	<u>\$ 11,713,560</u>	<u>\$ 188,392</u>

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, 2014

9. Capital Lease Obligations

	2014	2013
Lease payable, repayable at \$4,291 per month including interest at 6.90%, secured by equipment; maturing 2016	\$ 92,205	\$ 139,187
Lease payable, repayable at \$3,294 per month including interest at 6.90%, secured by equipment; maturing 2016	70,786	106,854
	\$ 162,991	\$ 246,041

The future minimum lease payments for the next two years are as follows:

	Principal	Interest	Total
2015	82,355	8,674	91,029
2016	80,636	2,808	83,444
	\$ 162,991	\$ 11,482	\$ 174,473

10. Accumulated Surplus

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

	2014	2013
Investment in tangible capital assets	\$ 26,526,261	\$ 27,744,069
Amounts to be recovered	(162,991)	(246,041)
Current funds	(1,479,787)	(2,240,562)
Equity in government business enterprises	(95,693)	(193,449)
Restricted surplus (Note 11)	3,423,804	2,892,930
	\$ 28,211,594	\$ 27,956,947

North Caribou Lake First Nation Notes to Consolidated Financial Statements

March 31, 2014

11. Restricted Surplus

	2014	2013
Restricted surplus, opening	\$ 2,892,930	\$ 2,038,477
General surplus for the current year	530,874	854,453
Restricted surplus, ending	\$ 3,423,804	\$ 2,892,930

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 outlines 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	\$ 260,448	\$ 314,268
Interest earned during the year	-	8,491	8,491
Balance, end of year	\$ 53,820	\$ 268,939	\$ 322,759

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.

	2014
Financial Plan (Budget) Bylaw surplus for the year	\$ (76,400)
Add:	
Capital expenses	791,342
Less:	
Amortization	(3,095,042)
Budget surplus per statement of revenue and expenses	\$ (2,380,100)

North Caribou Lake First Nation Notes to Consolidated Financial Statements

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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

	2014	2013
Funding per confirmation	\$ 5,580,165	\$ 6,730,499
Remediation repayable adjustment	-	68,396
	\$ 5,580,165	\$ 6,798,895
Aboriginal Affairs and Northern Development Canada revenue per financial statements	\$ 5,580,165	\$ 6,798,895

16. Health Canada - Funding Reconciliation

	2014	2013
Funding per confirmation	\$ 2,251,395	\$ 1,486,022
Prior year recoveries	(56,783)	-
	\$ 2,194,612	\$ 1,486,022
Health Canada revenue per financial statements	\$ 2,194,612	\$ 1,486,022

17. Contingent Liability

The First Nation is currently involved in a civil litigation suit. The outcome of this suit is not determinable. The First Nation's potential liability, if successful, is also not determinable.

18. Comparative Figures

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

North Caribou Lake First Nation Notes to Consolidated Financial Statements

March 31, 2014

19. 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

19. 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 2014	Consolidated 2013
Revenue							
Government transfers	\$ 713,448	\$ 1,604,625	\$ 2,829,683	\$ 3,227,777	\$ 1,847,352	\$ 10,222,885	\$ 10,905,662
Transfer (to) from deferred revenue	-	1,897,199	-	1	3,868	1,901,068	(208,807)
Sales	-	3,131,972	-	-	-	3,131,972	2,651,994
Income to business enterprises	-	(11,193)	-	-	-	(11,193)	(178,730)
Other	272,097	5,047,315	41,183	32,772	301,843	5,695,210	5,418,345
Prior year funding adjustments	-	(35,000)	-	-	-	(35,000)	(9,915)
North Caribou Construction Ltd. revenue	-	1,050,147	-	-	-	1,050,147	929,339
	985,545	12,685,065	2,870,866	3,260,550	2,153,063	21,955,089	19,507,888
Expenses by object							
Amortization	157,450	194,011	2,699,511	19,678	24,392	3,095,042	2,868,719
Capital asset additions from operating	-	(139,483)	(1,737,749)	-	-	(1,877,232)	(4,516,648)
Contracted services, supplies and other	54,945	3,035,284	2,128,166	1,777,354	319,279	7,315,028	10,014,728
Salaries and benefits	1,502,348	3,057,211	1,227,522	1,326,093	1,674,175	8,787,349	7,539,391
Travel and training	96,205	107,049	34,218	73,067	44,258	354,797	457,969
Purchases for resale	-	2,081,466	-	-	-	2,081,466	1,885,656
Rent, utilities and telephone	22,879	67,914	394,568	61,116	20,813	567,290	556,641
North Caribou Construction Ltd. expenses	-	1,485,653	-	-	-	1,485,653	1,237,228
	1,833,827	9,889,105	4,746,236	3,257,308	2,082,917	21,809,393	20,043,684
Excess (deficiency) of revenue over expenses for the year	(848,282)	2,795,960	(1,875,370)	3,242	70,146	145,696	(535,796)
Financing, transfers and adjustments	-	108,949	-	-	-	108,949	200,559
Surplus (deficit) for the year	\$ (848,282)	\$ 2,904,909	\$ (1,875,370)	\$ 3,242	\$ 70,146	\$ 254,645	\$ (335,237)