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**DOYLE & COMPANY**  
CHARTERED ACCOUNTANTS

Allan J. Grykulak, C.A.\*  
Scott T. Mockford, C.A.\*  
\* Operates as a Professional Corporation

11210 - 107 Avenue N.W. 2nd Flr  
Edmonton, Alberta T5H 0Y1  
Tel (780) 452-2300, Fax (780) 452-2335

August 2, 2016

**INDIGENOUS AND NORTHERN AFFAIRS CANADA**  
630 Canada Place, 9700 Jasper Avenue  
EDMONTON, Alberta T5J 4G2

**Attention: Ms. Tammy Malcolm-Landry, Field Services Officer**

Dear Ms. Malcolm-Landry:

**Re: Peerless Trout First Nation #478**

Please find enclosed, for publication, under the First Nation Financial Transparency Act (FNFTA)

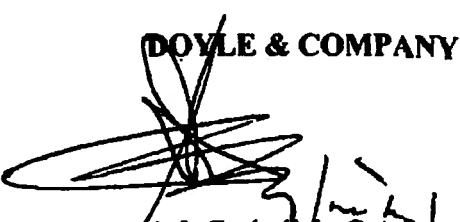
1. A copy, for your use, of the audited Financial Statements for the year ended March 31, 2016.
2. A copy, for your use, of the Schedule of Salaries, Honoraria, Travel and other Remuneration for Elected or Appointed Officials for the year ended March 31, 2016.

The Peerless Trout First Nation #478 will be posting the above statements, for the public, on their own website and request that they not be posted on the Indigenous and Northern Affairs Canada website.

Should you have any questions regarding the foregoing, please do not hesitate to contact this office.

Yours truly,

**DOYLE & COMPANY**

  
A.J. Grykulak, C.A.  
AJG/br

**RECEIVED**

AUG 03 2016

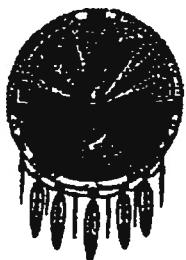
ABORIGINAL AFFAIRS & NORTHERN  
DEVELOPMENT CANADA  
ALBERTA REGION

**Peerless Trout First Nation #478  
Consolidated Financial Statements  
For The Year Ended March 31, 2016**

**Peerless Trout First Nation #478**  
**Financial Statements**  
**For The Year Ended March 31, 2016**

**CONTENTS**

	<u>Page</u>
<b>MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING</b>	
<b>INDEPENDENT AUDITORS' REPORT</b>	<b>2</b>
<b>FINANCIAL STATEMENTS</b>	
Consolidated Statement of Financial Position	3
Statement of Changes in Accumulated Surplus	4
Statement of Changes in Equity	5 - 7
Statement of Operations	8
Statement of Changes in Net Financial Assets	9
Statements of Cash Flows	10
Schedule 1 - Schedule of Individual Programs	11
Schedule 2 - Accounts Receivable	12
Schedule 3 - Consolidated Expenditures By Object	13
Schedule 4 - Tangible Capital Assets	14
Notes to the Financial Statements	15 - 23



# PEERLESS TROUT FIRST NATION #478

Box 128  
Peerless Lake, AB  
T0G 2W0

Phone: 780 869 3985  
Toll Free: 1 877 434 0404  
Fax: 780 869 3986

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of the Peerless Trout First Nation #478 are the responsibility of management and have been approved by the Chief and Council.

The financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards. Financial statements are not precise since they include certain amounts based on estimates and judgment. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

The First Nation maintains systems of internal accounting and administrative controls of high quality. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the First Nation's assets are appropriately accounted for and adequately safeguarded.

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

The financial statements have been audited by Doyle & Company in accordance with Canadian Auditing Standards on behalf of the members.

