

Pelican Lake First Nation

Consolidated Financial Statements
March 31, 2015



Management's Responsibility for the Consolidated Financial Statements

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

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants 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 financial statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Chief and 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 Chief and 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 auditor's report.

The external auditors, PricewaterhouseCoopers 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 Pelican Lake First Nation and meet when required.

On behalf of Pelican Lake First Nation:

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Dennis Lewis
Chief

A handwritten signature in black ink, appearing to read "Jim Ramsay", written over a horizontal line.

Jim Ramsay
Band Administrator

August 24, 2015



August 24, 2015

Independent Auditor's Report

To the Chief and Council of Pelican Lake First Nation

We have audited the accompanying consolidated financial statements of Pelican Lake First Nation, which comprise the consolidated statement of financial position as at March 31, 2015 and the consolidated statements of operations, changes in net debt and cash flows for the year then ended, and the related notes, which comprise 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.

Auditor's 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 auditor's 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.

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Pelican Lake First Nation as at March 31, 2015 and the results of its operations, changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

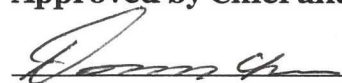
PricewaterhouseCoopers LLP

Chartered Professional Accountants

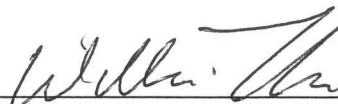
Pelican Lake First Nation
Consolidated Statement of Financial Position
As at March 31, 2015

	2015 \$	2014 \$
Financial assets		
Cash (note 2)	460,886	710,615
Accounts receivable (note 3)	835,454	1,162,731
Trust funds held by federal government (note 4)	5,687	1,074
Due from government (note 5)	35,018	256,373
Inventories for resale	149,864	145,818
Investments in government business enterprises (note 6)	250,552	-
	<u>1,737,461</u>	<u>2,276,611</u>
Financial liabilities		
Bank overdrafts (note 2)	1,575,088	1,045,529
Accounts payable and accrued liabilities	265,537	142,225
Deferred revenue (note 7)	95,853	473,236
Long-term debt (note 8)	4,462,080	4,345,959
	<u>6,398,558</u>	<u>6,006,949</u>
Net debt	<u>(4,661,097)</u>	<u>(3,730,338)</u>
Non-financial assets		
Tangible capital assets (note 19)	<u>16,101,038</u>	<u>15,963,192</u>
Accumulated surplus (note 14)	<u>11,439,941</u>	<u>12,232,854</u>
Employee future benefits (note 9)		
Contingent liabilities (note 10)		

Approved by Chief and Council



Chief



Councillor

The accompanying notes are an integral part of these consolidated financial statements.

Pelican Lake First Nation

Consolidated Statement of Operations

For the year ended March 31, 2015

	Budget \$ (note 17)	2015 \$	2014 \$
Revenue			
Federal government transfers for operating (note 11)	7,939,066	8,129,986	8,352,953
Federal government transfers for capital (note 11)	-	384,528	1,401,473
Pelican Lake Mall and Store	3,300,000	3,315,110	3,542,195
Agency Chiefs Tribal Council	1,086,758	1,071,273	937,091
First Nations Trust	553,819	553,819	572,403
Rent	352,000	385,470	491,514
Other	223,732	183,076	383,744
Amounts earned and held in trust by federal government	-	4,613	4,878
Loss from investments in government business enterprises	-	-	(48,874)
	13,455,375	14,027,875	15,637,377
Expenses (note 13)			
Education	3,517,397	3,471,463	3,391,995
Pelican Lake Mall and Store	3,300,000	3,406,673	3,635,507
Social services	1,957,981	1,994,563	2,065,990
Band government	1,862,353	1,903,908	1,782,969
Community infrastructure	1,242,488	1,361,538	1,348,743
Housing and capital projects	768,500	990,592	820,549
Economic development and other	9,705	556,042	91,121
Health	425,310	448,243	412,952
Amortization	-	687,766	859,954
	13,083,734	14,820,788	14,409,780
Surplus (deficit) for the year (note 15)	371,641	(792,913)	1,227,597
Accumulated surplus – Beginning of year	12,232,854	12,232,854	11,005,257
Accumulated surplus – End of year (note 14)	12,604,495	11,439,941	12,232,854
Segment disclosure (note 18)			

The accompanying notes are an integral part of these consolidated financial statements.

