

Pic Mobert First Nation
Consolidated Financial Statements
March 31, 2016

Pic Mobert First Nation
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For the year ended March 31, 2016

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Management's Responsibility

To the Chief and Council and Members of Pic Mobert First Nation:

The accompanying consolidated financial statements of Pic Mobert First Nation are the responsibility of management and have been approved by the Chief and Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada and as such include amounts that are the best estimates and judgments of management.

Management is responsible for the integrity and objectivity of these consolidated statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The 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 Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the external auditors' report.

The external auditors, MNP LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Pic Mobert First Nation and meet when required.

October 25, 2016


Director of Operations

Independent Auditors' Report

To the Chief and Council and Members of Pic Mobert First Nation:

We have audited the accompanying consolidated financial statements of Pic Mobert First Nation, which comprise the consolidated statement of financial position as at March 31, 2016 and the consolidated statements of operations and surplus, change in net debt and cash flows for the year ended 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' judgment, 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 auditor considers 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 Qualified Opinion

Subsequent to the inventory count attended by MNP at Maygwayyawk Forestry Services Limited Partnership, which is consolidated in these consolidated financial statements, management noted that 20,668 cubic meters of wood cut prior to year-end was inadvertently left off the listing provided at the count. As a result, we were unable to observe the counting of this wood. We also were not able to perform other procedures to satisfy ourselves concerning the quantity of that inventory by other means. Therefore, we are unable to determine whether any adjustments to inventory or costs of sales are required in relation to this inventory with a stated value of \$289,648.

In addition, the First Nation did not prepare budgets, which is not in compliance with Canadian public sector accounting standards.

Qualified Opinion

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraphs, the consolidated financial statements present fairly, in all material respects, the financial position of Pic Mobert First Nation as at March 31, 2016 and the results of its operations and surplus, change in net debt and its cash flows for the year ended then ended in accordance with Canadian public sector accounting standards.

MNP LLP




Thunder Bay, Ontario
October 25, 2016

Chartered Professional Accountants
Licensed Public Accountants

Pic Mobert First Nation
Consolidated Statement of Financial Position
As at March 31, 2016

	2016	2015
Financial assets		
Cash resources (Note 3)	3,298,196	2,510,052
Short-term investments (Note 4)	422,654	595,251
Accounts receivable (Note 5), (Note 21)	547,963	641,049
Inventory	455,913	-
Due from government and other government organizations (Note 6)	404,678	229,945
Loans receivable (Note 7)	-	50,000
Investment in Pic Mobert Hydro Inc. (Note 8)	70,977,621	35,501,484
Investment in White Lake Limited Partnership (Note 8)	1,307,023	233,985
Investment in Bamkushwada Limited Partnership (Note 8)	22,188	6,047
Investment in White River Forest Products Inc. (Note 8)	-	1
Investment in White River Forest Products Limited Partnership (Note 8)	1	-
Due from White Lake Limited Partnership (Note 8)	-	100
Trust funds held by federal government (Note 9)	72,219	70,719
Total financial assets	77,508,456	39,838,633
Liabilities		
Accounts payable and accruals (Note 10), (Note 21)	4,318,930	3,592,025
Deferred revenue (Note 11)	1,988,896	1,125,327
Due to government and other government organizations (Note 12)	41,054	45,301
Due to Regional Power Inc. (Note 13)	76,470,338	37,554,043
Long-term debt (Note 14)	2,062,993	2,371,827
Due to White River Forest Products Limited Partnership (Note 8)	238,014	-
Total liabilities	85,120,225	44,688,523
Net debt	(7,611,769)	(4,849,890)
Contingent liabilities (Note 15)		
Non-financial assets		
Tangible capital assets (Schedule 1)	21,282,420	13,981,412
Intangible capital assets	1,986	986
Prepaid expenses	84,714	89,189
Total non-financial assets	21,369,120	14,071,587
Accumulated surplus	13,757,351	9,221,697




Approved on behalf of the Council

Chief

Councillor

Councillor

Councillor

Councillor

Pic Mobert First Nation
Consolidated Statement of Operations and Surplus
For the year ended March 31, 2016

	2016	2015
Revenue		
Aboriginal Affairs and Northern Development Canada (Note 16), (Note 18)	10,879,353	6,403,952
Dilico Ojibway Child and Family Services	214,295	188,362
Ontario First Nations Limited Partnership	647,241	643,112
Ministry of Health and Long-Term Care	43,947	23,850
Health Canada (Note 18)	480,087	470,085
Ministry of Community, Family and Children's Services	877,244	847,004
Union of Ontario Indians	67,029	81,318
Anishinabek Employment and Training Services	75,409	101,568
Canada Mortgage and Housing Corporation (Note 18)	170,763	228,468
Ministry of Aboriginal Affairs	206,473	180,020
Ministry of Natural Resources	-	2,214
Ministry of Northern Development, Mines and Forestry	1,850	3,652
Ministry of Transportation	30,804	30,804
Ministry of Tourism, Culture and Sport	14,669	-
Ministry of Environment	55,000	-
Regional Power Inc.	82,389	67,993
Ontario Trillium Foundation	-	147,600
Rent revenue	349,013	374,265
Contract revenue - Barrick Gold	2,251,059	2,144,057
Administration fees	367,540	360,196
Miscellaneous revenue	157,310	437,674
Northern Ontario Heritage Fund	23,512	120,522
Ontario Power Authority	-	491,533
NextEra Energy Canada	30,000	-
Nextbridge Infrastructure	110,236	-
Industry Canada	48,025	66,085
Fundraising revenue	11,600	116,342
Income from investment in government business partnerships	1,095,649	245,380
Natural Resources Canada	75,000	61,600
Forestry Services	2,372,118	336,092
Inter-department cost recoveries	288,117	294,891
Total revenue	21,025,732	14,468,639
Expenses		
Administration and Chief and Council	1,129,186	1,271,352
Infrastructure Programs	697,780	839,168
Social, Cultural, Spiritual and Recreational Programs	494,325	449,568
Education Programs	2,043,676	2,050,575
Health Programs	1,949,043	1,779,765
Capital Programs	1,172,443	1,215,312
Economic Development Programs	3,036,625	2,876,649
Business Enterprise Projects	5,956,524	2,957,449
Casino Rama Fund	108	104
Total expenses (Schedule 2)	16,479,710	13,439,942
Surplus	4,546,022	1,028,697

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Pic Mobert First Nation
Consolidated Statement of Operations and Surplus
For the year ended March 31, 2016

	2016	2015
Surplus <i>(Continued from previous page)</i>	4,546,022	1,028,697
Accumulated surplus, beginning of year	9,221,697	8,201,016
Prior year surplus recoveries	(10,368)	(8,016)
Accumulated operating surplus, end of year	13,757,351	9,221,697

The accompanying notes are an integral part of these financial statements

Pic Mobert First Nation
Consolidated Statement of Change in Net Debt
For the year ended March 31, 2016

	2016	2015
Annual surplus (deficit)	4,546,022	1,028,697
Purchases of tangible capital assets	(7,806,458)	(3,240,397)
Amortization of tangible capital assets	505,450	492,953
Prior year surplus recoveries	(10,368)	(8,016)
Change in government business partnership tangible capital assets	-	41,257
Acquisition of prepaid expenses	-	(46,888)
Use of prepaid expenses	4,475	-
Acquisition of intangible capital assets	(1,000)	(986)
Increase in net debt	(2,761,879)	(1,733,380)
Net debt, beginning of year	(4,849,890)	(3,116,510)
Net debt, end of year	(7,611,769)	(4,849,890)