Chief  
Band Administrator

# DOYLE & COMPANY

CHARTERED ACCOUNTANTS

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Scou T. Mockford, C.A.\*  
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## INDEPENDENT AUDITORS' REPORT

To Chief and Council

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Peerless Trout First Nation #478, which comprise the statement of financial position as at March 31, 2016 and the statements of changes in accumulated surplus, changes in equity, operations, change in net financial assets and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

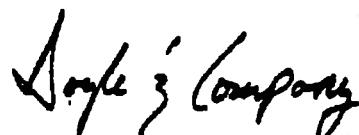
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 preparations 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, these consolidated financial statements present fairly, in all material respects, the financial position of Peerless Trout First Nation #478 as at March 31, 2016 and its financial performance and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.



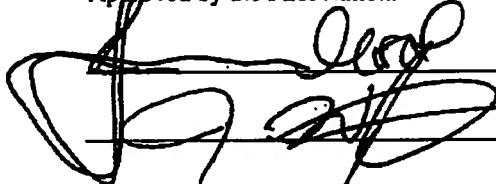
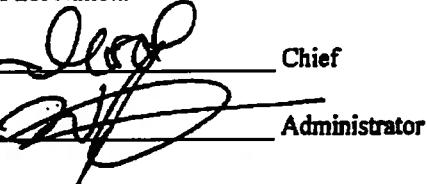
Chartered Accountants

Edmonton, Alberta  
July 28, 2016

**Peerless Trout First Nation #478**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2016**

	<b>2016</b>	<b>2015</b>
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash	2,066,097	713,619
Accounts receivable (Schedule 2)	599,274	935,661
Deferred costs	24,181	-
<u>Investment in First Nation owned companies ( Note 4)</u>	<u>396,734</u>	
	<b>2,689,552</b>	<b>2,046,014</b>
<b>LIABILITIES</b>		
Accounts payable	433,191	286,679
Deferred revenue (Note 6)	2,794,177	1,828,994
<u>Investment in First Nation owned companies net of accumulated losses ( Note 4)</u>	<u>879,889</u>	
	<b>4,107,257</b>	<b>2,115,673</b>
<b>NET FINANCIAL DEBT</b>	<b>(1,417,705)</b>	<b>(69,659)</b>
<b>NON-FINANCIAL ASSETS</b>		
Peerless Trout First Nation Trust (Note 3)	61,840,490	62,957,629
Peerless Trout First Nation Children's Trust (Note 3)	1,296,984	1,322,727
Peerless Trout First Nation Capital Trust (Note 3)	26,620,715	33,220,894
Peerless Trout First Nation Landfill Reclamation Trust (Note 3)	1,307,820	1,282,177
<u>Tangible capital assets (Note 5)</u>	<u>36,328,940</u>	<u>33,673,922</u>
	<b>127,394,949</b>	<b>132,457,349</b>
<b>ACCUMULATED SURPLUS</b>		
<b>ACCUMULATED SURPLUS</b>	<b>34,911,234</b>	<b>33,604,263</b>
<b>EQUITY IN TRUST FUNDS</b>	<b>91,066,010</b>	<b>98,783,427</b>
	<b>125,977,244</b>	<b>132,387,690</b>

Approved by the First Nation:

 **Chief**  
 **Administrator**

**Peerless Trout First Nation #478**  
**STATEMENT OF CHANGES IN ACCUMULATED SURPLUS**  
**FOR THE YEAR ENDED MARCH 31, 2016**

	2016			2015		
	Operating Net Assets	Equity in Business Enterprises	Equity in Tangible Capital Assets	Revolving Loan Fund (Note 8)	Total	Total
	\$	\$	\$	\$	\$	\$
<b>BALANCE - BEGINNING OF YEAR</b>	<b>(528,069)</b>	<b>396,514</b>	<b>33,673,922</b>	<b>61,876</b>	<b>33,604,263</b>	<b>24,640,187</b>
Excess of revenues over expenditures	1,306,971	-	-	-	1,306,971	8,964,076
Net advances to subsidiary companies	(1,170,096)	1,170,096	-	-	-	-
Losses in subsidiary companies	2,446,519	(2,446,519)	-	-	-	-
Transfer to the revolving loan fund (Note 8)	(63,509)	-	-	63,509	-	-
Capital asset acquisitions:						
Community buildings & infrastructure	(2,090,187)	-	2,090,187	-	-	-
Water, sewer & roads	(2,228,902)	-	2,228,902	-	-	-
Vehicles and equipment	(64,386)	-	64,386	-	-	-
Annual amortization expense	1,728,457	-	(1,728,457)	-	-	-
Change in accumulated surplus	(135,133)	(1,276,421)	2,655,018	63,509	1,306,971	8,964,076
<b>BALANCE - END OF YEAR</b>	<b>(663,202)</b>	<b>(879,859)</b>	<b>36,328,940</b>	<b>125,385</b>	<b>34,911,234</b>	<b>33,614,263</b>

