

POPLAR HILL FIRST NATION
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

POPLAR HILL FIRST NATION
MARCH 31, 2016

COUNCIL

Chief	Alice Suggashie
Deputy Chief	Howard Comber
Councillors	Phil Howe
	Gary Owen
	Jim Suggashie
	Pardemus Owen

FIRST NATION ADMINISTRATION

Band Administrator	Charlie Moose
Social Services Director	Arnold Moose
Health Director	Barbara Strang
Education Director	Donald Moose
Education Secretary	Anne Anderson

POPLAR HILL FIRST NATION
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POPLAR HILL FIRST NATION
CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2016

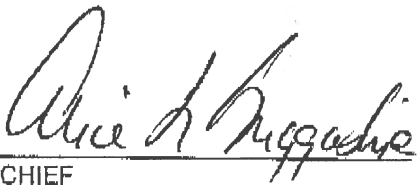
MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

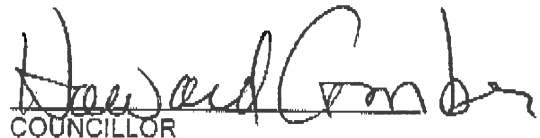
The consolidated financial statements of the Poplar Hill First Nation are the responsibility of management and have been approved by the Chief and Council.

Management is responsible for the integrity and objectivity of the financial statements. Estimates are necessary in the preparation of these financial statements and, based on careful judgments, have been properly reflected. Management has established systems of internal control, which are designed to provide reasonable assurance that assets are safeguarded from loss or unauthorized use and to produce reliable accounting records for the preparation of financial information.

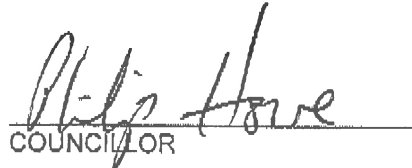
The First Nation Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements.

The consolidated financial statements have been audited by Holukoff Chiarella in accordance with Canadian generally accepted auditing standards on behalf of the members. Holukoff Chiarella have full and free access to Council.


CHIEF


COUNCILLOR


ADMINISTRATOR


COUNCILLOR

Holukoff Chiarella

CHARTERED ACCOUNTANTS

EXHIBIT "A"

Kevin Masse, B.Comm. (Hons), C.A.
(Practising as Kevin Masse Chartered Accountant Ltd.)
Ralph Orr, B.Comm. (Hons), C.A.
(Practising as Ralph Orr Chartered Accountant Ltd.)

101 - 1180 Pembina Highway
Winnipeg, Manitoba R3T 2A4
Telephone (204) 452-6449
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INDEPENDENT AUDITORS' REPORT

To the Chief, Councillors and Members of
Poplar Hill First Nation

We have audited the accompanying consolidated financial statements of Poplar Hill First Nation, which comprise the consolidated statement of financial position as at March 31, 2016 and the consolidated statements of operations and accumulated surplus, consolidated statements of operations, consolidated statements of change in net debt and consolidated statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the 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 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 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

We did not observe the opening balance of fuel inventory at April 1, 2015 nor were we able to satisfy ourselves by alternative means as to the quantity and book value of fuel inventory at March 31, 2016. Since fuel inventory enters into the determination of the results of operations and changes in financial position, we were unable to determine what adjustments, if any, might be necessary to assets, annual surplus (deficit) and accumulated surplus.

The First Nation has undertaken to identify the total cost of tangible capital assets not previously recorded and any impairment or related amortization attributed to each of those assets. The full extent of these unrecorded assets and their appropriate amortization is not determinable as at the date of this audit report. As a result, we were unable to determine what further adjustments, if any, might be necessary to tangible capital assets, annual surplus and accumulated surplus.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraphs, the consolidated financial statements present fairly, in all material respects, the financial position of Poplar Hill First Nation as at March 31, 2016, and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

WINNIPEG, MANITOBA
May 31, 2016.