Pelican Lake First Nation

Consolidated Statement of Changes in Net Debt For the year ended March 31, 2015

	Budget \$ (note 17)	2015 \$	2014 \$
Surplus (deficit) for the year	371,641	(792,913)	1,227,597
Acquisition of tangible capital assets	-	(825,612)	(1,738,057)
Amortization of tangible capital assets	-	687,766	859,954
Change in net debt	371,641	(930,759)	349,494
Net debt – Beginning of year	(3,730,338)	(3,730,338)	(4,079,832)
Net debt – End of year	(3,358,697)	(4,661,097)	(3,730,338)

The accompanying notes are an integral part of these consolidated financial statements.

Pelican Lake First Nation

Consolidated Statement of Cash Flows

For the year ended March 31, 2015

	2015 \$	2014 \$
Operating activities		
Surplus (deficit) for the year	(792,913)	1,227,597
Items not affecting cash		
Amortization of tangible capital assets	687,766	859,954
Loss from investments in government business enterprises	-	48,874
Net change in financial assets and liabilities (note 16)	285,902	(1,711,217)
	<u>180,755</u>	<u>425,208</u>
Capital activities		
Acquisition of tangible capital assets	<u>(825,612)</u>	<u>(1,738,057)</u>
Financing activities		
Debt issues	902,747	442,766
Debt retirement	<u>(786,626)</u>	<u>(622,921)</u>
	<u>116,121</u>	<u>(180,155)</u>
Investing activities		
Investments in government business enterprises	(250,552)	-
Redemption of temporary investments	-	460,000
	<u>(250,552)</u>	<u>460,000</u>
Change in net cash	<u>(779,288)</u>	<u>(1,033,004)</u>
Net cash – Beginning of year	<u>(334,914)</u>	<u>698,090</u>
Net cash – End of year	<u>(1,114,202)</u>	<u>(334,914)</u>
Net cash is comprised of		
Cash (note 2)	460,886	710,615
Bank overdrafts (note 2)	<u>(1,575,088)</u>	<u>(1,045,529)</u>
	<u>(1,114,202)</u>	<u>(334,914)</u>
Supplementary cash flow information		
Interest paid in year	<u>171,635</u>	<u>239,398</u>

The accompanying notes are an integral part of these consolidated financial statements.

Pelican Lake First Nation

Notes to Consolidated Financial Statements

March 31, 2015

1 Summary of significant accounting policies

a) Basis of accounting

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

b) Reporting entity

The Pelican Lake First Nation reporting entity includes the Pelican Lake First Nation government and all related entities that are controlled by the Pelican Lake First Nation (the "First Nation").

c) 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 a government business enterprise, which are included in the consolidated financial statements on a modified equity basis. Inter-organizational balances and transactions are eliminated upon consolidation.

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

Organizations consolidated in the First Nation's financial statements include Pelican Lake Business Ventures Inc. (operating as Pelican Lake Store) and Pelican Lake Mall. Organizations accounted for on a modified equity basis include the following:

- Chitek Lake Indian Development Company;
- Chitek Lake Houseboats Rentals Ltd.;
- Horizon Interiors Limited Partnership;
- Junor Farms Ltd.;
- Pelican Lake Electrical and Mechanical;
- Pelican Lake Energy Corp.;
- Pelican Lake Outfitters Ltd.;
- Pelican Lake Wild Rice Ltd.; and
- Spruce Creek Bison Ranch Ltd.

The year-end of the Pelican Lake Store is October 31 and these consolidated financial statements include the results of operations for the 12 months ended October 31, 2014. There were no significant unusual transactions or changes to operations subsequent to that date requiring adjustment in these consolidated financial statements.

Pelican Lake First Nation

Notes to Consolidated Financial Statements

March 31, 2015

d) Cash

Cash includes cash on hand and balances with banks. Bank overdrafts are presented as a liability on the consolidated statement of financial position and are considered a component of net cash for purposes of the consolidated statement of cash flows.

e) Inventories for resale

Inventories for resale consists of supplies and goods available for resale at Pelican Lake Store and the Pelican Lake Mall and are recorded at the lower of cost and net realizable value.

f) 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. Amortization is provided for on a straight-line basis over the estimated useful lives of the assets as follows:

Infrastructure	40 years
Buildings and improvements	10 years
Equipment	5 years

Tangible capital assets are written down when conditions indicate that they no longer contribute to the First Nation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the consolidated statement of operations.