The accompanying notes form part of these financial statements.

**Peerless Trout First Nation #478**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED MARCH 31, 2016**

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**PEERLESS TROUT FIRST NATION TRUST (Note 3)**

	2016 Actual \$	2015 Actual \$
<b>REVENUE</b>		
Investment Income	2,590,804	2,559,004
<b>EXPENDITURES</b>		
Trust Vote Process & program implementation	75,000	
Trustee Expenses- Plan4ward	48,000	
Trustee Expenses- PTFN	37,500	250,000
Legal and audit	36,101	48,498
Investment management fees - ScotiaMcLeod	274,338	307,556
Management fees paid to Peerless Trout First Nation	149,600	382,230
Approved community projects	775,000	677,687
	<u>1,272,539</u>	<u>1,788,971</u>
<b>REVENUE LESS EXPENDITURES</b>	<b>1,318,265</b>	770,033
<b>UNREALIZED (LOSS)GAIN IN MARKET VALUE FOR THE YEAR</b>	<b>(2,435,404)</b>	<b>1,838,494</b>
<b>SURPLUS FOR THE YEAR</b>	<b>(1,117,139)</b>	<b>2,608,527</b>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>62,957,629</b>	60,349,102
<b>NET ASSETS - END OF YEAR</b>	<b>61,840,490</b>	<b>62,957,629</b>

**PEERLESS TROUT FIRST NATION CHILDREN'S TRUST (Note 3)**

	2016 Actual \$	2015 Actual \$
<b>REVENUE</b>		
Investment income	30,394	20,063
<b>EXPENDITURES</b>		
Per capita distribution to members	56,137	62,285
<b>(DEFICIT) SURPLUS FOR THE YEAR</b>	<b>(25,743)</b>	<b>(42,222)</b>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>1,322,727</b>	<b>1,364,949</b>
<b>NET ASSETS - END OF YEAR</b>	<b>1,296,984</b>	<b>1,322,727</b>

**Peerless Trout First Nation #478**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED MARCH 31, 2016**

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**PEERLESS TROUT FIRST NATION CAPITAL TRUST (Note 3)**

	2016 Actual \$	2015 Actual \$
<b>REVENUE</b>		
<b>Capital fund</b>		
Increase(decrease) in market value of mutual funds	(2,555,918)	123,177
Investment Income	2,171,739	2,633,140
	<b>(384,179)</b>	<b>2,756,317</b>
<b>Risk Pool fund</b>		
<b>Total Revenue</b>	<b>(384,179)</b>	<b>2,905,463</b>
 <b>EXPENDITURES</b>		
Transfers to PTFN TLE operating bank account	6,000,000	7,400,000
Transfer of TLE project management fees	216,000	216,000
	<b>6,216,000</b>	<b>7,616,000</b>
<b>(DEFICIT) SURPLUS FOR THE YEAR</b>	<b>(6,600,179)</b>	<b>(4,710,537)</b>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>33,220,894</b>	<b>37,931,431</b>
<b>NET ASSETS - END OF YEAR</b>	<b>26,620,715</b>	<b>33,220,894</b>

**Peerless Trout First Nation #478**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED MARCH 31, 2016**

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**PEERLESS TROUT FIRST NATION LANDFILL RECLAMATION TRUST (Note 3)**

	2016 Actual \$	2015 Actual \$
<b>REVENUE</b>		
Investment income	25,643	23,695
<b>EXPENDITURES</b>		
<b>SURPLUS FOR THE YEAR</b>	<b>25,643</b>	<b>23,695</b>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>1,282,177</b>	<b>1,258,482</b>
<b>NET ASSETS - END OF YEAR</b>	<b>1,307,820</b>	<b>1,282,177</b>

