

Pelican Lake First Nation

Consolidated Financial Statements
March 31, 2016

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.

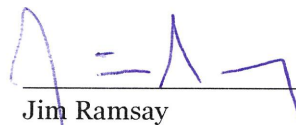
The Chief and Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to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



Dennis Lewis
Chief



Jim Ramsay
Band Administrator

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



August 31, 2016

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, 2016 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.

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, 2016 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, 2016

	2016 \$	2015 \$
Financial assets (note 8)		
Cash (note 2)	828,996	460,886
Accounts receivable (note 3)	591,890	835,454
Trust funds held by federal government (note 4)	30,908	5,687
Due from government (note 5)	66,726	35,018
Inventories for resale	147,158	149,864
Investments in government business enterprises (note 6)	-	250,552
	<u>1,665,678</u>	<u>1,737,461</u>
Financial liabilities		
Bank overdrafts (note 2)	1,602,044	1,575,088
Accounts payable and accrued liabilities	556,063	265,537
Deferred revenue (note 7)	68,757	95,853
Long-term debt (note 8)	6,449,161	4,462,080
	<u>8,676,025</u>	<u>6,398,558</u>
Net debt	<u>(7,010,347)</u>	<u>(4,661,097)</u>
Non-financial assets		
Tangible capital assets (note 19)	<u>17,507,258</u>	<u>16,101,038</u>
Accumulated surplus (note 14)	<u>10,496,911</u>	<u>11,439,941</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, 2016

	Budget \$ (note 17)	2016 \$	2015 \$
Revenue			
Federal government transfers for operating (note 11)	8,003,043	8,291,481	8,129,986
Federal government transfers for capital (note 11)	-	-	384,528
Pelican Lake Mall and Store	3,400,000	3,403,339	3,315,110
Agency Chiefs Tribal Council	901,758	939,851	1,071,273
First Nations Trust	500,000	557,497	553,819
Rent	288,000	394,731	385,470
Other	128,000	183,977	155,576
Northern Lights Community Development Corporation	155,000	97,743	27,500
Amounts earned and held in trust by federal government	-	4,822	4,613
	<u>13,375,801</u>	<u>13,873,441</u>	<u>14,027,875</u>
Expenses (note 13)			
Education	3,584,028	3,709,739	3,471,463
Pelican Lake Mall and Store	3,400,000	3,433,581	3,406,673
Social services	1,916,639	2,056,852	1,994,563
Band government	1,690,054	1,728,321	1,903,908
Community infrastructure	1,172,526	1,339,284	1,361,538
Housing and capital projects	770,500	742,468	990,592
Health	483,140	543,548	448,243
Economic development and other	175,500	375,858	556,042
	<u>13,192,387</u>	<u>13,929,651</u>	<u>14,133,022</u>
Deficit for the year before amortization (note 15)	183,414	(56,210)	(105,147)
Amortization	700,000	886,820	687,766
	<u>(516,586)</u>	<u>(943,030)</u>	<u>(792,913)</u>
Accumulated surplus – Beginning of year	11,439,941	11,439,941	12,232,854
Accumulated surplus – End of year (note 14)	<u>10,923,355</u>	<u>10,496,911</u>	<u>11,439,941</u>
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, 2016

	Budget \$ (note 17)	2016 \$	2015 \$
Deficit for the year	(516,586)	(943,030)	(792,913)
Acquisition of tangible capital assets	(2,300,000)	(2,293,040)	(825,612)
Amortization of tangible capital assets	700,000	886,820	687,766
Change in net debt	(2,116,586)	(2,349,250)	(930,759)
Net debt – Beginning of year	(4,661,097)	(4,661,097)	(3,730,338)
Net debt – End of year	(6,777,683)	(7,010,347)	(4,661,097)