The accompanying notes are an integral part of these financial statements

Pic Mobert First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2016

	2016	2015
Cash provided by (used for) the following activities		
Operating activities		
Surplus	4,546,022	1,028,697
Prior year surplus recoveries	(10,368)	(8,016)
Non-cash items		
Amortization	505,450	492,953
Net income from government business partnerships	(1,089,179)	(240,032)
	3,951,925	1,273,602
Changes in working capital accounts		
Accounts receivable	93,086	197,570
Inventory	(455,913)	-
Due from government and other government organizations	(174,733)	73,605
Trust funds held by federal government	(1,500)	(1,947)
Due from White Lake Limited Partnership	100	(100)
Prepaid expenses	4,475	(46,888)
Deferred revenue	863,569	(324,093)
Accounts payable and accruals	726,905	2,142,748
Due to government and other government organizations	(4,247)	(133,951)
Due to White River Forest Products Limited Partnership	238,014	-
	5,241,681	3,180,546
Financing activities		
Repayment of current portion of long-term debt	(308,834)	(358,120)
Net advance (repayment) of short-term debt	-	(110,755)
	(308,834)	(468,875)
Capital activities		
Purchases of tangible capital assets	(7,806,458)	(3,240,397)
Change in government business partnership tangible capital assets	-	41,257
Purchase of intangible capital assets	(1,000)	(986)
	(7,807,458)	(3,200,126)
Investing activities		
Proceeds on disposal of temporary investments	595,251	552,704
Increase in investment in Pic Mobert Hydro Inc.	(35,476,137)	(8,111,858)
Increase in due to Regional Power Inc.	38,916,295	10,177,317
Purchase of temporary investments	(422,654)	(595,251)
Repayment of loans receivable	50,000	-
	3,662,755	2,022,912
Increase in cash resources	788,144	1,534,457
Cash resources, beginning of year	2,510,052	975,595
Cash resources, end of year	3,298,196	2,510,052
Supplementary cash flow information		
Interest paid	71,519	89,392

The accompanying notes are an integral part of these financial statements

Pic Mobert First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

1. Operations

The Pic Mobert First Nation (the "First Nation") is located in the province of Ontario, and provides various services to its members. Pic Mobert First Nation includes the First Nation's members, government and all related entities that are accountable to the First Nation and are either owned or controlled by the First Nation.

2. Significant accounting policies

These consolidated financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and include the following significant accounting policies:

Reporting entity

The Pic Mobert First Nation reporting entity includes the Pic Mobert First Nation and all related entities that are controlled by the First Nation.

Principles of consolidation

All controlled entities are fully consolidated on a line-by-line basis except for the commercial enterprises which meet the definition of government business enterprise, which are included in the consolidated financial statements on a modified equity basis.

Government partnerships are proportionately consolidated on a line-by-line basis except for the partnerships which meet the definition of government business partnership, which are included in the consolidated financial statements on a modified equity basis.

Under the modified equity method of accounting, only the Pic Mobert First Nation's investment in the government business enterprise and the enterprise's net income and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprise that are different from those of Pic Mobert First Nation.

Organizations consolidated in Pic Mobert First Nation's consolidated financial statements include:

- White Lake Resources Corporation
- Pic Mobert Sawmill Corporation
- Gitchi Animki Energy Corporation
- Maywayyawk Forestry Services Corp.
- Giizis Power GP Corp.

Organizations proportionately consolidated in Pic Mobert First Nation's consolidated financial statements include:

- Gitchi Animki Energy Limited Partnership
- Maywayyawk Forestry Services Limited Partnership
- Giizis Power LP

All inter-entity balances have been eliminated on consolidation; however, transactions between departments have not been eliminated in order to present the results of operations for each specific department.

Organizations accounted for on a modified equity basis include:

- White Lake Limited Partnership
- Bamkushwada Limited Partnership

Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks net of bank overdrafts and term deposits having a maturity of three months or less at acquisition which are held for the purpose of meeting short-term cash commitments.

2. Significant accounting policies *(Continued from previous page)*

Inventory

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

Portfolio investments

Long-term investments in entities that are not owned, controlled or influenced by the First Nation reporting entity are accounted for using the cost method. They are recorded at cost, less any provision for other than temporary impairment.

Tangible capital assets

Tangible capital assets are recorded at cost, which 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.

Leases that transfer substantially all the benefits and risks of ownership to the lessee are recorded as capital leases. Accordingly, at the inception of the leases, the tangible capital asset and related lease obligations are recorded at an amount equal to the present value of future lease payments discounted at the lower of the interest rate inherent in the lease contracts and the First Nation's incremental cost of borrowing.

Tangible capital assets are written down when conditions indicate 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 revenue 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. Transfers of capital assets from related parties are recorded at carrying value.

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as tangible capital assets. Assets under construction are not amortized until the asset is available to be put into service.

2. Significant accounting policies *(Continued from previous page)*

Amortization

Tangible capital assets are amortized annually using the declining balance and straight-line methods at rates intended to amortize the cost of the assets over their estimated useful lives as follows:

	Method	Rate
Office equipment	declining balance	20 %
General equipment	declining balance	20 %
Police office trailer	declining balance	30 %
Computer hardware	declining balance	30 %
Computer software	declining balance	100 %
Automotive	declining balance	30 %
Assets under capital lease	declining balance	20 %
Housing - Section 10	straight-line	35 years
Infrastructure	straight-line	35 years
Gymnasium/Auditorium	straight-line	35 years
CMHC Housing - Section 95	straight-line	35 years
Administration office	straight-line	35 years
Housing renovations	straight-line	35 years
Skating rink	straight-line	35 years
Health clinic	straight-line	35 years
CMHC Housing - Section 95 (2008/2010)	straight-line	35 years
School building	straight-line	35 years
Dilico building	straight-line	35 years
Elder's residences	straight-line	35 years
Water treatment facility	straight-line	35 years
OW building	straight-line	35 years
Pow-wow harbour	straight-line	35 years
Cultural Centre	straight-line	35 years

Long-term debt and capital lease obligations

Long-term financing received to fund tangible capital asset purchases is recognized in the period the financing is acquired and recorded as an increase in long-term debt or capital lease obligation.

Repayments of long-term financing are recognized as a decrease in long-term debt.

Capital lease repayments are recognized as a decrease in capital lease obligations.

Long-lived assets

Long-lived assets consist of tangible capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The First Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying value of an asset, or group of assets, may not be recoverable. Impairment losses are recognized when undiscounted future cash flows from its use and disposal are less than the assets' carrying amount. Impairment is measured as the amount by which the asset's carrying value exceeds its fair value.

Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets and prepaid expenses.

2. Significant accounting policies *(Continued from previous page)*

Net financial assets (net debt)

The First Nation's consolidated financial statements are presented so as to highlight net financial assets (net debt) as the measurement of financial position. The financial assets (net debt) of the First Nation is determined by its financial assets less its liabilities. Net financial assets (net debt) combined with non-financial assets comprise a second indicator of financial position, accumulated surplus (deficit).

Revenue recognition

Revenue is recognized in the period in which the transactions or events occurred that gave rise to the revenue. All revenue is recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impractical.

Government transfers are recognized as revenue 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 the transfer stipulations give rise to a liability. Transfer revenue is recognized in the consolidated statement of operations as the stipulations are settled.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose.

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

Measurement uncertainty

In preparing the consolidated financial statements for the First Nation in conformity with Canadian public sector accounting standards, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. Items requiring the use of significant estimates include accounts receivable, inventory, accounts payable and accruals and the estimated useful lives of tangible capital assets. Actual results could differ from these estimates.

Segments

The First Nation conducts its business through nine reportable segments: Administration and Chief and Council, Infrastructure Programs, Social, Cultural, Spiritual and Recreational Programs, Education Programs, Health Programs, Capital Programs, Economic Development Programs, Business Enterprise Projects, and Casino Rama Fund. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenue 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.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in the *Significant Accounting Policies*.