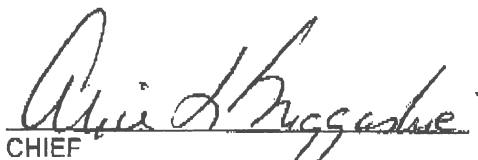
CHARTERED PROFESSIONAL ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS

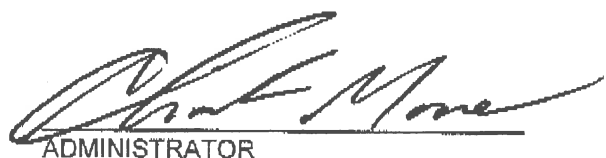
POPLAR HILL FIRST NATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2016

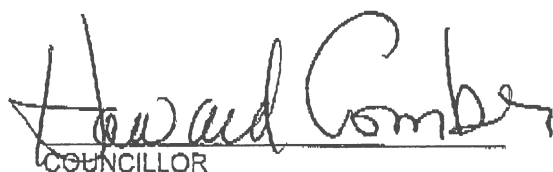
EXHIBIT "B"

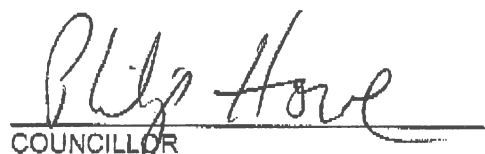
	<u>2016</u>	<u>2015</u>
FINANCIAL ASSETS		
Cash, Note 2	\$ 293,411	
Investment, Note 2	17,232	17,144
Accounts receivable, Note 3	269,061	297,946
Funds, on deposit with AANDC, Note 4	<u>43,624</u>	<u>37,624</u>
Total financial assets	<u>623,328</u>	<u>352,714</u>
LIABILITIES		
Bank indebtedness, Note 2		62,756
Accounts payable and accrued liabilities, Note 5	654,755	1,012,455
Deferred revenue, Note 6	65,467	531,045
Obligations under Capital Lease, Note 7		32,850
Demand loan, Note 8	<u>695,645</u>	<u>1,099,957</u>
Total liabilities	<u>1,415,867</u>	<u>2,739,063</u>
NET DEBT, Exhibit "E"	<u>(792,539)</u>	<u>(2,386,349)</u>
NON-FINANCIAL ASSETS		
Inventory, Note 9	593,420	770,411
Tangible capital assets, Note 10	<u>15,673,928</u>	<u>16,264,444</u>
	<u>16,267,348</u>	<u>17,034,855</u>
ACCUMULATED SURPLUS (DEFICIT), Exhibit "C"	\$ <u>15,474,809</u>	<u>14,648,506</u>

APPROVED ON BEHALF OF FIRST NATION COUNCIL


CHIEF


ADMINISTRATOR


COUNCILLOR


COUNCILLOR

POPLAR HILL FIRST NATION
 CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
 FOR THE YEAR ENDED MARCH 31, 2016

	<u>2016</u>	<u>2015</u>
REVENUE		
AANDC	\$ 5,433,925	6,111,403
Health Canada - Flexible Funding Agreement	903,292	850,022
Health Canada - Capital Funding Agreement		915,328
Provincial funding	2,237,060	2,036,262
OFNLP	838,926	855,228
Other	<u>2,103,643</u>	<u>1,482,581</u>
	11,516,846	12,250,824
AANDC net deferred revenue	<u>192,387</u>	<u>(192,387)</u>
	<u>11,709,233</u>	<u>12,058,437</u>
EXPENSES		
Band Support	706,682	773,831
Social Services	2,369,426	2,125,775
Education Authority	1,599,427	1,628,378
Power Authority	1,244,406	1,450,862
Economic Development	287,665	384,660
Public Works	1,612,745	1,917,234
Capital	1,269,715	3,225,763
OFNLP	103	1,121
Operating Programs	<u>1,202,245</u>	<u>1,130,253</u>
	<u>10,292,414</u>	<u>12,637,877</u>
ANNUAL SURPLUS (DEFICIT) BEFORE OTHER ITEMS	1,416,819	(579,440)
OTHER ITEMS		
Transfer to tangible capital assets	597,124	2,305,219
Amortization	<u>(1,187,640)</u>	<u>(1,139,756)</u>
ANNUAL SURPLUS (DEFICIT)	826,303	586,023
ACCUMULATED SURPLUS (DEFICIT) AT BEGINNING OF YEAR	<u>14,648,506</u>	<u>14,062,483</u>
ACCUMULATED SURPLUS (DEFICIT) AT END OF YEAR	\$ <u>15,474,809</u>	<u>14,648,506</u>