g) Revenue recognition

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

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

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

Pelican Lake First Nation

Notes to Consolidated Financial Statements

March 31, 2015

h) Measurement uncertainty

The preparation of the consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities, at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the year. Items requiring the use of significant estimates include the useful lives of tangible capital assets and the recoverability of accounts receivable. Actual amounts could differ from these estimates

2 Cash and bank overdrafts

	2015 \$	2014 \$
Restricted cash		
Capital projects	55,703	252,782
CMHC replacement reserve and operating reserve funds	405,183	457,833
	<u>460,886</u>	<u>710,615</u>
Bank overdrafts		
Operating	(1,434,930)	(537,690)
CMHC construction	(24,354)	(293,312)
Income assistance	(93,482)	(127,631)
Pelican Lake Mall and Store	(22,322)	(86,896)
	<u>(1,575,088)</u>	<u>(1,045,529)</u>
Total cash and bank overdrafts, net	<u>(1,114,202)</u>	<u>(334,914)</u>

The security features of the First Nation's various bank overdrafts are irrevocable Band Council Resolutions (BCRs). The bank overdrafts bear interest at rates ranging from 4.6% to 5.1%. The First Nation's total available bank overdrafts are \$2,100,000.

Pelican Lake First Nation

Notes to Consolidated Financial Statements

March 31, 2015

3 Accounts receivable

	2015 \$	2014 \$
Pelican Lake Store and Mall	245,028	278,624
Advances to membership, staff and council	189,070	196,798
Agency Chiefs Tribal Council	140,326	146,714
First Nations Trust	126,548	-
Other advances and receivables	124,482	316,749
A.C. Forestry Ltd.	10,000	223,846
	<u>835,454</u>	<u>1,162,731</u>

The balance owing to the First Nation from the Pelican Lake Store is caused by the difference between the year-end dates at the First Nation (March 31) and the Pelican Lake Store (October 31). Related party transactions and advances of funds from the First Nation to the Pelican Lake Store during the 5-month period from October 31, 2014 to March 31, 2015 have not been eliminated.

4 Trust funds held by federal government

	March 31, 2014 \$	Additions \$	Withdrawals \$	March 31, 2015 \$
Revenue	149	4,613	-	4,762
Capital	925	-	-	925
	<u>1,074</u>	<u>4,613</u>	<u>-</u>	<u>5,687</u>

	March 31, 2013 \$	Additions \$	Withdrawals \$	March 31, 2014 \$
Revenue	13,018	4,878	(17,747)	149
Capital	925	-	-	925
	<u>13,943</u>	<u>4,878</u>	<u>(17,747)</u>	<u>1,074</u>

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 Section 63 to 69 of the Indian Act.

Pelican Lake First Nation

Notes to Consolidated Financial Statements

March 31, 2015

5 Due from government

	2015 \$	2014 \$
Aboriginal Affairs and Northern Development Canada	35,018	239,798
Canada Mortgage and Housing Corporation	-	16,575
	<u>35,018</u>	<u>256,373</u>

6 Investments in government business enterprises

	2015 \$	2014 \$
Pelican Lake Energy Corp. (Energy)	250,552	-
Other government business enterprises (Other)	-	-
	<u>250,552</u>	<u>-</u>

The First Nation has ownership interests in several government business enterprises, which are listed in paragraph c) of note 1. Pelican Lake Energy Corp. is in the business of energy and resource development. During the year, funds were advanced to Pelican Lake Energy Corp. by the First Nation to acquire mineral lease rights, which represents the value of the First Nation's investment. The mineral rights are included in "Tangible capital assets" in the condensed financial information below.

The First Nation has an ownership interest of 49.95% in the corporate entities which are the limited and general partners of Horizon Interiors Limited Partnership ("Horizon"). At March 31, 2015 there is total available debt of \$600,000 consisting of a) letter of credit of \$100,000 maximum (bearing interest at 9.75% and due on demand); b) mortgage of \$425,000 maximum (bearing interest at 6.75% and due in monthly payments of \$5,000); and c) loan with maximum limit of \$75,000 (bearing interest at 9.75% and due on demand). The maximum available debt of \$600,000 is secured by a general security agreement, a specific security agreement over inventory and accounts receivable and a first and second interest in certain real property. At March 31, 2015 there were no amounts drawn on the letter of credit, \$391,955 was drawn on the mortgage and \$75,000 was drawn on the loan for a total of \$466,955.