Funds held by federal government

Funds held in trust on behalf of First Nation members by the Government of Canada in the Ottawa Trust Fund are reported on the consolidated statement of financial position with an offsetting amount in revenue on the consolidated statement of operations and surplus (deficit). Trust moneys consist of:

- Capital trust moneys derived from non-renewable resource transactions on the sale of land or other First Nation tangible capital assets; and
- Revenue trust moneys generated primarily through land leasing transactions or interest earned on deposits held in trust.

2. Significant accounting policies *(Continued from previous page)*

Financial instruments

The First Nation recognizes its financial instruments when the First Nation becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, the First Nation may irrevocably elect to subsequently measure any financial instrument at fair value. The First Nation has not made such an election during the year.

The First Nation subsequently measures investments in equity instruments quoted in an active market at fair value. Fair value is determined by published price quotations. Transactions to purchase or sell these items are recorded on the trade date. Net gains and losses arising from changes in fair value are recognized in the statement of remeasurement gains and losses. The First Nation has not presented a statement of remeasurement gains and losses as it does not have any items giving rise to remeasurement gains (losses). Investments in equity instruments not quoted in an active market are subsequently measured at cost. All other financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in operating surplus (deficit). Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

All financial assets are tested annually for impairment. Any impairment, which is not considered temporary, is recorded in the consolidated statement of operations. Write-downs of financial assets measured at cost and/or amortized cost to reflect losses in value are not reversed for subsequent increases in value. Reversals of any net remeasurements of financial assets measured at fair value are reported in the statement of remeasurement gains and losses.

Loans receivable

Loans are recorded at cost less any amount for valuation allowance. Valuation allowances are made when collection is in doubt as assessed by management. Loans are reviewed on an annual basis by management. Interest income is accrued on loans receivable to the extent it is deemed collectable.

Administration fees

It is the First Nation's policy to allocate certain administrative costs to various programs. Such allocations are recorded as administration fees revenue on the consolidated administration program schedule of revenue and expenses.

Pic Mobert First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

3. Cash resources

	2016	2015
HST account	20,651	20,762
Petty cash	500	500
General account	(395,048)	(149,464)
Water Treatment account	2,488,111	1,887,487
Welfare account	14,414	(18,381)
Equity Trust account	902,327	408,478
Casino Rama account	106,054	157,099
CMHC Replacement Reserve account	225,904	189,957
Gitchi Animki Energy Limited Partnership	22,482	12,716
Maygwayyawk Forestry Services Limited Partnership	(87,199)	898
	3,298,196	2,510,052

Under the terms of an agreement with Canada Mortgage and Housing Corporation, the First Nation must set aside funds annually for the repair, maintenance and replacement of worn out assets. These funds are to be held in a separate bank account and invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as otherwise approved by the Canada Mortgage and Housing Corporation.

The general account has an overdraft available of up to \$300,000 with interest at bank prime plus 2% (5% - March 31, 2016) (2015 - 5%) which is secured by a general security agreement (\$173,307 outstanding at March 31, 2016 and \$Nil at March 31, 2015).

The welfare bank account has overdraft available up to \$10,000 with interest at bank prime plus 2% (5% - March 31, 2016) (2015 - 5%). Which is secured by a general security agreement (\$Nil outstanding at March 31, 2016 and March 31, 2015).

The Maygwayyawk Forestry Services Limited Partnership account has an overdraft available of up to \$250,000 with interest at bank prime plus 3% and a general security guarantee by Pic Mobert First Nation (\$9,302 outstanding at March 31, 2016 and \$Nil outstanding at March 31, 2015).

4. Short-term investments

	2016	2015
Bank of Montreal 1 year GIC, redeemed in 2015	-	151,108
Bank of Montreal 1 year GIC, redeemed in 2015	-	25,000
Bank of Montreal 1 year GIC, redeemed in 2015	-	100,000
Bank of Montreal 1 year GIC, redeemed in 2016	-	30,016
Bank of Montreal 1 year GIC, redeemed in 2016	-	149,072
Bank of Montreal 1 year GIC, redeemed in 2016	-	10,000
Bank of Montreal 1 year GIC, redeemed in 2016	-	99,454
Bank of Montreal 1 year GIC, redeemed in 2016	-	30,601
Bank of Montreal 1 year GIC, bearing interest at 0.55% maturing February 2017	22,901	-
Bank of Montreal 1 year GIC, bearing interest at 0.55% maturing February 2017	89,228	-
Bank of Montreal 1 year GIC, bearing interest at 0.65% maturing February 2017	22,470	-
Bank of Montreal 1 year GIC, bearing interest at 0.8% maturing May 2016	146,764	-
Bank of Montreal 1 year GIC, bearing interest at 0.65% maturing January 2017	10,045	-
Bank of Montreal 1 year GIC, bearing interest at 0.65% maturing July 2016	85,997	-
Bank of Montreal 1 year GIC, bearing interest at 0.65% maturing June 2016	25,249	-
Bank of Montreal 1 year GIC, bearing interest at 0.65% maturing December 2016	20,000	-
	422,654	595,251

Pic Mobert First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

5. Accounts receivable

	2016	2015
Members rent	198,341	229,359
Members advances	11,750	4,339
Barrick Gold	147,834	164,399
Dilico Ojibway Child and Family Services	35,583	48,463
Anishinabek Employment and Training Services	9,077	26,218
Union of Ontario Indians	-	10,756
Northern Ontario Heritage Fund	-	37,339
Other miscellaneous receivables	307,405	342,377
Less: Allowance for doubtful accounts	(162,027)	(222,201)
	547,963	641,049

6. Due from government and other government organizations

	2016	2015
Federal government		
Aboriginal Affairs and Northern Development Canada	83,831	13,634
Health Canada	65,766	35,687
Natural Resources Canada	75,134	-
HST recoverable	79,323	146,961
Industry Canada	35,567	-
Maywayyawk Forestry Services Limited Partnership - HST recoverable	12,622	11,080
Provincial government		
Ministry of Community and Social Services	12,944	16,424
Ministry of Health and Long-Term Care	17,919	3,945
Ministry of Natural Resources	1,572	2,214
Ministry of Aboriginal Affairs	20,000	-
	404,678	229,945

7. Loans receivable

Loans receivable consist of the following:

	Principal	Allowance	2016 Net recoverable value	2015 Net recoverable value
Loan receivable from Bernard Miller Sr., Russell Miller and 1890640 Ontario Inc. Repaid in 2016.	-	-	-	50,000

Pic Mobert First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

8. Investments in First Nation partnerships and business entities

A summary of financial information for Gitchi Animki Energy Limited Partnership for the years ended March 31, 2016 and March 31, 2015 is shown below.

	As at March 31, 2016 (Unaudited)	As at March 31, 2015 (Unaudited)
Financial assets		
Cash	22,482	12,716
Accounts receivable	24,644	43,979
Due from related parties	11,537	-
Investment in Pic Mobert Hydro Inc.	70,977,621	35,501,484
Total financial assets	71,036,284	35,558,179
Liabilities		
Accounts payable and accruals	2,002	-
Due to Regional Power Inc.	76,470,338	37,554,043
Due to Pic Mobert First Nation	2,151,539	2,151,539
Total liabilities	78,623,879	39,705,582
Net debt	(7,587,595)	(4,147,403)
Accumulated deficit	(7,587,595)	(4,147,403)
	Year ending March 31, 2016 (Unaudited)	Year ending March 31, 2015 (Unaudited)
Revenue		
Pic Mobert First Nation/Ontario Power Authority	55,000	100,000
Miscellaneous	24,644	10,572
Total revenue	79,644	109,460
Expenses		
Accounting and legal fees	6,367	24,309
Honoraria - Council	-	360
Honoraria - Directors	20,750	7,000
Honoraria - Pic Mobert First Nation Representative	10,500	6,000
Insurance	10,968	10,750
Interest and bank charges	126	146
Interest on joint venture loan	3,440,159	2,492,637
Management fees	5,041	5,982
Meetings	-	10,440
Miscellaneous	262	3,383
Professional development	-	1,915
Travel	26,512	10,182
Total expenses	3,520,685	2,573,104
Deficit	(3,441,041)	(2,462,532)

Pic Mobert First Nation/Ontario Power Authority revenue of \$55,000 (2015 - \$100,000) was eliminated in the consolidated statement of operations. The due from related parties of \$11,537 (2015 - \$Nil) and the due to Pic Mobert First Nation balance of \$2,151,539 (2015 - \$2,151,539) was eliminated in the consolidated statement of financial position.