EXHIBIT "D"

POPLAR HILL FIRST NATION
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2016

	<u>Revenue</u>		<u>Expenses</u>	<u>Transfers</u>	<u>Annual Surplus (Deficit)</u>
	<u>AANDC</u>	<u>Other</u>			
BAND SUPPORT	\$ 556,791	169,009	725,800	202,100	221,218
SOCIAL SERVICES	618,604	1,928,950	2,547,554	(116,984)	61,144
EDUCATION AUTHORITY	1,516,497	199,582	1,716,079		116,652
POWER AUTHORITY	1,055,931	472,693	1,528,624		284,218
ECONOMIC DEVELOPMENT	50,000	645,188	695,188	(100,000)	307,523
PUBLIC WORKS	1,223,015	201,481	1,424,496	423,707	235,458
CAPITAL	605,474	418,847	1,024,321	430,000	184,606
OFNLP		838,926	838,926	(838,823)	
OPERATING PROGRAMS		1,202,245	1,202,245		
FUNDS ON DEPOSIT					
WITH AANDC, Note 4		<u>6,000</u>	<u>6,000</u>		<u>6,000</u>
OTHER ITEMS					
Transfer to tangible capital assets					
Amortization					
ANNUAL SURPLUS (DEFICIT)		<u>6,082,921</u>	<u>11,709,233</u>		<u>1,416,819</u>
REVENUE PER AANDC CONFIRMATION	\$ 5,433,925				
ADD: DEFERRED MARCH 31, 2015	<u>192,387</u>				
AANDC REVENUE REPORTED	\$ <u>5,626,312</u>				
					\$ <u>826,303</u>
					597,124
					(1,187,640)

POPLAR HILL FIRST NATION
 CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT
 FOR THE YEAR ENDED MARCH 31, 2016

	<u>2016</u>	<u>2015</u>
ANNUAL SURPLUS (DEFICIT), Exhibit "C"	\$ 826,303	586,023
Acquisition of tangible capital assets	(597,124)	(2,305,219)
Amortization of tangible capital assets	1,187,640	1,139,756
Change in inventory	<u>176,991</u>	<u>289,128</u>
INCREASE (DECREASE) IN NET DEBT	1,593,810	(290,312)
NET DEBT AT BEGINNING OF YEAR	<u>(2,386,349)</u>	<u>(2,096,037)</u>
NET DEBT AT END OF YEAR	\$ <u>(792,539)</u>	<u>(2,386,349)</u>

POPLAR HILL FIRST NATION
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2016