Pelican Lake First Nation

Notes to Consolidated Financial Statements

March 31, 2015

The following table presents condensed financial information for these commercial enterprises:

	2015			2014		
	Energy \$	Other \$	Total \$	Horizon \$	Other \$	Total \$
Cash	-	20,256	20,256	-	18,846	18,846
Accounts receivable	-	188,793	188,793	39,862	39,922	79,784
Inventory	-	-	-	213,062	-	213,062
Tangible capital assets	250,552	286,766	537,318	79,514	296,890	376,404
Other assets	-	-	-	5,219	-	5,219
Total assets	250,552	495,815	746,367	337,657	355,658	693,315
Bank overdraft	-	-	-	1,379	-	1,379
Accounts payable and accrued liabilities	-	120,774	120,774	62,755	87,041	149,796
Due to Pelican Lake First Nation	258,616	1,743,985	2,002,601	-	1,354,212	1,354,212
Shareholder loans	-	587,000	587,000	-	587,000	587,000
Long-term debt	-	-	-	401,000	192,759	593,759
Other liabilities	-	-	-	85,417	-	85,417
Total liabilities	258,616	2,451,759	2,710,375	550,551	2,221,012	2,771,563
Deficit	(8,064)	(1,955,944)	(1,964,008)	(212,894)	(1,865,354)	(2,078,248)
Total liabilities and deficit	250,552	495,815	746,367	337,657	355,658	693,315
Revenue	78,091	494,452	572,543	467,772	300,741	768,513
Expenses	86,155	585,042	671,197	577,093	413,016	990,109
Net loss	(8,064)	(90,590)	(98,654)	(109,321)	(112,275)	(221,596)

7 Deferred revenue

	Balance at March 31, 2014 \$	Funding received \$	Revenue recognized \$	Balance at March 31, 2015 \$
Federal government				
Capital projects	434,084	-	(384,528)	49,556
Other	39,152	315,036	(307,891)	46,297
	473,236	315,036	(692,419)	95,853

Pelican Lake First Nation

Notes to Consolidated Financial Statements

March 31, 2015

	Balance at March 31, 2013 \$	Funding received \$	Revenue recognized \$	Balance at March 31, 2014 \$
Federal government				
Capital projects	1,653,557	182,000	(1,401,473)	434,084
Other	-	1,613,668	(1,574,516)	39,152
	<u>1,653,557</u>	<u>1,795,668</u>	<u>(2,975,989)</u>	<u>473,236</u>

Federal government transfers related to capital projects are recognized in the year to the extent that the related capital project costs are incurred. Other federal government transfers deferred represent unexpended set and fixed funding received from Aboriginal Affairs and Northern Development Canada.

8 Long-term debt

	2015 \$	2014 \$
Bank of Montreal consolidation loan repayable with monthly principal payments of \$11,467, plus interest charged monthly at prime plus 2% (matures 2020)	561,867	-
Bank of Montreal loan repayable with monthly principal and interest payments of \$2,328, with interest charged at 4.90% (matures 2024)	242,155	272,427
Bank of Montreal RCMP housing mortgage repayable with monthly principal and interest payments of \$1,242, with interest charged at 6.29% (renews 2022, matures 2028)	129,717	136,388
CMHC Phase I mortgage, repayable with monthly principal and interest payments of \$1,621 over 15 years at 1.62% (renews 2018, matures 2028)	228,321	243,979
CMHC Phase II mortgage, repayable with monthly principal and interest payments of \$1,296 over 15 years at 1.92% (renews 2020, matures 2029)	189,176	201,000
CMHC Phase III mortgage, repayable with monthly principal and interest payments of \$2,837 over 15 years at 2.56% (renews 2016, matures 2026)	318,308	343,957
CMHC Phase IV mortgage repayable with monthly principal and interest payments of \$6,754 over 15 years at 1.67% (renews 2019, matures 2029)	959,024	1,023,637
CMHC Phase V mortgage, repayable with monthly principal and interest payments of \$9,190 over 20 years at 1.67% (renews 2018, matures 2032)	1,629,265	1,701,391
CMHC Phase VI advance	204,247	-
Innovation Credit Union loans, repaid during the year	-	423,180
	<u>4,462,080</u>	<u>4,345,959</u>

Pelican Lake First Nation

Notes to Consolidated Financial Statements

March 31, 2015

The security features of all long-term debt are BCRs. Principal amounts due over the next five years, assuming that mortgages are renewed at terms and rates similar to those existing at March 31, 2015, are estimated to be as follows:

	\$
2016	364,000
2017	369,000
2018	374,000
2019	379,000
2020	259,000

Interest expense on long-term debt for the year ended March 31, 2015 was \$171,635 (2014 – \$239,398).