Pic Mobert First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

8. Investments in First Nation partnerships and business entities *(Continued from previous page)*

A summary of financial information for White Lake Resources Corporation for the years ended March 31, 2016 and March 31, 2015 is shown below. Summary cash flow information has not been included as cash flow activities are readily apparent from the other financial information. Inter-company balances and transactions which were eliminated during consolidation have been included.

	As at March 31, 2016 (Unaudited)	As at March 31, 2015 (Unaudited)
Financial assets		
Due from Pic Mobert First Nation	100	100
Investment in White Lake Limited Partnership	230	123
Total financial assets	330	223
Liabilities		
Accounts payable and accruals	1,000	750
Due to White Lake Limited Partnership	1,409	100
Total liabilities	2,409	850
Accumulated deficit	(2,079)	(627)
	Year ending March 31, 2016 (Unaudited)	Year ending March 31, 2015 (Unaudited)
Revenue		
Share of partnership income	107	25
Total revenue	107	25
Expenses		
Professional fees	1,559	750
Deficit	(1,452)	(725)

The due from Pic Mobert First Nation balance of \$100 (2015 - \$100) was eliminated in the consolidated statement of financial position.

Pic Mobert First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

8. Investments in First Nation partnerships and business entities *(Continued from previous page)*

The First Nation owns 99.99% of the units of White Lake Limited Partnership and has been included in the consolidated financial statements using the modified equity method. A condensed summary of financial information for White Lake Limited Partnership for the years ended March 31, 2016 and March 31, 2015 is shown below.

	As at March 31, 2016	As at March 31, 2015
Assets		
Current		
Cash	417,237	120,117
Accounts receivable	1,084,318	499,599
Prepaid expenses	9,686	2,412
	1,511,241	622,128
Equipment	65,341	50,639
Investment In Pic Mobert Sawmill Corporation	100	100
	1,576,682	672,867
Liabilities		
Current		
Accounts payable	108,348	222,147
Government remittances payable	117,311	124,730
Short-term debt	44,000	92,005
Due to Pic Mobert Sawmill Corporation	100	100
	269,759	438,982
Partners' Capital	1,306,923	233,885
	1,576,682	672,867
	Year ending March 31, 2016	Year ending March 31, 2015
Revenue	2,924,768	1,841,935
Expenses	1,851,730	1,591,301
Net earnings	1,073,038	250,634

Pic Mobert First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

8. Investments in First Nation partnerships and business entities *(Continued from previous page)*

A summary of financial information for Pic Mobert Sawmill Corporation for the years ended March 31, 2016 and March 31, 2015 is shown below. Summary cash flow information has not been included as cash flow activities are readily apparent from the other financial information. Inter-company balances and transactions which were eliminated during consolidation have been included.

	As at March 31, 2016 (Unaudited)	As at March 31, 2015 (Restated) (Unaudited)
Financial assets		
Investment in White River Forest Products Inc.	-	238,350
Investment in White River Forest Products Limited Partnership	238,014	-
Total financial assets	238,014	238,350
Liabilities		
Due to White River Forest Products Inc.	-	238,350
Due to White River Forest Products Limited Partnership	238,014	-
Due to White Lake Limited Partnership	6,163	5,095
Total liabilities	244,177	243,445
Net debt	(6,163)	(5,095)
Accumulated deficit	(6,163)	(5,095)
	Year ending March 31, 2016 (unaudited)	Year ending March 31, 2015 (unaudited)
Expenses		
Professional fees	1,068	2,071
Net loss	(1,068)	(2,071)

The investment in White River Forest Products Inc. was reduced to a nominal amount (\$1) in order to recognize Pic Mobert Sawmill Corporation's share of losses from the investment using the cost method. The investment will continue to be shown at a nominal amount until such time where it is apparent that White River Forest Products Inc.'s operations return to profitability. The due to White Lake Limited Partnership balance of \$6,163 (2015 - \$5,095) was eliminated in the consolidated statement of financial position.

Pic Mobert First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

8. Investments in First Nation partnerships and business entities *(Continued from previous page)*

A summary of financial information for Gitchi Animki Energy Corporation for the years ended March 31, 2016 and March 31, 2015 is shown below. Summary cash flow information has not been included as cash flow activities are readily apparent from the other financial information. Inter-company balances and transactions which were eliminated during consolidation have been included.

	As at March 31, 2016 (Unaudited)	As at March 31, 2015 (Restated) (Unaudited)
Financial assets		
Investment in Gitchi Animki Energy Limited Partnership	1	1
Total financial assets	1	1
Liabilities		
Accounts payable and accruals	1,186	850
Due to Gitchi Animki Energy Limited Partnership	2,037	850
Note payable to Gitchi Animki Energy Limited Partnership	759	6,471
Total liabilities	3,982	8,171
Net debt	(3,981)	(8,170)
Accumulated deficit	(3,981)	(8,170)

	Year ending March 31, 2016 (Unaudited)	Year ending March 31, 2015 (Unaudited)
Revenue		
Share of partnership loss	(414)	(11,301)
Total loss	(414)	(11,301)
Expenses		
Professional fees	1,523	850
Total expenses	1,523	850
Deficit	(1,937)	(12,151)

The investment in Gitchi Animki Energy Limited Partnership balance of \$1 (2015 - \$1), the due to Gitchi Animki Energy Limited Partnership of \$2,037 (2015 - \$850) and the note payable to Gitchi Animki Energy Limited Partnership of \$759 (2015 - \$6,471) has been eliminated in the consolidated statement of financial position. The share of partnership loss of (\$414) (2015 - (\$11,301)) has been eliminated in the consolidated statement of operations and surplus.

Pic Mobert First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

8. Investments in First Nation partnerships and business entities *(Continued from previous page)*

The First Nation owns 50.99% of the units of Maygwayyawk Forestry Services Limited Partnership and has been consolidated in the financial statements of the First Nation. A summary of financial information for Maygwayyawk Forestry Services Limited Partnership for the year ended March 31, 2016 and March 31, 2015 is shown below. Summary cash flow information has not been included as cash flow activities are readily apparent from the other financial information. Inter-company balances and transactions which were eliminated during consolidation have been included.

	As at March 31, 2016	As at March 31, 2015
Financial assets		
Cash	-	1,760
Accounts receivable	100,084	15,493
Government remittances receivable	24,751	21,728
Inventory	894,037	-
Total financial assets	1,018,872	38,981
Liabilities		
Bank indebtedness	170,995	-
Accounts payable and accruals	1,193,068	247,162
Total liabilities	1,364,063	247,162
Net debt	(345,191)	(208,181)
Non-financial assets		
Tangible capital assets	97,553	-
Prepaid expenses	61,889	59,118
Partners' deficit	(185,749)	(149,063)

Pic Mobert First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

8. Investments in First Nation partnerships and business entities *(Continued from previous page)*

	Year ending March 31, 2016	Year ending March 31, 2015
Revenue	4,651,677	659,069
Cost of sales		
Forestry	3,007,456	566,153
Logging road	819,851	48,371
Subcontracts	24,561	26,761
Purchases	806	-
	3,852,674	641,285
Gross profit	799,003	17,784
Expenses		
Amortization	16,699	-
Equipment rental	3,048	147
Fuel	76,998	28,139
Insurance	5,484	13,123
Interest and bank charges	7,689	1,004
Mileage	13,641	-
Office	6,985	12
Professional fees	26,350	30,902
Rent	9,975	-
Repairs and maintenance	225,206	9,125
Telephone	5,282	-
Travel and entertainment	6,412	1,707
Utilities	863	-
Vehicle expenses	16,600	3,067
Wages and employee benefits	414,457	79,621
	835,689	166,847
Net loss	(36,686)	(149,063)

A portion of the accounts payable and accruals balance of \$29,362 (2015 - \$29,362) was eliminated in the consolidated statement of financial position.