	<u>2016</u>	<u>2015</u>
OPERATING TRANSACTIONS		
Annual surplus (deficit)	\$ 826,303	586,023
Add non-cash item		
Amortization	1,187,640	1,139,756
Net change in financial assets/liabilities		
Accounts receivable	28,885	(144,787)
Funds on deposit with AANDC	(6,000)	(6,865)
Accounts payable and accrued liabilities	(357,700)	(148,226)
Deferred revenue	(465,578)	523,727
Change in inventory	176,991	289,128
	<u>1,390,541</u>	<u>2,238,756</u>
CAPITAL TRANSACTIONS		
Acquisitions of tangible capital assets	(597,124)	(2,305,219)
FINANCING TRANSACTIONS		
Proceeds of demand loan	600,000	1,000,000
Increase (repayments) of long term debt	(1,037,162)	(1,143,738)
	<u>(437,162)</u>	<u>(143,738)</u>
NET CHANGE IN CASH POSITION	356,255	(210,201)
CASH POSITION AT BEGINNING OF YEAR	(45,612)	164,589
CASH POSITION AT END OF YEAR, Note 2	\$ <u>310,643</u>	<u>(45,612)</u>
SUPPLEMENTARY CASH FLOW INFORMATION		
Interest paid	\$ 44,532	45,562
Interest received	88	765

POPLAR HILL FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local government entities, as defined in the Public Sector Accounting and Auditing handbook of the Canadian Institute of Chartered Accountants.

a) Nature and Purpose of Organization

The First Nation manages and administers all aspects of the Poplar Hill First Nation. The First Nation operates with a Chief and Council, who are ultimately responsible for the establishment and administration of all programs of the First Nation.

b) Reporting Entity and Principles of Financial Reporting

The Poplar Hill First Nation reporting entity includes the Poplar Hill First Nation government and all related entities, which are accountable to the First Nation and are either owned or controlled by the First Nation.

These financial statements consolidate the assets, liabilities and results of operations for the following entities which use accounting principles which lend themselves to consolidations:

Poplar Hill First Nation Administration
Poplar Hill Education Authority
Obesahdekong Power Authority

All inter-entity balances have been eliminated on consolidation, but in order to present the results of operations for each specific fund, transactions amongst funds have not necessarily been eliminated on the individual statements.

Incorporated business entities, which are owned or controlled by the Poplar Hill First Nation Council 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. The Poplar Hill First Nation does not have any entities to report using the modified equity method.

Incorporated business entities, which are not controlled by the First Nation and are not dependent on the First Nation are recorded by the cost method. These investments are recorded by the cost method as opposed to the lower of cost or net realizable value because the net realizable value is determinable. The First Nation does not have any investments to report using the cost method.

c) Revenue Recognition

The First Nation follows the deferral method of accounting for revenue. Revenue is recognized as it becomes receivable under the terms of applicable funding agreements and can be reasonably estimated and collection is reasonably assured. Funding received under the funding arrangements which relates to a subsequent fiscal period is reflected as deferred revenue in the year of receipt and classified as such on the balance sheet.

Other income, primarily fees for service, are recognized upon transfer of title of the product or upon performance of the service and when collectability is reasonably assured.

POPLAR HILL FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

d) Tangible Capital Assets

Tangible capital assets include acquired, built, developed and improved tangible capital assets, whose useful life extends beyond one year and which are intended to be used on an ongoing basis for producing goods and delivering services. The First Nation does not capitalize computer software or equipment.

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

e) Amortization

Amortization is provided for on a straight-line basis over the expected useful life of the assets as follows. One-half of the annual amortization is charged in the year of acquisition.

Land improvements and grounds	10 years
Buildings	25 years
Furniture and equipment	5 years
Vehicles	4 years
Heavy equipment and large vehicles	10 years
Water and sewer	25 years
Fuel tanks and pumps	10 years
Power generation	20 years
Outdoor lighting	20 years

f) Net Debt/Net Financial Assets

The First Nation's financial statements are presented so as to highlight net debt/net financial assets as the measurement of financial position. The net debt/net financial assets of the First Nation are determined by its financial assets less its liabilities. Net financial assets are comprised of two components, non-financial assets and accumulated surplus.

g) Inventory

Inventory is valued at the lower of cost and net realized value. Cost is determined on a first-in first-out basis.

POPLAR HILL FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES - continued

h) Financial Instruments

Initial and subsequent measurement

The First Nation initially measures its financial assets and liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate.