9 Employee future benefits

The First Nation provides defined contribution plans for eligible members of its staff. Members of the plans are required to contribute 3% to 5% of their salary, and the First Nation matches the employees' contributions. The First Nation contributed \$177,387 during the year ended March 31, 2015 (2014 – \$176,603), which is recognized as an expense in the consolidated statement of operations. The First Nation does not have any other obligations with regard to the defined contribution plans as at March 31, 2015.

10 Contingent liabilities

The First Nation has entered into contribution agreements with various federal government departments. 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 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.

The First Nation is liable for any environmental obligations related to the future decommissioning of the gasoline facilities at the Pelican Lake Store. No provision has been made for environmental remediation liabilities associated with the Pelican Lake Store. Although it is probable that a liability has been incurred as of March 31, 2015, the amount of the obligation cannot be reliably estimated.

Pelican Lake First Nation

Notes to Consolidated Financial Statements

March 31, 2015

11 Government transfers

	2015		
	Operating \$	Capital \$	Total \$
Federal government transfers			
Aboriginal Affairs and Northern Development Canada (note 12)	7,375,624	384,528	7,760,152
Health Canada	429,282	-	429,282
Canada Mortgage and Housing Corporation	325,080	-	325,080
	8,129,986	384,528	8,514,514

	2014		
	Operating \$	Capital \$	Total \$
Federal government transfers			
Aboriginal Affairs and Northern Development Canada (note 12)	7,613,932	1,401,473	9,015,405
Health Canada	455,775	-	455,775
Canada Mortgage and Housing Corporation	283,246	-	283,246
	8,352,953	1,401,473	9,754,426

Pelican Lake First Nation

Notes to Consolidated Financial Statements

March 31, 2015

12 Aboriginal Affairs and Northern Development Canada (AANDC)

	2015 \$	2014 \$
Recipient total per AANDC transfer payment management system, less debt recoveries	7,347,751	7,825,592
Prior year AANDC deferred revenue	473,236	1,653,557
Social Assistance funding receivable	35,018	-
Current year AANDC deferred revenue	(95,853)	(473,236)
CPP/QPP and private pension plans funding receivable	-	9,056
ECIP funding receivable	-	436
AANDC revenue recognized per the consolidated financial statements	7,760,152	9,015,405

AANDC revenue recognized in the consolidated financial statements is as follows:

	2015 \$	2014 \$
AANDC revenue	7,382,769	7,835,084
Net recognition of deferred revenue	377,383	1,180,321
AANDC revenue recognized in the consolidated financial statements	7,760,152	9,015,405

Pelican Lake First Nation

Notes to Consolidated Financial Statements

March 31, 2015

13 Expenses by object

	Budget \$	2015 \$	2014 \$
Wages, salaries and benefits	3,886,522	3,843,002	3,565,343
Pelican Lake Mall and Store	3,300,000	3,406,673	3,635,507
Social assistance	1,419,921	1,469,504	1,588,415
Contracts	618,856	824,168	644,526
Repairs and maintenance	550,175	771,801	600,649
Amortization of tangible capital assets	-	687,766	859,954
Economic development	-	515,081	-
Honorarium and per diem	510,000	478,170	439,400
Travel and meetings	486,000	468,094	389,051
Student support	427,000	441,637	431,024
Supplies and materials	331,907	334,264	317,519
Utilities	280,200	286,216	242,114
Insurance	226,434	224,530	278,668
Training	208,002	212,193	405,590
Bank charges and interest	175,000	187,374	182,123
Professional fees	160,000	174,486	227,741
Member support	115,000	154,758	119,241
Miscellaneous and debt write-offs	207,701	152,235	240,599
Instructional equipment	85,000	83,304	49,745
Rent and equipment leases	57,160	71,625	80,778
Special projects	18,856	20,911	93,040
Property taxes	20,000	12,996	18,753
	13,083,734	14,820,788	14,409,780