Cost of sales - forestry of \$Nil (2015 - \$5,000) and cost of sales - subcontracts of \$Nil (2015 - \$24,362) was eliminated in the consolidated statement of operations and surplus.

Pic Mobert First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

8. Investments in First Nation partnerships and business entities *(Continued from previous page)*

A summary of financial information for Maygwayyawk Forestry Services Corp. for the year ended March 31, 2016 and March 31, 2015 is shown below. Summary cash flow information has not been included as cash flow activities are readily apparent from the other financial information. Inter-company balances and transactions which were eliminated during consolidation have been included.

	As at March 31, 2016 (Unaudited)	As at March 31, 2015 (Unaudited)
Financial assets		
Investment in Maygwayyawk Forestry Services Limited Partnership	1	1
Total financial assets	1	1
Liabilities		
Accounts payable and accruals	1,000	-
Due to shareholders	886	886
Note payable to Maygwayyawk Forestry Services Limited Partnership	20	16
Total liabilities	1,906	902
Net debt	(1,905)	(901)
Non-financial assets		
Intangible capital assets	986	986
Accumulated surplus (deficit)	(919)	85
	Year ended March 31, 2016 (Unaudited)	Year ended March 31, 2015 (Unaudited)
Revenue		
Share of partnership loss	(4)	(15)
Expenses		
Professional fees	1,000	-
Net loss	(1,004)	(15)

The share of partnership loss of (\$4) (2015 - (\$15)) has been eliminated in the consolidated statement of operations and surplus.

Pic Mobert First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

8. Investments in First Nation partnerships and business entities *(Continued from previous page)*

The First Nation owns 16.66% of the units of Bamkushwada Limited Partnership and has been included in the consolidated financial statements using the modified equity method. A condensed summary of the financial information for Bamkushwada Limited Partnership for the years ended December 31, 2015 and December 31, 2014 is shown below.

	As at December 31, 2015 (Unaudited)	As at December 31, 2014 (Unaudited)
Financial assets		
Cash	126,422	5,710
Accounts receivable	19,960	-
HST receivable	23,914	71,424
Total financial assets	170,296	77,134
Liabilities		
Accounts payable and accruals	37,156	40,851
Partners' capital	133,140	36,283
Total liabilities and equity	170,296	77,134
	Year ending December 31, 2015 (Unaudited)	Year ending December 31, 2014 (Unaudited)
Revenue	334,522	413,393
Expenses	237,665	387,136
Net income	96,857	26,257

Pic Mobert First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

8. Investments in First Nation partnerships and business entities *(Continued from previous page)*

A summary of financial information for Giizis Power LP for the period ended March 31, 2016 is shown below. Summary cash flow information has not been included as cash flow activities are readily apparent from the other financial information. Inter-company balances and transactions which were eliminated during consolidation have been included.

	As at March 31, 2016 (Unaudited)
Financial assets	
Due from related parties	1,101
Total financial assets	1,101
Liabilities	
Accounts payable and accruals	1,000
Due to Gitchee Animki Energy Limited Partnership	9,500
Total liabilities	10,500
Net debt	(9,399)
Accumulated deficit	(9,399)

	Period ending March 31, 2016 (Unaudited)
Expenses	
Honoraria	2,000
Professional fees	7,500
Total expenses	9,500
Net loss	(9,500)

The due from related parties of \$1,101 and due to Gitchee Animki Energy Limited Partnership of \$9,500 have been eliminated in the consolidated statement of financial position.

Pic Mobert First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

8. Investments in First Nation partnerships and business entities *(Continued from previous page)*

A summary of financial information for Giizis Power GP Corp. for the period ended March 31, 2016 is shown below. Summary cash flow information has not been included as cash flow activities are readily apparent from the other financial information. Inter-company balances and transactions which were eliminated during consolidation have been included.

	As at March 31, 2016 (Unaudited)
Financial assets	
Due from Pic Mobert First Nation	100
Investment in Giizis Power LP	1
Total financial assets	101
Liabilities	
Accounts payable and accruals	1,000
Due to Giizis Power LP	1,001
Note payable to Giizis Power LP	95
Total liabilities	2,096
Net debt	(1,995)
Non-financial assets	
Intangible capital assets	1,000
Accumulated deficit	(995)
	Period ending March 31, 2016 (Unaudited)
Revenue	
Share of partnership loss	(95)
Expenses	
Professional fees	1,000
Net loss	(1,095)

The due from Pic Mobert First Nation of \$100, investment in Giizis Power LP of \$1, due to Giizis Power LP of \$1,001 and the note payable to Giizis Power LP of \$95 have been eliminated in the consolidated statement of financial position. The share of partnership loss of \$95 has been eliminated in the consolidated statement of operations and surplus.

Pic Mobert First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

9. Trust funds held by federal government

The 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 and revenue trust monies are transferred to the First Nation on the authorization of the Minister of Aboriginal Affairs and Northern Development Canada, with the consent of the First Nation's Council.

	2016	2015
Capital Trust		
Balance, beginning of year	4,619	4,619
Balance, end of year	4,619	4,619
Revenue Trust		
Balance, beginning of year	66,100	64,153
Interest	1,500	1,947
Balance, end of year	67,600	66,100
	72,219	70,719

10. Accounts payable and accruals

	2016	2015
Trade payables	4,098,850	2,359,871
Accrued salaries and benefits payable	188,002	206,011
Other accruals	32,078	1,026,143
	4,318,930	3,592,025

Pic Mobert First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

11. Deferred revenue

The following table represents changes in the deferred revenue balance attributable to each major category of external restrictions:

	<i>Balance, beginning of year</i>	<i>Revenue received</i>	<i>Revenue recognized</i>	<i>Balance, end of year</i>
AANDC - Water Treatment Facility	238,797	8,137,747	7,774,401	602,143
Barrick Gold - Administration	724,047	360,001	258,738	825,310
PGM Stillwater Palladium Mine - Environmental Assessments	33,779	-	6,135	27,644
PGM Stillwater Palladium Mine - Administration	25,000	-	-	25,000
Ontario Power Authority - Hydro Project	100,000	408,468	55,000	453,468
Westdome Gold Mine - Administration	-	20,000	-	20,000
Rio Tinto Exploration Canada Inc. - Administration	-	5,000	-	5,000
Ministry of Tourism - Ontario Sport and Recreation Communities Fund	-	35,000	14,669	20,331
Dilico - Church renovation	-	10,000	-	10,000
White Lake Resource Corporation - School equipment	3,704	-	3,704	-
	1,125,327	8,976,216	8,112,647	1,988,896

12. Due to government and other government organizations

	2016	2015
Federal government		
Receiver General	41,054	45,301
	41,054	45,301

13. Due to Regional Power Inc.

The balance due to Regional Power Inc. represents development costs incurred on behalf of Gitchi Animiki Energy Limited Partnership ("GAELP") by White River Hydro Limited Partnership ("WRHLP"), the other joint venture partner. Under the joint venture agreement, Regional Power Inc. has a commitment to loan GAELP amounts equal to its share of qualifying projects costs. Interest on the loan is accrued monthly and bears interest at varying interest rates of up to 8.7% per annum. The balance owing at March 31, 2016 includes \$6,707,944 (March 31, 2015 - \$3,267,785) in cumulative accrued interest.