The First Nation subsequently measures all its financial assets and liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in the fair value of these financial instruments are recognized in net income in the period incurred.

Financial assets measured at amortized cost on a straight-line basis include cash, accounts receivable and fund on deposit.

Financial liabilities measured at amortized cost on a straight-line basis include accounts payable and accrued liabilities and deferred revenue, obligations under capital lease and demand loan.

Transaction costs

Transactions costs related to financial instruments that will be subsequently measured at fair value are recognized in net income in the period incurred. Transaction costs related to financial instruments subsequently measured at amortized cost are included in the original cost of the asset or liability and recognized in net income over the life of the instrument using the straight-line method.

i) Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the reported period. Actual results could differ from management's best estimates as additional information becomes available in the future.

2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents included in the cash flows statement comprise the following balance sheet amounts:

	<u>2016</u>	<u>2015</u>
Cash balances with banks	\$ 293,411	(62,756)
Guaranteed investment Certificates	<u>17,232</u>	<u>17,144</u>
Cash and cash equivalents	\$ <u>310,643</u>	<u>(45,612)</u>

POPLAR HILL FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

3. ACCOUNTS RECEIVABLE

	<u>2016</u>	<u>2015</u>
ADMINISTRATION AND HEALTH		
AANDC - Community Economic Development Program	\$ 4,171	
- Basic needs		20,531
- Special needs		1,035
- Fuel - Power Authority		25,000
- Fuel Tanks System Upgrade	<u>35,609</u>	<u>137,925</u>
	39,780	184,491
Health Canada	27,007	
Trade receivables	<u>62,281</u>	<u>70,378</u>
	<u>129,068</u>	<u>254,869</u>
SOCIAL SERVICES		
Ministry of Community and Social Services General assistance	<u>119,378</u>	<u>42,249</u>
EDUCATION		
NNEC	1,116	828
K.O.	<u>19,499</u>	
	<u>20,615</u>	<u>828</u>
 TOTAL ACCOUNTS RECEIVABLE	 \$ <u>269,061</u>	 <u>297,946</u>

4. FUNDS ON DEPOSIT WITH AANDC

Ottawa Trust Funds arises from monies derived from capital or revenue source 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 and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

	<u>2016</u>	<u>2015</u>
BALANCE AT BEGINNING OF YEAR	\$ 37,624	30,759
AMOUNTS PLACED ON DEPOSIT DURING THE YEAR	<u>6,000</u>	<u>6,865</u>
BALANCE AT END OF YEAR	\$ <u>43,624</u>	<u>37,624</u>

POPLAR HILL FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2016</u>	<u>2015</u>
ADMINISTRATION AND HEALTH		
Profor Engineering	\$ 32,132	47,532
Fox Construction		464,099
Finnway General Contractors	76,189	
Pritchard Industrial		69,001
CRA - source deductions	49,249	82,156
Springhill Lumber	289,512	226,304
Trade payables - other	<u>143,013</u>	<u>110,234</u>
	<u>590,095</u>	<u>999,326</u>
EDUCATION AUTHORITY		
Trade payables	<u>64,660</u>	<u>13,129</u>
TOTAL ACCOUNTS PAYABLE	\$ <u>654,755</u>	<u>1,012,455</u>

6. DEFERRED REVENUE

Funding received or receivable in the current period to be applied against subsequent period programs are recorded as deferred revenue in the financial statements.