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

Pelican Lake First Nation

Consolidated Consolidated Statement of Cash Flows

For the year ended March 31, 2016

	2016 \$	2015 \$
Operating activities		
Deficit for the year	(943,030)	(792,913)
Items not affecting cash		
Amortization of tangible capital assets	886,820	687,766
Net change in financial assets and liabilities (note 16)	452,771	285,902
	<u>396,561</u>	<u>180,755</u>
Capital activities		
Acquisition of tangible capital assets	<u>(2,293,040)</u>	<u>(825,612)</u>
Financing activities		
Debt issues	2,358,087	902,747
Debt retirement	<u>(371,006)</u>	<u>(786,626)</u>
	<u>1,987,081</u>	<u>116,121</u>
Investing activities		
Investments in government business enterprises	<u>250,552</u>	<u>(250,552)</u>
Change in net cash	341,154	(779,288)
Net cash – Beginning of year	<u>(1,114,202)</u>	<u>(334,914)</u>
Net cash – End of year	<u>(773,048)</u>	<u>(1,114,202)</u>
Net cash is comprised of		
Cash (note 2)	828,996	460,886
Bank overdrafts (note 2)	<u>(1,602,044)</u>	<u>(1,575,088)</u>
	<u>(773,048)</u>	<u>(1,114,202)</u>
Supplementary cash flow information		
Interest paid in year	<u>182,651</u>	<u>171,635</u>

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

Pelican Lake First Nation

Notes to Consolidated Financial Statements

March 31, 2016

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, 2015. 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, 2016

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.

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Notes to Consolidated Financial Statements

March 31, 2016

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

	2016 \$	2015 \$
Unrestricted cash		
Pelican Lake Mall and Store	333,510	-
Restricted cash		
CMHC replacement reserve and operating reserve funds	439,783	405,183
Capital projects	55,703	55,703
Total cash	828,996	460,886
Bank overdrafts		
Operating	(925,426)	(1,134,060)
CMHC	(561,347)	(325,224)
Income assistance	(115,271)	(93,482)
Pelican Lake Mall and Store	-	(22,322)
Total bank overdrafts	(1,602,044)	(1,575,088)
Total cash and bank overdrafts, net	(773,048)	(1,114,202)

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

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3 Accounts receivable

	2016 \$	2015 \$
Pelican Lake Store and Mall	182,069	245,028
Advances to membership, staff and council	169,877	189,070
Rent and land lease	110,183	28,438
Agency Chiefs Tribal Council	105,950	140,326
Northern Lights Community Development Corporation	23,811	32,042
First Nations Trust	-	126,548
Other advances and receivables	-	64,002
A.C. Forestry Ltd.	-	10,000
	<u>591,890</u>	<u>835,454</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, 2015 to March 31, 2016 have not been eliminated.

4 Trust funds held by federal government

	March 31, 2015 \$	Additions \$	Withdrawals \$	March 31, 2016 \$
Revenue	4,762	25,221	-	29,983
Capital	925	-	-	925
	<u>5,687</u>	<u>25,221</u>	<u>-</u>	<u>30,908</u>

	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>

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, 2016

5 Due from government

	2016 \$	2015 \$
Aboriginal Affairs and Northern Development Canada	66,726	35,018

6 Investments in government business enterprises

	2016 \$	2015 \$
Pelican Lake Energy Corp. (Energy)	-	250,552
Pelican Lake Electrical and Mechanical (E&M)	-	-
Other government business enterprises (Other)	-	-
	-	250,552

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 prior year, funds were advanced to Pelican Lake Energy Corp. by the First Nation to acquire mineral lease rights, which represented the value of the First Nation's investment. During the year ended March 31, 2016 financing was obtained by Pelican Lake Energy Corp. to fund the prior year acquisition of the mineral rights. The mineral rights are included in "Tangible capital assets" in the condensed financial information below.

The First Nation has 100% ownership of Pelican Lake Energy Corp. and Pelican Lake Electrical and Mechanical. As of March 31, 2016, these government business enterprises have borrowed funds from the First Nations Bank of Canada of \$500,000 and \$140,000, respectively. The loans bear interest monthly at 4.55%, with principal payments of \$32,000, required quarterly until April 1, 2021. The First Nation has provided full guarantees on these debts by way of a general security agreement, unlimited guarantees of advances and borrowings, access to on-reserve assets and redirection of First Nations Trust gaming distributions.

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, 2016 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, 2016 there were no amounts drawn on the letter of credit, \$356,428 was drawn on the mortgage and \$75,000 was drawn on the loan for a total of \$431,428.