The loan is collateralized by GAELP's interest in the Pic Mobert Hydro Power Joint Venture ("PMHPJV"). GAELP is under no obligation to repay the loan and interest. However, GAELP will forfeit its interest in the joint venture, and any potential future profits thereof, if the loan is not repaid. Per the loan agreement, loan repayments are to be financed through the use of future project revenue. The project officially commenced in May 2016.

Pic Mobert First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

14. Long-term debt

	2016	2015
Mortgage #0041501821 payable to Bank of Montreal with payments of \$11,497 per month including interest at 2.7% per annum maturing April 2018, secured by a ministerial guarantee from Aboriginal Affairs and Northern Development Canada and a first mortgage on 26 housing units.	279,823	408,676
Mortgage #19151315001 payable to CMHC with payments of \$2,075 per month including interest at 1.08% per annum maturing May 2025, secured by a ministerial guarantee from Aboriginal Affairs and Northern Development Canada and a first mortgage on 6 housing units.	217,473	239,487
Mortgage #19151315002 payable to CMHC with payments of \$5,016 per month including interest at 1.62% per annum maturing January 2028, secured by a ministerial guarantee from Aboriginal Affairs and Northern Development Canada and a first mortgage on 8 housing units.	648,909	698,251
Mortgage #19151315003 payable to CMHC with payments of \$5,032 per month including interest at 2.35% per annum maturing August 2023, secured by a ministerial guarantee from Aboriginal Affairs and Northern Development Canada and a first mortgage on 10 housing units.	411,615	461,835
Mortgage #19151315004 payable to CMHC with payments of \$4,680 per month including interest at 1.08% per annum maturing August 2025, secured by a ministerial guarantee from Aboriginal Affairs and Northern Development Canada and a first mortgage on 9 housing units.	498,872	548,359
Ford credit loan payable with payments of \$691 per month including interest at 7.29% per annum maturing January 2017, with automotive equipment with a net book value of \$18,962 pledged as collateral.	6,301	15,219
	2,062,993	2,371,827

Principal repayments on long-term debt in each of the next five years, assuming long-term debt subject to refinancing is renewed, are estimated as follows:

	Principal	Interest	Total
2017	313,505	32,622	346,127
2018	313,620	25,980	339,600
2019	192,952	20,826	213,778
2020	183,773	17,869	201,642
2021	186,754	14,888	201,642
	1,190,604	112,185	1,302,789
Thereafter	872,389	31,996	904,385

Interest on long-term debt amounted to \$42,494 (2015 - \$58,122).

Pic Mobert First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

15. Contingent liabilities

The First Nation has been named as a defendant in a lawsuit by a former employee. The lawsuit is seeking to recover damages allegedly sustained by them as a result of Pic Mobert First Nation cancelling the plaintiff's short-term and long-term disability benefits, life insurance benefits and health benefits without the consent of the plaintiff. The lawsuit remains at an early stage, and as litigation is subject to many uncertainties, it is not possible to predict the ultimate outcome of this lawsuit or to estimate the loss, if any, which may result. Any amount awarded as a result of this action will be recorded when reasonably estimable. Total damages being claimed by the plaintiff is \$1,050,000.

White River Forest Products Inc. ("WRFPI"), a partner of Maygwayyawk Forestry Services Limited Partnership ("MFSLP") which has been proportionately consolidated in these consolidated financial statements, has been named as a defendant in a lawsuit for which it was acting as agent for the partnership and the partnership had indemnified WRFPI. The lawsuit is seeking to recover damages allegedly sustained by them as a result of unutilized equipment standby charges. The lawsuit remains at an early stage, and as litigation is subject to many uncertainties, it is not possible to predict the ultimate outcome of this lawsuit or to estimate the loss, if any, which may result. Any amount awarded as a result of this action will be recorded when reasonably estimable. Legal counsel defending WRFPI and MFSLP in this claim does not foresee the claim to exceed \$200,000.

The First Nation has entered into contribution agreements with various federal government departments and other entities. Funding received under these contribution agreements is subject to repayment if the First Nation fails to comply with the terms and conditions of the agreements.

In addition, in the normal course of its operations, the First Nation becomes involved in legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded on the First Nation's consolidated financial statements. As of March 31, 2016, no contingent liabilities have been recorded in the consolidated financial statements.

16. AANDC funding reconciliation

	2016	2015
AANDC revenue per consolidated financial statements	10,879,353	6,403,952
Change in deferred revenue	363,346	46,977
Funding clawed back	2,091	-
Natural Resources Canada Funding - NTE2 - Forestry	75,000	-
AANDC revenue per confirmation	11,319,790	6,450,929

Pic Mobert First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

17. Segments

The First Nation has nine reportable segments. These segments are differentiated by the major activities or services they provide. The First Nation's segments are as follows:

Administration and Chief and Council - includes administration and governance activities.

Infrastructure Programs - includes band programs and maintenance.

Social, Cultural, Spiritual and Recreational Programs - includes activities delivering social programs.

Education Programs - includes the operations of education programs.

Health Programs - includes the operations of health programs.

Capital Programs - includes the operations of capital programs.

Economic Development Programs - includes the operations of economic programs.

Business Enterprise Projects - includes the operations of significantly influenced business enterprises for consolidation.

Casino Rama Fund - reports on the First Nation's Ontario First Nations Limited Partnership funding.

Inter-segment transfers are recorded at their exchange amount. The accounting policies are the same as those described in Note 2.

18. Government transfers

Pic Mobert First Nation receives a significant portion of its revenue pursuant to a funding agreement with Aboriginal Affairs and Northern Development Canada ("AANDC"). Under the terms of the agreement, funding from the agreement can be suspended if the First Nation does not comply with the terms of the agreement.

	<i>Operating</i>	<i>Capital</i>	<i>2016</i>	<i>2015</i>
Federal government transfers				
Aboriginal Affairs and Northern Development Canada	3,172,893	7,706,460	10,879,353	6,403,952
Health Canada	480,087	-	480,087	470,085
Canada Mortgage and Housing Corporation	170,763	-	170,763	228,468
	3,823,743	7,706,460	11,530,203	7,102,505
Provincial government transfers				
Other provincial government	1,229,987	-	1,229,987	1,235,144
	5,053,730	7,706,460	12,760,190	8,337,649

19. Defined contribution plans

Defined contribution pension plan

The First Nation has a defined contribution pension plan covering substantially all full-time employees. Members are required to contribute 5.5% of their basic salary. The First Nation contributes 5.5% which is directed to the members' contribution account. The amount of retirement benefit to be received by the employees will be the amount of retirement annuity that could be purchased based on the member's share of the pension plan at the time of the members' withdrawal from the plan. The First Nation contributions and corresponding expense totalled \$117,741 in 2016 (2015 - \$113,063). AANDC provides funding to the First Nation for its share of pension contributions for full-time employees.

20. Upcoming accounting pronouncements
New and Amended Standards

PS 3210 Assets (New)

In June 2015, new PS 3210 Assets was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). The new Section provides guidance for applying the definition of assets set out in PS 1000 Financial Statement Concepts. The main features of this standard are as follows:

Assets are defined as economic resources controlled by a government as a result of past transactions or events and from which future economic benefits are expected to be obtained.