Deferred revenue consists of the following:

	<u>Opening Balance</u>	<u>Funding Received</u>	<u>Revenue Recognized</u>	<u>Closing Balance</u>
OFNLP	\$ 2,203	860,454	838,926	23,731
Diesel Generators Rebuild	87,435		87,435	
Fuel Tanks Storage Upgrade	104,952	82,000	186,952	
Health Emergency Generators	252,529		210,793	41,736
Motel Extension	<u>83,926</u>		<u>83,926</u>	
	<u>\$ 531,045</u>	<u>942,454</u>	<u>1,408,032</u>	<u>65,467</u>

7. OBLIGATIONS UNDER CAPITAL LEASE

Poplar Hill First Nation entered into a capital lease with Caterpillar Financial for heavy equipment as follows:

	<u>2016</u>	<u>2015</u>
2012 Caterpillar D5K Tractor		
Principal amount \$157,338 repayable at \$3,090.29		
per month for 60 months including interest at 6.9%.		
Paid in full, February 2016	\$	32,850
Current portion		<u>32,850</u>
	\$	

POPLAR HILL FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

EXHIBIT "G"

8. DEMAND LOAN

	<u>2016</u>	<u>2015</u>
Bank of Montreal, operating demand loan for fuel, interest at Bank of Montreal prime rate plus 1.875%, repayable at \$99,957 per month plus interest, payments beginning June 30, 2014 and maturing April 30, 2015.	\$	99,957
Bank of Montreal, operating demand loan for fuel, interest at Bank of Montreal prime rate plus 2.500%, repayable at \$95,645 per month plus interest, payments beginning May 31, 2016 and maturing March 31, 2016.	95,645	1,000,000
Bank of Montreal, operating demand loan for fuel, interest at Bank of Montreal prime rate plus 3.000%, repayable at \$60,000 per month plus interest, payments beginning April 14, 2016 and maturing January 14, 2017.	600,000	

The above loans are secured by:

1. Band Council Resolution
 - a) agreeing to contents of BMO's Commitment and acknowledging the outlined debt obligations to BMO
 - b) authorizing direction of funding of AANDC and OFNLP (Casino Rama) to BMO accounts
 - c) authorizing a credit report from the Bank of Nova Scotia
 - d) authorizing a Chief's Certificate.
2. Operating Demand Loan Agreement
3. Demand Loan Non-Revolving Agreement
4. Corporate Mastercard Agreement
5. Copy of AANDC Funding Agreement

\$	<u>695,645</u>	<u>1,099,957</u>
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9. INVENTORY

	<u>2016</u>	<u>2015</u>
Public Works, fuel	\$ 176,570	166,985
Power Authority, fuel	400,320	545,090
Education Authority, fuel	<u>16,530</u>	<u>58,336</u>
	\$ <u>593,420</u>	<u>770,411</u>

POPLAR HILL FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

10. TANGIBLE CAPITAL ASSETS

				2016		
		Cost	Additions	Cost	Accumulated	Net Book
		Mar. 31/15	(Disposals)	Mar. 31/16	Amortization	Value
Buildings	\$	8,921,205	300,688	9,221,893	3,451,952	5,769,941
Vehicles		97,383		97,383	97,383	
Equipment		6,085	10,490	16,575	4,091	12,484
Heavy equipment and large vehicles		926,181		926,181	686,747	239,434
Water and sewer		11,506,194		11,506,194	6,657,524	4,848,670
Power generation		4,408,972	1,717,572	6,126,544	2,350,744	3,775,800
Outdoor lighting		4,884		4,884	3,054	1,830
Assets under construction						
School planning and design		2,457,395	(1,431,626)	1,025,769		1,025,769
	\$	28,328,299	597,124	28,925,423	13,251,495	15,673,928

				2015		
		Cost	Additions	Cost	Accumulated	Net Book
		Mar. 31/14	(Disposals)	Mar. 31/15	Amortization	Value
Buildings	\$	8,921,205		8,921,205	3,083,076	5,838,129
Vehicles		97,383		97,383	97,383	
Equipment		6,085		6,085	1,825	4,260
Heavy equipment and large vehicles		926,181		926,181	594,129	332,052
Water and sewer		11,506,194		11,506,194	6,197,277	5,308,917
Power generation		4,408,972		4,408,972	2,087,356	2,321,616
Outdoor lighting		4,884		4,884	2,809	2,075
Assets under construction						
School planning and design		152,176	2,305,219	2,457,395		2,457,395
	\$	26,023,080	2,305,219	28,328,299	12,063,855	16,264,444

11. FINANCIAL RISKS AND CONCENTRATION OF RISK

a) Credit risk

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The accounts receivable are due from a diverse group of companies and the government primarily concentrated to the provincial region the First Nation operates in. There has been no change to the risk exposures from 2015.