# Peerless Trout First Nation #478

## STATEMENT OF OPERATIONS FOR THE YEAR ENDED MARCH 31, 2016

	2016 Budget \$	2016 Actual \$	2015 Actual \$
<b>REVENUE</b>			
INAC	992,545	1,024,036	1,151,629
Health Canada	1,200,079	1,208,579	3,175,000
Provincial Funding	163,950	164,228	241,000
Interest income	-	110,360	-
First Nation Development Fund	-	479,978	122,282
Other	1,788,622	2,948,235	3,213,729
Transfers from PTFN Capital Trust Account	17,690,000	6,000,000	7,400,000
Revenue deferred from 2014/2015	77,849	1,828,995	3,703,265
Revenue deferred to 2015/2016	(26,635)	(2,794,177)	(1,828,995)
	<b>21,886,410</b>	<b>10,970,234</b>	<b>17,177,910</b>
<b>EXPENDITURES</b>			
Band support	1,192,370	1,064,338	1,150,957
First Nation Management	5,000	4,958	252,592
Community Economic Development	147,208	145,742	145,800
Corporate and Governance Structure Project	78,500	77,849	189,651
Economic Development Capacity	-	-	54,806
FNCCIP	134,000	134,278	174,000
Housing Ownership	-	244,910	-
Housing Rental	104,815	120,811	83,401
Housing & Infrastructure	214,832	215,000	223,619
Arena Committee	35,000	29,697	-
Operations & Maintenance	299,568	260,315	105,826
P&IDP	-	-	45,000
Settlement Agreement - Economic Development	-	-	670,335
Post Secondary Education	241,585	239,371	229,874
Capacity Assistance Newsletter	25,000	21,283	-
TLE Infrastructure Construction	17,690,000	888,012	739,148
Trust Program	682,287	642,430	476,394
First Nation Development Fund	-	569,729	421,078
Housing & Infrastructure	-	-	-
Capital Health - Health Care	-	-	395,785
Health Summary	837,349	829,564	-
Amortization	-	1,728,457	1,150,504
	<b>21,687,514</b>	<b>7,216,744</b>	<b>6,508,770</b>
<b>(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES BEFORE OTHER</b>			
	198,896	3,753,490	10,669,140
<b>OTHER</b>			
Net loss in First Nation owned companies	-	(2,446,519)	(1,705,064)
<b>OPERATING SURPLUS FOR THE PERIOD</b>			
	198,896	1,306,971	8,964,076

The accompanying notes form part of these financial statements.

**Peerless Trout First Nation #478**  
**STATEMENT OF CHANGES IN NET FINANCIAL ASSETS (DEBT)**  
**FOR THE YEAR ENDED MARCH 31, 2016**

	2016 Actual \$	2015 Actual \$
<b>EXCESS (DEFICIT) OF REVENUE OVER EXPENSES</b>	<b>1,306,971</b>	<b>8,964,076</b>
Acquisition of tangible capital assets	(4,383,474)	(10,524,768)
Amortization of tangible capital assets	1,728,457	1,150,504
	<b>(2,655,017)</b>	<b>(9,374,264)</b>
<b>DECREASE (INCREASE) IN NET ASSETS</b>	<b>(1,348,046)</b>	<b>(410,188)</b>
<b>NET FINANCIAL ASSETS (DEBT), BEGINNING OF YEAR</b>	<b>(69,659)</b>	<b>340,529</b>
<b>NET FINANCIAL ASSETS (DEBT), END OF YEAR</b>	<b>(1,417,705)</b>	<b>(69,659)</b>