- Economic resources can arise from such events as agreements, contracts, other government's legislation, the government's own legislation, and voluntary contributions.
- The public is often the beneficiary of goods and services provided by a public sector entity. Such assets benefit public sector entities as they assist in achieving the entity's primary objective of providing public goods and services.
- A public sector entity's ability to regulate an economic resource does not, in and of itself, constitute control of an asset, if the interest extends only to the regulatory use of the economic resource and does not include the ability to control access to future economic benefits.
- A public sector entity acting as a trustee on behalf of beneficiaries specified in an agreement or statute is merely administering the assets, and does not control the assets, as future economic benefits flow to the beneficiaries.
- An economic resource may meet the definition of an asset, but would not be recognized if there is no appropriate basis for measurement and a reasonable estimate cannot be made, or if another Handbook Section prohibits its recognition. Information about assets not recognized should be disclosed in the notes.

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted.

PS 3320 Contingent Assets (New)

In June 2015, new PS 3320 Contingent Assets was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). The new Section establishes disclosure standards on contingent assets. The main features of this Standard are as follows:

- Contingent assets are possible assets arising from existing conditions or situations involving uncertainty. That uncertainty will ultimately be resolved when one or more future events not wholly within the public sector entity's control occurs or fails to occur. Resolution of the uncertainty will confirm the existence or non-existence of an asset.
- Passing legislation that has retroactive application after the financial statement date cannot create an existing condition or situation at the financial statement date.
- Elected or public sector entity officials announcing public sector entity intentions after the financial statement date cannot create an existing condition or situation at the financial statement date.
- Disclosures should include existence, nature, and extent of contingent assets, as well as the reasons for any non-disclosure of extent, and the bases for any estimates of extent made.
- When a reasonable estimate can be made, disclosure should include a best estimate and a range of possible amounts (or a narrower range of more likely amounts), unless such a disclosure would have an adverse impact on the outcome.

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted.

20. Upcoming accounting pronouncements *(Continued from previous page)*

PS 3380 Contractual Rights (New)

In June 2015, new PS 3380 Contractual Rights was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). This new Section establishes disclosure standards on contractual rights, and does not include contractual rights to exchange assets where revenue does not arise. The main features of this Standard are as follows:

- Contractual rights are rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future.
- Until a transaction or event occurs under a contract or agreement, an entity only has a contractual right to an economic resource. Once the entity has received an asset, it no longer has a contractual right.
- Contractual rights are distinct from contingent assets as there is no uncertainty related to the existence of the contractual right.
- Disclosures should include descriptions about nature, extent, and timing.

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted.

PS 3430 Restructuring Transactions (New)

In June 2015, new PS 3430 Restructuring Transactions was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). The new Section establishes disclosure standards on contingent assets. The main features of this Standard are as follows:

- A restructuring transaction is defined separately from an acquisition. The key distinction between the two is the absence of an exchange of consideration in a restructuring transaction.
- A restructuring transaction is defined as a transfer of an integrated set of assets and/or liabilities, together with related program or operating responsibilities that does not involve an exchange of consideration.
- Individual assets and liabilities transferred in a restructuring transaction are derecognized by the transferor at their carrying amount and recognized by the recipient at their carrying amount with applicable adjustments.
- The increase in net assets or net liabilities resulting from recognition and derecognition of individual assets and liabilities received from all transferors, and transferred to all recipients in a restructuring transaction, is recognized as revenue or as an expense.
- Restructuring-related costs are recognized as expenses when incurred.
- Individual assets and liabilities received in a restructuring transaction are initially classified based on the accounting policies and circumstances of the recipient at the restructuring date.
- The financial position and results of operations prior to the restructuring date are not restated.
- Disclosure of information about the transferred assets, liabilities and related operations prior to the restructuring date by the recipient is encouraged but not required.

The Section is effective for new restructuring transactions that occur in fiscal periods beginning on or after April 1, 2018. Earlier application is encouraged.

21. Related party transactions

White Lake Limited Partnership is a partnership controlled by Pic Mobert First Nation, and therefore is related to the First Nation. At March 31, 2016, \$75,013 (2015 - \$125,906) was receivable from White Lake Limited Partnership and \$75,000 (2015 - \$250) was payable to White Lake Limited Partnership.

Transactions occurring during the year between related parties were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration agreed to by the parties. Miscellaneous revenue from White Lake Limited Partnership amounted to \$86,877 (2015 - \$39,909). Rent revenue from White Lake Limited Partnership amounted to \$3,600 (2015 - \$3,600). Donations revenue from White Lake Limited Partnership amounted to \$Nil (2015 - \$109,408). Professional fees expenses to White Lake Limited Partnership amounted to \$75,000 (2015 - \$Nil). Program expenses to White Lake Limited Partnership amounted to \$1,575 (2015 - \$Nil).

22. Commitments

The First Nation has entered into a contractual agreement with Kingdom Construction Limited to construct the water treatment facility for a total cost of \$10,408,074. As at March 31, 2016, the First Nation was contractually obligated to fulfill the remaining payments of \$608,848.

23. Financial instruments

The First Nation as part of its operations carries a number of financial instruments. It is management's opinion that the First Nation is not exposed to significant interest, currency, credit or liquidity risks arising from these financial instruments except as otherwise disclosed.

Fair value of financial instruments

The fair value of current financial assets and current financial liabilities approximates their carrying value due to their short-term maturity.

Credit risk

Credit risk is the risk of financial loss because a counter party to a financial instrument fails to discharge its contractual obligations.

Risk management

The First Nation manages its credit risk by providing allowances for potentially uncollectible accounts receivable.

Liquidity risk

Liquidity risk is the risk that the First Nation will encounter difficulty in meeting obligations associated with financial liabilities. The First Nation enters into transactions to purchase goods and services on credit for which repayment is required at various maturity dates.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The First Nation is exposed to interest rate risk with respect to its long-term debt as they are at fixed rates. The First Nation has loans with fixed rates ranging from 1.08% to 7.29% and maturities of one to twelve years.

24. Budget information

Canadian public sector accounting (PSA) standards require the disclosure of budget information for comparison to the First Nation's actual revenue and expenses. The consolidated budgeted revenue and expenses, and surplus have not been reported in these consolidated financial statements. While having no effect on reported revenue, expenses, and surplus, omission of this information is considered a departure from PSA standards.

25. Economic dependence

Pic Mobert First Nation receives a significant portion of its revenue from Aboriginal Affairs and Northern Development Canada as a result of treaties entered into with the Government of Canada. These treaties are administered by AANDC under the terms and conditions of the Indian Act. The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these treaties.

Pic Mobert First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2016

	<i>Housing - Section 10</i>	<i>CMHC Housing - Section 95</i>	<i>CMHC Housing - Section 95 (2008/2010)</i>	<i>Infrastructure</i>	<i>Water Treatment Facility (in progress)</i>	<i>Housing renovations</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	2,654,332	853,499	2,739,628	2,676,489	3,207,840	763,684	12,895,472
Acquisition of tangible capital assets	-	-	-	-	-	-	-
Construction-in-progress	-	-	-	-	7,706,460	-	7,706,460
Balance, end of year	2,654,332	853,499	2,739,628	2,676,489	10,914,300	763,684	20,601,932
Accumulated amortization							
Balance, beginning of year	1,300,013	658,428	602,512	810,002	2,403	141,776	3,515,134
Annual amortization	75,838	24,386	78,275	76,471	801	21,820	277,591
Balance, end of year	1,375,851	682,814	680,787	886,473	3,204	163,596	3,792,725
Net book value of tangible capital assets	1,278,481	170,685	2,058,841	1,790,016	10,911,096	600,088	16,809,207
2015 Net book value of tangible capital assets	1,354,319	195,071	2,137,116	1,866,487	3,205,437	621,908	9,380,338