POPLAR HILL FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

11. FINANCIAL RISKS AND CONCENTRATION OF RISK, continued

b) Liquidity risk

Liquidity risk is the risk that the First Nation will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The First Nation's exposure to liquidity risk is dependent on the funding agreements, sale of services, collection of accounts receivable, purchasing commitments and obligations or raising of funds to meet commitments and sustain operations. Cash flow from operations provides a substantial portion of the First Nation's cash requirements. Additional cash requirements are met with the use of the available operating line of credit financing. Management is of the opinion that liquidity risk is an ongoing risk to be dealt with but there has been no change to the risk exposures from 2015.

The First Nation's debt is structured with regularly recurring payments, secured by assets. Regularly recurring payments are required to service this debt, limiting the requirement to extinguish the debt in the short term.

c) Currency risk

The First Nation is exposed to financial risks as a result of exchange rate fluctuations and the volatility of these rates. In the normal course of business, the First Nation has minimal purchases and sales denominated in U.S. dollars. The settlement of these amounts is in the short term. There has been no change to the risk exposure from 2015.

d) Interest rate risk

The First Nation maintains an operating line of credit and financing subject to floating rates of interest; a change in the variable rate can impact cash flow to service the debt when such debt is outstanding. There has been no change to the risk exposure from 2015 and there is expected to be no substantive change in the next fiscal period.

12. SURPLUS (DEFICIT)

A portion of this balance includes surpluses and/or deficits from funds contributed by government agencies. Such surpluses/deficits may be subject to repayment or recovery by the contributing agencies, depending on the terms and conditions of the relevant agreements.

13. ECONOMIC DEPENDENCE

The Poplar Hill First Nation receives a major portion of its revenues pursuant to a funding arrangement with Aboriginal Affairs and Northern Development Canada.

14. COMPARATIVE FIGURES

Prior year's comparative amounts have been reclassified where necessary to conform to the current period's presentation. Certain comparative figures for the previous period have not been shown as the information is considered not to be meaningful for comparison with the current period.

Budget data was included when available. The budget figures are unaudited.

POPLAR HILL FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

15. SEGMENT DISCLOSURE

	<u>Band Support</u>		<u>Social Services</u>		<u>Education</u>	
	<u>Budget</u>	<u>2015</u>	<u>Budget</u>	<u>2016</u>	<u>Budget</u>	<u>2015</u>
REVENUE						
Federal government	\$ 556,791	556,791	456,315	524,630	618,604	540,307
Provincial government				1,629,655	1,928,950	1,650,072
Economic activities						
Net income from investments						
in government		6,000				
Other revenue	976,000	1,007,935	967,158		164,122	132,302
TOTAL REVENUE	1,532,791	1,570,726	1,430,338	2,154,285	2,547,554	2,195,335
					1,506,188	1,716,079
						1,636,363
EXPENSES						
Honoraria - Chief and Councillors	450,000	427,656	463,295			
- Elders and Board Members					88,110	87,943
Wages and benefits	113,000	112,754	111,538	265,390	268,125	262,241
Amortization		1,187,640	1,139,756			1,117,245
Tangible capital assets		(597,124)	(2,305,219)			1,143,345
Interest						
Other expenses	201,731	166,375	200,119	1,770,910	2,101,301	1,863,534
TOTAL EXPENSES	764,731	1,297,301	(390,511)	2,036,300	2,369,426	2,125,775
					1,517,240	1,599,427
						1,628,378
SURPLUS (DEFICIT) BEFORE TRANSFERS	768,060	273,425	1,820,849	117,985	178,128	69,560
					(11,052)	116,652
TRANSFERS	(649,700)	(636,723)	(754,107)	(216,984)	(116,984)	(85,941)
ANNUAL SURPLUS (DEFICIT)	\$ 118,360	(363,298)	1,066,742	(98,999)	61,144	(16,381)
					(11,052)	116,652
						7,985