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

	2016			2015		
	Energy and E&M \$	Other \$	Total \$	Energy and E&M \$	Other \$	Total \$
Cash	173,008	10,263	183,271	66	20,256	20,322
Accounts receivable	59,253	104,527	163,780	79,891	63,282	143,173
Inventory	188,421	-	188,421	58,000	-	58,000
Tangible capital assets	434,439	228,709	663,148	439,641	258,296	697,937
Total assets	855,121	343,499	1,198,620	577,598	341,834	919,432
Accounts payable	34,687	76,960	111,647	27,699	88,090	115,789
Due to Pelican Lake First Nation	157,811	1,631,388	1,789,199	530,981	1,601,394	2,132,375
Shareholder loans	-	587,000	587,000	-	587,000	587,000
Long-term debt	640,000	-	640,000	-	-	-
Total liabilities	832,498	2,295,348	3,127,846	558,680	2,276,484	2,835,164
Surplus (deficit)	22,623	(1,951,849)	(1,929,226)	18,918	(1,934,650)	(1,915,732)
Total liabilities and deficit	855,121	343,499	1,198,620	577,598	341,834	919,432
Revenue	235,383	441,436	676,819	178,699	368,941	547,640
Expenses	231,678	458,635	690,313	159,981	438,237	598,218
Net loss	3,705	(17,199)	(13,494)	18,718	(69,296)	(50,578)

7 Deferred revenue

	Balance at March 31, 2015 \$	Funding received \$	Revenue recognized \$	Balance at March 31, 2016 \$
Federal government				
Capital projects	49,556	-	-	49,556
Other	46,297	100,136	(127,232)	19,201
	95,853	100,136	(127,232)	68,757

Pelican Lake First Nation

Notes to Consolidated Financial Statements

March 31, 2016

	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
	<u>473,236</u>	<u>315,036</u>	<u>(692,419)</u>	<u>95,853</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

	2016 \$	2015 \$
Bank of Montreal store loan repayable with monthly principal and interest payments of \$13,358, with interest charged at prime plus 2% (matures 2030)	1,467,679	-
Bank of Montreal consolidation loan repayable with monthly principal payments of \$11,467, plus interest charged at prime plus 2% (matures 2020)	435,734	561,867
First Nations Bank of Canada economic development loan repayable with quarterly principal payments of \$18,000, plus interest charged monthly at 4.55% (matures 2021)	360,000	-
Bank of Montreal equipment loan repayable with monthly principal and interest payments of \$2,328, with interest charged at 4.90% (matures 2024)	216,543	242,155
Bank of Montreal group home loan repayable with monthly principal and interest payments of \$3,023, with interest charged at prime plus 2% (matures 2021)	142,374	-
Bank of Montreal RCMP housing mortgage repayable with monthly principal and interest payments of \$1,242, with interest charged at 6.29% (renews 2023, matures 2028)	122,636	129,717
CMHC Phase I mortgage, repayable with monthly principal and interest payments of \$1,621 over 15 years at 1.62% (renews 2018, matures 2028)	212,416	228,321
CMHC Phase II mortgage, repayable with monthly principal and interest payments of \$1,296 over 15 years at 1.92% (renews 2020, matures 2029)	177,121	189,176
CMHC Phase III mortgage, repayable with monthly principal and interest payments of \$2,670 over 10 years at 1.30% (renews 2020, matures 2026)	291,284	318,308
CMHC Phase IV mortgage repayable with monthly principal and interest payments of \$6,754 over 15 years at 1.67% (renews 2019, matures 2029)	893,358	959,024

Pelican Lake First Nation

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CMHC Phase V mortgage, repayable with monthly principal and interest payments of \$9,190 over 20 years at 1.67% (renews 2018, matures 2032)	1,545,363	1,629,265
CMHC Phase VI advance	584,653	204,247
	<u>6,449,161</u>	<u>4,462,080</u>

The security features of all long-term debt are BCRs. Additionally, for the First Nations Bank of Canada loan, the First Nation has issued a general security agreement representing a third charge on all of the First Nation's assets and has also provided security in the form of a redirection at 100% of the First Nations Trust gaming distributions to the First Nations Bank of Canada to support loan repayment and access to on-reserve assets to pay out the loan in full.

Principal amounts due over the next five years, assuming that mortgages are renewed at terms and rates similar to those existing at March 31, 2016, are estimated to be as follows:

	\$
2017	578,000
2018	591,000
2019	604,000
2020	503,000
2021	471,000

Interest expense on long-term debt for the year ended March 31, 2016 was \$182,651 (2015 – \$171,635).