Pic Mobert First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets

For the year ended March 31, 2016

	<i>Subtotal</i>	<i>OW Building</i>	<i>Dilico Building</i>	<i>School Building</i>	<i>Gymnasium / Auditorium</i>	<i>Police office trailer</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	12,895,472	296,911	201,300	1,773,911	156,174	5,670	15,329,438
Acquisition of tangible capital assets	-	-	-	-	-	-	-
Construction-in-progress	7,706,460	-	-	-	-	-	7,706,460
Balance, end of year	20,601,932	296,911	201,300	1,773,911	156,174	5,670	23,035,898
Accumulated amortization							
Balance, beginning of year	3,515,134	25,449	100,649	712,953	73,624	5,667	4,433,476
Annual amortization	277,591	8,483	5,751	50,683	4,462	1	346,971
Balance, end of year	3,792,725	33,932	106,400	763,636	78,086	5,668	4,780,447
Net book value of tangible capital assets	16,809,207	262,979	94,900	1,010,275	78,088	2	18,255,451
2015 Net book value of tangible capital assets	9,380,338	271,462	100,651	1,060,958	82,550	3	10,895,962

Pic Mobert First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2016

	<i>Subtotal</i>	<i>Office equipment</i>	<i>Computer hardware</i>	<i>Computer software</i>	<i>General equipment</i>	<i>Administration office</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	15,329,438	59,315	109,893	28,355	54,650	715,423	16,297,074
Acquisition of tangible capital assets	-	-	-	-	-	-	-
Construction-in-progress	7,706,460	-	-	-	-	-	7,706,460
Balance, end of year	23,035,898	59,315	109,893	28,355	54,650	715,423	24,003,534
Accumulated amortization							
Balance, beginning of year	4,433,476	53,249	105,939	28,355	33,598	306,614	4,961,231
Annual amortization	346,971	1,213	1,186	-	4,210	20,441	374,021
Balance, end of year	4,780,447	54,462	107,125	28,355	37,808	327,055	5,335,252
Net book value of tangible capital assets	18,255,451	4,853	2,768	-	16,842	388,368	18,668,282
2015 Net book value of tangible capital assets	10,895,962	6,066	3,954	-	21,052	408,809	11,335,843

Pic Mobert First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2016

	<i>Subtotal</i>	<i>Elder's residences</i>	<i>Automotive</i>	<i>Skating rink</i>	<i>Assets under capital lease</i>	<i>Health Clinic</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	16,297,074	803,665	333,551	229,596	21,706	2,009,202	19,694,794
Acquisition of tangible capital assets	-	-	6,135	-	-	-	6,135
Construction-in-progress	7,706,460	-	-	-	-	-	7,706,460
Balance, end of year	24,003,534	803,665	339,686	229,596	21,706	2,009,202	27,407,389
Accumulated amortization							
Balance, beginning of year	4,961,231	344,429	238,872	65,420	18,245	287,030	5,915,227
Annual amortization	374,021	22,962	29,324	6,560	692	57,406	490,965
Balance, end of year	5,335,252	367,391	268,196	71,980	18,937	344,436	6,406,192
Net book value of tangible capital assets	18,668,282	436,274	71,490	157,616	2,769	1,664,766	21,001,197
2015 Net book value of tangible capital assets	11,335,843	459,236	94,679	164,176	3,461	1,722,172	13,779,567

Pic Mobert First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2016

	<i>Subtotal</i>	<i>Pow-Wow Arbour</i>	<i>Mining claims</i>	<i>Other fully amortized assets</i>	<i>Cultural Centre</i>	<i>Maygwayyawk Forestry Services Limited Partnership</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	19,694,794	25,714	30,000	1	147,600	-	19,898,109
Acquisition of tangible capital assets	6,135	-	-	-	35,600	58,263	99,998
Construction-in-progress	7,706,460	-	-	-	-	-	7,706,460
Balance, end of year	27,407,389	25,714	30,000	1	183,200	58,263	27,704,567
Accumulated amortization							
Balance, beginning of year	5,915,227	1,470	-	-	-	-	5,916,697
Annual amortization	490,965	735	-	-	5,234	8,516	505,450
Balance, end of year	6,406,192	2,205	-	-	5,234	8,516	6,422,147
Net book value of tangible capital assets	21,001,197	23,509	30,000	1	177,966	49,747	21,282,420
2015 Net book value of tangible capital assets	13,779,567	24,244	30,000	1	147,600	-	13,981,412

Pic Mobert First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2016

	<i>Subtotal</i>	<i>2016</i>	<i>2015</i>
Cost			
Balance, beginning of year	19,898,109	19,898,109	16,657,711
Acquisition of tangible capital assets	99,998	99,998	131,588
Construction-in-progress	7,706,460	7,706,460	3,108,810
Balance, end of year	27,704,567	27,704,567	19,898,109
Accumulated amortization			
Balance, beginning of year	5,916,697	5,916,697	5,423,743
Annual amortization	505,450	505,450	492,954
Balance, end of year	6,422,147	6,422,147	5,916,697
Net book value of tangible capital assets	21,282,420	21,282,420	13,981,412
2015 Net book value of tangible capital assets	13,981,412	13,981,412	

Pic Mobert First Nation
Schedule 2 - Consolidated Schedule of Expenses by Object
For the year ended March 31, 2016

	2016	2015
Consolidated expenses by object		
Administration	367,541	360,196
Advertising	-	3,735
Amortization	505,450	492,953
Bad debts	61,542	143,581
Bank charges and interest	29,025	31,270
Breakfast program	6,000	6,000
Community donations	473	899
Equipment rental	1,554	75
Food bank	12,000	12,000
Forestry and logging	1,994,029	297,661
Fuel	39,265	14,349
Funeral expense	17,673	31,764
Garbage disposal fees	63,426	59,025
General welfare assistance	579,468	614,800
Honoraria	186,605	164,291
Hygiene	-	461
Insurance	242,382	194,619
Interest on Regional Power Inc.	3,440,159	2,492,637
Interest on long-term debt	42,494	58,122
Management fees	5,041	5,982
Materials and supplies	407,838	519,049
Medical travel	116,149	78,011
Meeting expenses	-	10,440
Miscellaneous	262	3,726
Office expenses	113,830	119,355
Post-secondary allowances	340,024	369,438
Professional fees	1,139,472	1,074,392
Program expenses	1,018,873	1,033,172
Rent	5,087	-
Repairs and maintenance	274,366	201,875
Salaries and benefits	4,198,401	3,707,703
Stay in school	16,121	11,667
Student transportation	169,904	160,745
Telephone	15,358	10,141
Training	39,846	57,378
Travel	221,109	185,475
Tuition - special education	11,979	15,442
Tuition fees	512,641	542,143
Utilities	223,827	284,281
Vehicle expenses	8,465	1,564
Vehicle fuel	50,951	66,118
Youth culture and recreation	1,080	3,407
	16,479,710	13,439,942

Pic Mobert First Nation
Schedule 3 - Consolidated Schedule of Revenue and Expenses and Surplus (Deficit)
For the year ended March 31, 2016

	AANDC Revenue	Other Revenue	Total Revenue	Total Expenses	Adjustments/ Transfers From (To)	Current Surplus (Deficit)
Administration and Chief and Council	450,999	616,928	1,067,927	1,129,186	88,652	27,393
Infrastructure Programs	7,992,931	86,744	8,079,675	697,780	35,600	7,417,495
Social, Cultural, Spiritual and Recreational Programs	35,000	223,798	258,798	494,325	193,285	(42,242)
Education Programs	1,920,616	101,490	2,022,106	2,043,676	-	(21,570)
Health Programs	159,300	1,624,457	1,783,757	1,949,043	-	(165,286)
Capital Programs	248,507	732,145	980,652	1,172,443	184,171	(7,620)
Economic Development Programs	72,000	2,863,307	2,935,307	3,036,625	197,374	96,056
Business Enterprise Projects	-	3,249,364	3,249,364	5,956,524	-	(2,707,160)
Casino Rama Fund	-	648,146	648,146	108	(699,082)	(51,044)
Total	10,879,353	10,146,379	21,025,732	16,479,710	-	4,546,022