14 Accumulated surplus

	2015 \$	2014 \$
Internally restricted		
Invested in tangible capital assets	11,638,958	11,617,233
Externally restricted		
CMHC replacement reserve and operating reserve	405,183	457,833
Unrestricted surplus (deficit)	(604,200)	157,788
Accumulated surplus	11,439,941	12,232,854

Pelican Lake First Nation

Notes to Consolidated Financial Statements

March 31, 2015

15 Annual surplus (deficit) net of capital related revenues, amortization and government business enterprises

	2015 \$	2014 \$
Surplus (deficit) for the year	(792,913)	1,227,597
Less: Capital related revenues included in surplus for the year		
Federal government transfers for capital (note 11)	(384,528)	(1,401,473)
Add: Amortization of tangible capital assets	687,766	859,954
Add: Loss from investments in government business enterprises	-	48,874
Surplus (deficit) for the year net of capital related revenues, amortization and government business enterprises	(489,675)	734,952

16 Net change in financial assets and liabilities

	2015 \$	2014 \$
Decrease (increase) in accounts receivable	327,277	(348,114)
Decrease (increase) in trust funds held by federal government	(4,613)	12,869
Decrease (increase) in due from government	221,355	52,128
Increase in inventories for resale	(4,046)	(52,320)
Increase (decrease) in accounts payable and accrued liabilities	123,312	(195,459)
Decrease in deferred revenue	(377,383)	(1,180,321)
	285,902	(1,711,217)

17 Budgeted figures

Unaudited budgeted figures have been provided for comparison purposes and have been derived from the estimates approved by the Chief and Council of the First Nation.

Pelican Lake First Nation

Notes to Consolidated Financial Statements

March 31, 2015

18 Segment disclosure

The First Nation provides a range of services to its members. For management reporting purposes, operations and activities are organized and reported by department. The segments of the First Nation and the services provided by each are as follows:

- Education – includes education instruction, post-secondary, operation and maintenance of education buildings, special education and student transportation.
- Social services – provides daycare, social assistance, homecare, headstart and membership support.
- Community infrastructure – responsible for roads, electrical services, sewer, water, fire protection and maintenance of community buildings.
- Housing and capital projects – responsible for construction and maintenance of housing, including CMHC, as well as larger maintenance projects that are non-recurring in nature and require capital funding.
- Band government – handles the finances and administration of the First Nation, including support and central services to Chief and Council and all other departments.
- Health – responsible for the delivery of health programs and services with an emphasis on health education, prevention programs, addictions, mental health, community health and early childhood programs.
- Economic development and other programs – includes the Pelican Lake Mall and Store, flour program, community economic development, capacity development management, First Nations Trust and youth work experience.

For each segment separately reported, the segment revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The presentation by segment is based on the same accounting policies as described in the Summary of Significant Accounting Policies.

Pelican Lake First Nation

Notes to Consolidated Financial Statements

For the year ended March 31, 2015

	Budget \$	Education 2015 \$	2014 \$	Budget \$	Social services 2015 \$	2014 \$	Community infrastructure 2015 \$	2014 \$
Revenues								
Federal government transfers	3,764,072	3,753,934	3,650,962	1,565,892	1,613,184	1,682,796	809,841	1,044,183
Pelican Lake Mall and Store	-	-	-	-	-	-	-	-
Agency Chiefs Tribal Council	-	1,650	8,000	441,758	256,758	258,932	77,000	77,386
First Nations Trust	-	-	-	-	-	-	-	-
Rent	-	-	-	-	-	-	78,000	150,935
Other	-	6,297	-	85,000	42,462	39,343	38,732	75,662
Amounts earned and held in trust by federal government	-	-	-	-	-	-	-	-
Loss from investment in government business enterprises	-	-	-	-	-	-	-	-
	3,764,072	3,761,881	3,658,962	2,092,650	1,912,404	1,981,071	1,003,573	1,348,166
Expenses								
Wages, salaries and benefits	2,290,000	2,250,474	2,196,359	235,000	243,934	227,889	434,271	420,185
Pelican Lake Mall and Store	-	-	-	-	-	-	-	-
Social assistance	-	-	-	1,419,921	1,469,504	1,588,415	-	-
Contracts	325,616	331,374	368,495	38,000	39,546	47,780	107,240	87,800
Repairs and maintenance	70,000	54,990	44,681	-	-	-	178,675	141,577
Amortization of tangible capital assets	-	-	18,900	-	-	3,840	-	260,170
Economic development	-	-	-	-	-	-	-	-
Honorarium and per diem	-	-	-	-	-	-	-	-
Travel and meetings	25,000	23,510	20,602	9,000	5,588	6,797	6,000	4,744
Student support	427,000	441,637	431,024	-	-	-	-	-
Other	105,000	116,392	70,324	124,600	163,719	126,364	20,000	19,065
Supplies and materials	137,540	126,616	137,462	34,875	32,522	28,141	124,300	118,497
Utilities	120,000	115,338	100,978	12,000	10,149	10,793	120,000	100,035
Insurance	10,000	10,094	7,320	7,434	5,759	4,519	48,000	56,220
Training	-	-	-	-	-	-	204,002	395,026
Bank charges and interest	-	-	-	15,000	17,042	16,465	-	-
Professional fees	-	-	-	-	-	-	-	-
Miscellaneous and debt write-offs	7,241	1,038	14,750	62,151	6,800	8,828	-	5,594
	3,517,397	3,471,463	3,410,895	1,957,981	1,994,563	2,069,831	1,242,488	1,608,913
Surplus (deficit) for the year	246,675	290,418	248,067	134,669	(82,159)	(88,760)	(238,915)	(260,747)