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 \$190,656 during the year ended March 31, 2016 (2015 – \$177,387), 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, 2016.

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.

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Notes to Consolidated Financial Statements

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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, 2016, the amount of the obligation cannot be reliably estimated.

11 Government transfers

	2016		
	Operating \$	Capital \$	Total \$
Federal government transfers			
Aboriginal Affairs and Northern Development Canada (note 12)	7,424,441	-	7,424,441
Health Canada	550,000	-	550,000
Canada Mortgage and Housing Corporation	317,040	-	317,040
	8,291,481	-	8,291,481

	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

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Notes to Consolidated Financial Statements

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12 Aboriginal Affairs and Northern Development Canada (AANDC)

	2016 \$	2015 \$
Recipient total per AANDC transfer payment management system, less debt recoveries	7,338,719	7,347,751
Prior year AANDC deferred revenue	46,297	473,236
Social Assistance funding receivable	38,303	35,018
Band Employee Benefits funding receivable	20,323	-
Current year AANDC deferred revenue	(19,201)	(95,853)
	<u>7,424,441</u>	<u>7,760,152</u>

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

	2016 \$	2015 \$
AANDC revenue	7,397,345	7,382,769
Net recognition of deferred revenue	27,096	377,383
	<u>7,424,441</u>	<u>7,760,152</u>

Pelican Lake First Nation

Notes to Consolidated Financial Statements

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13 Expenses by object

	Budget \$ (note 17)	2016 \$	2015 \$
Wages, salaries and benefits	3,873,401	4,133,637	3,843,002
Pelican Lake Mall and Store	3,400,000	3,433,581	3,406,673
Social assistance	1,387,008	1,424,910	1,469,504
Contracts	748,738	708,362	824,168
Repairs and maintenance	457,975	652,544	771,801
Honorarium, per diem and elders	645,500	617,961	478,170
Student support	457,000	447,007	441,637
Supplies and materials	344,440	375,247	334,264
Travel and meetings	497,573	347,059	468,094
Utilities	255,200	253,210	286,216
Member support	115,000	252,754	154,758
Insurance	224,500	221,017	224,530
Bank charges and interest	175,000	212,630	187,374
Professional fees	160,000	204,478	174,486
Training	131,602	202,141	212,193
Special projects	20,000	113,431	20,911
Economic development	-	111,068	515,081
Instructional equipment	51,419	87,051	83,304
Miscellaneous and debt write-offs	136,871	76,580	152,235
Rent and equipment leases	91,160	34,418	71,625
Property taxes	20,000	20,565	12,996
	13,192,387	13,929,651	14,133,022

14 Accumulated surplus

	2016 \$	2015 \$
Internally restricted		
Invested in tangible capital assets	11,804,275	12,151,269
Externally restricted		
CMHC replacement reserve and operating reserve	439,783	405,183
Unrestricted deficit	(1,747,147)	(1,116,511)
Accumulated surplus	10,496,911	11,439,941

Pelican Lake First Nation

Notes to Consolidated Financial Statements

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15 Annual deficit net of capital related revenues and amortization

	2016 \$	2015 \$
Deficit for the year before amortization	(56,210)	(105,147)
Less: Capital related revenues included in surplus for the year Federal government transfers for capital (note 11)	-	(384,528)
Deficit for the year net of capital related revenues and amortization	(56,210)	(489,675)

16 Net change in financial assets and liabilities

	2016 \$	2015 \$
Accounts receivable	243,564	327,277
Trust funds held by federal government	(25,221)	(4,613)
Due from government	(31,708)	221,355
Inventories for resale	2,706	(4,046)
Accounts payable and accrued liabilities	290,526	123,312
Deferred revenue	(27,096)	(377,383)
	452,771	285,902