POPLAR HILL FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

15. SEGMENT DISCLOSURE, continued

	<u>Power Authority</u>		<u>Economic Development</u>		<u>Public Works</u>	
	<u>Budget</u>	<u>2016</u>	<u>Budget</u>	<u>2016</u>	<u>Budget</u>	<u>2016</u>
		<u>2015</u>		<u>2015</u>		<u>2015</u>
REVENUE						
Federal government	\$	680,862	1,055,931	475,000	1,223,015	1,242,333
Provincial government				50,000	69,997	69,997
Economic activities						
Net income from investments				470,000		
in government						
Other revenue		500,000	472,693	555,255	90,000	131,484
						134,726
TOTAL REVENUE		1,180,862	1,528,624	1,030,255	1,383,012	1,424,496
				586,659		1,447,056
EXPENSES						
Honoraria - Chief and Councillors						
- Elders and Board Members						
Wages and benefits	120,000	114,354	121,030	118,000	123,628	117,810
Amortization						
Tangible capital assets	40,000	44,532	46,562			
Interest	1,251,000	1,085,520	1,283,270	219,000	164,037	266,850
Other expenses					980,000	831,260
						1,182,405
TOTAL EXPENSES	1,411,000	1,244,406	1,450,862	337,000	1,739,574	1,612,745
						1,917,234
SURPLUS (DEFICIT) BEFORE TRANSFERS	(230,138)	284,218	420,607	183,000	407,523	201,999
						(356,562)
						(188,249)
						(470,178)
TRANSFERS	249,700		404,107		(100,000)	(218,000)
						316,984
						423,707
						235,941
ANNUAL SURPLUS (DEFICIT)	\$	19,562	284,218	(16,500)	307,523	(16,001)
						235,458
						(234,237)

POPLAR HILL FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

15. SEGMENT DISCLOSURE, continued

	<u>Capital and Housing</u>		<u>Health and Operating</u>		<u>Totals</u>	
	<u>Budget</u>	<u>2016</u>	<u>Budget</u>	<u>2016</u>	<u>Budget</u>	<u>2015</u>
REVENUE						
Federal government	\$ 816,523	816,268	903,292	903,292	6,097,179	7,431,837
Provincial government	83,926	83,926	154,187	154,187	1,937,765	2,036,262
Economic activities					470,000	536,659
Net income from investments in government						6,000
Other revenue	130,000	124,127	144,766	144,766	2,004,888	2,046,814
TOTAL REVENUE	1,030,449	1,024,321	1,202,245	1,129,231	10,509,832	12,058,437
EXPENSES						
Honoraria - Chief and Councillors					450,000	463,295
- Elders and Board Members					88,110	97,426
Wages and benefits	200,000	51,878	1,060,000	1,057,976	3,753,209	3,738,699
Amortization						1,187,640
Tangible capital assets						(597,124)
Interest	1,285,634	1,217,837	142,245	144,269	40,000	46,562
Other expenses					6,162,405	8,291,895
TOTAL EXPENSES	1,485,634	1,269,715	1,202,245	1,130,253	10,493,724	11,472,414
SURPLUS (DEFICIT) BEFORE TRANSFERS	(455,185)	(245,394)		(1,022)	16,108	586,023
TRANSFERS	300,000	430,000				
ANNUAL SURPLUS (DEFICIT)	\$ (155,185)	184,606		(1,022)	16,108	586,023