Pelican Lake First Nation

Notes to Consolidated Financial Statements

For the year ended March 31, 2015

	Housing and capital projects			Band government				Health	
	Budget	2015	2014	Budget	2015	2014	Budget	2015	2014
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues									
Federal government transfers	521,989	1,007,922	2,064,708	829,134	829,134	804,963	429,282	429,282	455,775
Pelican Lake Mall and Store	-	-	-	-	-	-	-	-	-
Agency Chiefs Tribal Council	-	-	-	-	167,300	-	28,000	28,000	19,756
First Nations Trust	-	-	-	-	-	-	-	-	-
Rent	184,000	228,538	249,613	90,000	97,360	90,966	-	-	-
Other	100,000	30,828	97,685	-	61,193	152,745	-	-	6,529
Amounts earned and held in trust by federal government	-	-	-	-	-	-	-	-	-
Loss from investment in government business enterprises	-	-	-	-	-	(48,874)	-	-	-
	805,989	1,267,288	2,412,006	919,134	1,154,987	999,800	457,282	457,282	482,060
Expenses									
Wages, salaries and benefits	125,000	98,692	120,036	477,061	444,754	353,321	325,190	313,616	247,553
Pelican Lake Mall and Store	-	-	-	-	-	-	-	-	-
Social assistance	-	-	-	-	-	-	-	-	-
Contracts	10,000	162,208	15,202	130,000	149,126	116,796	8,000	7,676	8,453
Repairs and maintenance	243,500	443,213	347,057	35,000	2,772	7,866	23,000	43,736	59,468
Amortization of tangible capital assets	-	206,330	251,604	-	206,330	210,143	-	-	7,100
Economic development	-	-	-	-	-	-	-	-	-
Honorarium and per diem	-	-	-	500,000	468,170	439,400	10,000	10,000	-
Travel and meetings	15,000	19,556	13,347	395,000	367,166	295,360	36,000	35,652	45,205
Student support	-	-	-	-	-	-	-	-	-
Other	-	1,319	-	27,000	21,655	34,350	560	533	22,665
Supplies and materials	5,000	7,740	6,534	28,292	41,825	17,225	1,900	2,112	3,245
Utilities	2,000	11,955	6,644	15,000	11,006	13,546	11,200	21,182	10,118
Insurance	148,000	147,868	198,912	8,000	7,230	6,016	5,000	5,333	5,681
Training	-	-	-	-	-	-	4,000	3,721	10,564
Bank charges and interest	80,000	90,641	102,117	80,000	79,691	63,541	-	-	-
Professional fees	10,000	6,800	10,300	150,000	159,966	217,441	-	3,000	-
Miscellaneous and debt write-offs	130,000	600	400	17,000	150,547	218,107	460	1,682	-
	768,500	1,196,922	1,072,153	1,862,353	2,110,238	1,993,112	425,310	448,243	420,052
Surplus (deficit) for the year	37,489	70,366	1,339,853	(943,219)	(955,251)	(993,312)	31,972	9,039	62,008