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, 2016

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, 2016

	Budget \$	Education 2016 \$	2015 \$	Budget \$	Social services 2016 \$	2015 \$	Community infrastructure Budget \$	2016 \$	2015 \$
Revenues									
Federal government transfers	3,632,925	3,700,025	3,753,934	1,532,364	1,553,560	1,613,184	946,212	949,168	862,202
Pelican Lake Mall and Store	-	-	-	-	-	-	-	-	-
Agency Chiefs Tribal Council	-	-	1,650	256,758	284,146	256,758	77,000	62,129	77,217
First Nations Trust	-	-	-	-	-	-	-	-	-
Rent	-	-	-	-	12,000	-	-	52,544	59,572
Other	-	2,320	6,297	20,000	24,679	42,462	8,000	33,320	35,896
Northern Lights Community Development Corporation	-	-	-	-	-	-	80,000	95,243	5,000
Amounts earned and held in trust by federal government	-	-	-	-	-	-	-	-	-
	3,632,925	3,702,345	3,761,881	1,809,122	1,874,385	1,912,404	1,111,212	1,192,404	1,039,887
Expenses									
Bank charges and interest	-	-	-	15,000	19,762	17,042	-	-	-
Contracts	435,738	314,667	331,374	38,000	34,749	39,546	118,000	166,302	134,238
Economic development	-	-	-	-	-	-	-	-	-
Honorarium, per diem and elders	-	-	-	-	-	-	-	-	-
Insurance	10,000	11,355	10,094	4,500	4,670	5,759	48,000	47,288	47,007
Member support	-	-	-	115,000	252,754	154,758	-	-	-
Other	68,263	109,091	117,430	68,600	22,995	15,761	20,000	23,209	24,433
Pelican Lake Mall and Store	-	-	-	-	-	-	-	-	-
Professional fees	-	-	-	-	-	-	-	-	-
Repairs and maintenance	70,000	35,398	54,990	-	4,487	-	87,675	187,583	227,090
Social assistance	-	-	-	1,387,008	1,424,910	1,469,504	-	-	-
Student support	457,000	447,007	441,637	-	-	-	-	-	-
Supplies and materials	108,027	104,850	126,616	30,075	38,535	32,522	190,534	146,584	118,025
Training	-	-	-	-	-	-	127,602	126,470	208,472
Travel and meetings	25,000	45,708	23,510	7,773	5,440	5,588	11,000	8,986	12,902
Utilities	120,000	107,266	115,338	12,000	10,479	10,149	110,000	107,378	116,079
Wages, salaries and benefits	2,290,000	2,534,397	2,250,474	238,683	238,071	243,934	459,715	525,484	473,292
	3,584,028	3,709,739	3,471,463	1,916,639	2,056,852	1,994,563	1,172,526	1,339,284	1,361,538
Surplus (deficit) for the year before amortization	48,897	(7,394)	290,418	(107,517)	(182,467)	(82,159)	(61,314)	(146,880)	(321,651)

Pelican Lake First Nation

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For the year ended March 31, 2016

	Housing and capital projects			Band government				Health	
	Budget	2016	2015	Budget	2016	2015	Budget	2016	2015
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues									
Federal government transfers	560,314	615,354	1,007,922	806,956	827,279	829,134	504,272	549,999	429,282
Pelican Lake Mall and Store	-	-	-	-	-	-	-	-	-
Agency Chiefs Tribal Council	-	-	-	-	11,000	167,300	28,000	20,558	28,000
First Nations Trust	-	-	-	-	-	-	-	-	-
Rent	188,000	219,927	228,538	-	82,656	-	-	-	-
Other	100,000	2,217	30,828	-	-	38,693	-	18,158	-
Northern Lights Community Development Corporation	-	-	-	75,000	-	22,500	-	-	-
Amounts earned and held in trust by federal government	-	-	-	-	-	-	-	-	-
	848,314	837,498	1,267,288	881,956	920,935	1,057,627	532,272	588,715	457,282
Expenses									
Bank charges and interest	80,000	92,939	90,641	80,000	99,929	79,691	-	-	-
Contracts	10,000	34,501	162,208	140,000	143,864	149,126	7,000	14,279	7,676
Economic development	-	-	-	-	-	-	-	-	-
Honorarium, per diem and elders	-	-	-	500,000	509,534	468,170	10,000	-	10,000
Insurance	149,000	144,624	147,868	8,000	6,053	7,230	5,000	5,679	5,333
Member support	-	-	-	-	1,879	-	-	-	-
Other	97,200	50	1,919	24,000	97,968	172,202	1,387	26,588	2,215
Pelican Lake Mall and Store	-	-	-	-	-	-	-	-	-
Professional fees	10,000	7,000	6,800	150,000	158,435	159,966	-	-	3,000
Repairs and maintenance	277,300	369,891	443,213	-	9,168	2,772	23,000	46,017	43,736
Social assistance	-	-	-	-	-	-	-	-	-
Student support	-	-	-	-	-	-	-	-	-
Supplies and materials	5,000	2,023	7,740	8,904	26,531	41,825	1,900	11,723	2,112
Training	-	-	-	-	-	-	4,000	58,941	3,721
Travel and meetings	15,000	12,533	19,556	395,000	224,854	367,166	43,800	46,395	35,652
Utilities	2,000	9,598	11,955	-	6,978	11,006	11,200	10,678	21,182
Wages, salaries and benefits	125,000	69,309	98,692	384,150	443,128	444,754	375,853	323,248	313,616
	770,500	742,468	990,592	1,690,054	1,728,321	1,903,908	483,140	543,548	448,243
Surplus (deficit) for the year before amortization	77,814	95,030	276,696	(808,098)	(807,386)	(846,281)	49,132	45,167	9,039