Pelican Lake First Nation

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	Economic development and other programs			Total		
	Budget \$	2015 \$	2014 \$	Budget \$	2015 \$	2014 \$
Revenues						
Federal government transfers	18,856	18,856	51,039	7,939,066	8,514,514	9,754,426
Pelican Lake Mall and Store	3,300,000	3,315,110	3,542,195	3,300,000	3,315,110	3,542,195
Agency Chiefs Tribal Council	540,000	540,348	573,017	1,086,758	1,071,273	937,091
First Nations Trust	553,819	553,819	572,403	553,819	553,819	572,403
Rent	-	-	-	352,000	385,470	491,514
Other	-	1,400	11,780	223,732	183,076	383,744
Amounts earned and held in trust by federal government	-	4,613	4,878	-	4,613	4,878
Loss from investment in government business enterprises	-	-	-	-	-	(48,874)
	4,412,675	4,434,146	4,755,312	13,455,375	14,027,875	15,637,377
Expenses						
Wages, salaries and benefits	-	18,240	-	3,886,522	3,843,002	3,565,343
Pelican Lake Mall and Store	3,300,000	3,406,673	3,635,507	3,300,000	3,406,673	3,635,507
Social assistance	-	-	-	1,419,921	1,469,504	1,588,415
Contracts	-	-	-	618,856	824,168	644,526
Repairs and maintenance	-	-	-	550,175	771,801	600,649
Amortization of tangible capital assets	-	68,776	108,197	-	687,766	859,954
Economic development	-	515,081	-	-	515,081	-
Honorarium and per diem	-	-	-	510,000	478,170	439,400
Travel and meetings	-	3,720	2,996	486,000	468,094	389,051
Student support	-	-	-	427,000	441,637	431,024
Other	18,856	20,911	81,709	296,016	343,594	361,557
Supplies and materials	-	5,424	6,415	331,907	334,264	317,519
Utilities	-	507	-	280,200	286,216	242,114
Insurance	-	1,239	-	226,434	224,530	278,668
Training	-	-	-	208,002	212,193	405,590
Bank charges and interest	-	-	-	175,000	187,374	182,123
Professional fees	-	4,720	-	160,000	174,486	227,741
Miscellaneous and debt write-offs	(9,151)	(13,800)	-	207,701	152,235	240,599
	3,309,705	4,031,491	3,834,824	13,083,734	14,820,788	14,409,780
Surplus (deficit) for the year	1,102,970	402,655	920,488	371,641	(792,913)	1,227,597

Pelican Lake First Nation

Notes to Consolidated Financial Statements

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19 Tangible capital assets

	Cost					Accumulated amortization			Net book value at March 31, 2015
	Opening balance	Additions	Disposals	Transfers	Closing balance	Opening balance	Amortization	Closing balance	
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land	17,809	-			17,809	-	-	-	17,809
Infrastructure	25,399,211	-			25,399,211	13,470,712	629,772	14,100,484	11,298,727
Buildings and improvements	2,430,985	262,242			2,693,227	2,398,682	9,251	2,407,933	285,294
Equipment	2,330,423	45,306			2,375,729	1,987,247	48,743	2,035,990	339,739
Construction-in-progress	3,641,405	518,064			4,159,469	-	-	-	4,159,469
	<u>33,819,833</u>	<u>825,612</u>	<u>-</u>	<u>-</u>	<u>34,645,445</u>	<u>17,856,641</u>	<u>687,766</u>	<u>18,544,407</u>	<u>16,101,038</u>

	Cost					Accumulated amortization			Net book value at March 31, 2014
	Opening balance	Additions	Disposals	Transfers	Closing balance	Opening balance	Amortization	Closing balance	
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land	17,809	-	-	-	17,809	-	-	-	17,809
Infrastructure	25,399,211	-	-	-	25,399,211	12,663,080	807,632	13,470,712	11,928,499
Buildings and improvements	2,422,985	8,000	-	-	2,430,985	2,389,431	9,251	2,398,682	32,303
Equipment	1,944,176	386,247	-	-	2,330,423	1,944,176	43,071	1,987,247	343,176
Construction-in-progress	2,297,595	1,343,810	-	-	3,641,405	-	-	-	3,641,405
	<u>32,081,776</u>	<u>1,738,057</u>	<u>-</u>	<u>-</u>	<u>33,819,833</u>	<u>16,996,687</u>	<u>859,954</u>	<u>17,856,641</u>	<u>15,963,192</u>