Pelican Lake First Nation

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	Economic development and other programs			Total		
	Budget \$	2016 \$	2015 \$	Budget \$	2016 \$	2014 \$
Revenues						
Federal government transfers	20,000	96,095	18,856	8,003,043	8,291,481	8,514,514
Pelican Lake Mall and Store	3,400,000	3,403,339	3,315,110	3,400,000	3,403,339	3,315,110
Agency Chiefs Tribal Council	540,000	562,018	540,348	901,758	939,851	1,071,273
First Nations Trust	500,000	557,497	553,819	500,000	557,497	553,819
Rent	100,000	110,260	97,360	288,000	394,731	385,470
Other	-	20,628	1,400	128,000	183,977	155,576
Northern Lights Community Development Corporation	-	2,500	-	155,000	97,743	27,500
Amounts earned and held in trust by federal government	-	4,822	4,613	-	4,822	4,613
	4,560,000	4,757,159	4,531,506	13,375,801	13,873,441	14,027,875
Expenses						
Bank charges and interest	-	-	-	175,000	212,630	187,374
Contracts	-	-	-	748,738	708,362	824,168
Economic development	-	111,068	515,081	-	111,068	515,081
Honorarium, per diem and elders	135,500	108,427	-	645,500	617,961	478,170
Insurance	-	1,348	1,239	224,500	221,017	224,530
Member support	-	-	-	115,000	252,754	154,758
Other	40,000	88,670	7,111	319,450	332,045	341,071
Pelican Lake Mall and Store	3,400,000	3,433,581	3,406,673	3,400,000	3,433,581	3,406,673
Professional fees	-	39,043	4,720	160,000	204,478	174,486
Repairs and maintenance	-	-	-	457,975	652,544	771,801
Social assistance	-	-	-	1,387,008	1,424,910	1,469,504
Student support	-	-	-	457,000	447,007	441,637
Supplies and materials	-	9,001	5,424	344,440	375,247	334,264
Training	-	16,730	-	131,602	202,141	212,193
Travel and meetings	-	737	3,720	497,573	347,059	468,094
Utilities	-	834	507	255,200	253,210	286,216
Wages, salaries and benefits	-	-	18,240	3,873,401	4,133,637	3,843,002
	3,575,500	3,809,439	3,962,715	13,192,387	13,929,651	14,133,022
Surplus (deficit) for the year before amortization	984,500	947,720	568,791	183,414	(56,210)	(105,147)

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, 2016
	Opening balance	Additions	Disposals	Transfers	Closing balance	Opening balance	Amortization	Closing balance	
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land	17,809	-	-	-	17,809	-	-	-	17,809
Infrastructure	25,399,211	-	-	4,159,469	29,558,680	14,100,484	683,420	14,783,904	14,774,776
Buildings and improvements	2,693,227	319,218	-	-	3,012,445	2,407,933	94,420	2,502,353	510,092
Equipment	2,375,729	10,000	-	-	2,385,729	2,035,990	108,980	2,144,970	240,759
Construction-in-progress	4,159,469	1,963,822	-	(4,159,469)	1,963,822	-	-	-	1,963,822
	34,645,445	2,293,040	-	-	36,938,485	18,544,407	886,820	19,431,227	17,507,258

	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
	33,819,833	825,612	-	-	34,645,445	17,856,641	687,766	18,544,407	16,101,038