**Peerless Trout First Nation #478**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED MARCH 31, 2016**

	<b>2016</b> <b>\$</b>	<b>2015</b> <b>\$</b>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Cash received from funding agencies, customers and the Capital Trust	12,271,804	15,329,330
Cash paid to suppliers	(5,351,420)	(5,346,786)
Interest paid	(14,535)	(11,147)
	<b>6,905,849</b>	<b>9,971,397</b>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>		
Net advances to first Nation owned companies	(1,170,096)	(1,155,290)
<b><u>CASH FLOWS (TO) FROM INVESTING ACTIVITIES</u></b>		
Purchase of capital assets	(4,383,475)	(10,524,768)
Net increase (decrease) in cash	1,352,278	(1,708,661)
<b>CASH - Beginning of year</b>	<b>713,619</b>	<b>2,422,280</b>
<b>CASH - End of year</b>	<b>2,065,897</b>	<b>713,619</b>

**Peerless Trout First Nation #478**  
**SCHEDULE 1 - INDIVIDUAL PROGRAMS**  
**FOR THE YEAR ENDED MARCH 31, 2016**

	INAC Contributions	Other Revenue	Pending carried fwd from 14/15	Funding carried fwd to 16/17	Total Revenue	Operating Expenditures	Capital Expenditures	Total Expenditures	Transfers	Current Year's Surplus (Deficit)
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Band support	307,485	59,553	-	-	367,038	1,064,338	-	1,064,338	-	(697,300)
First Nation Management	145,742	1,729,932	177,500	(44,600)	1,862,832	4,958	-	4,958	-	1,857,974
Community Economic Development	-	25,000	-	(3,717)	145,742	145,742	-	145,742	-	-
Capacity Assistance - Newsletter	-	-	77,849	-	21,283	21,283	-	21,283	-	-
Corporate and Governance Structure Project	-	134,278	-	-	77,849	77,849	-	77,849	-	-
FNCIP	-	123,112	-	-	134,278	134,278	-	134,278	-	-
Home Ownership	-	238,369	-	-	123,112	244,910	-	244,910	-	(4,240)
Housing - Rental	215,000	-	-	-	238,369	120,811	-	120,811	-	(117,558)
Housing & Infrastructure	-	61,635	-	-	215,000	215,000	-	215,000	-	-
Arena Committee	-	89,002	-	-	(31,938)	20,697	-	29,697	-	(57,009)
Operations & Maintenance	114,224	-	450,165	(450,165)	203,226	260,315	-	260,315	-	-
Per Capita Distribution	-	-	39,711	(41,925)	239,371	239,371	-	239,371	-	-
Post Secondary Education	241,585	-	936,998	(1,670,558)	5,271,487	888,012	4,383,475	5,271,487	-	-
TLE Infrastructure Construction	-	6,005,047	36,270	(107,405)	642,430	642,430	-	642,430	-	-
Trust Program	-	713,565	-	(423,118)	828,791	829,564	-	829,564	-	-
Health Summary	-	1,251,909	-	(20,751)	569,729	569,729	-	569,729	-	-
First Nation Development Fund	-	479,978	110,502	-	-	-	-	-	-	-
	<b>1,024,036</b>	<b>10,911,380</b>	<b>1,828,995</b>	<b>(2,794,177)</b>	<b>10,970,234</b>	<b>-5,488,287</b>	<b>4,283,475</b>	<b>9,871,762</b>	<b>-</b>	<b>1,098,472</b>

The accompanying notes form part of these financial statements.

**Peerless Trout First Nation #478**  
**SCHEDULE 2 - ACCOUNTS RECEIVABLE**  
**FOR THE YEAR ENDED MARCH 31, 2016**

	<b>2016</b> \$	<b>2015</b> \$
<b>Accounts Receivable consists of:</b>		
INAC	105,000	-
Province of Alberta	121,267	274,331
Other	104,575	306,652
GST	268,432	354,678
	<b>599,274</b>	<b>935,661</b>

**Peerless Trout First Nation #478**

**SCHEDULE 3 - CONSOLIDATED EXPENDITURES BY OBJECT**  
**FOR THE YEAR ENDED MARCH 31, 2016**

	<b>2016</b>	<b>2015</b>
	\$	\$
Salaries, wages and benefits	1,363,131	960,198
Contracted and general services	3,288,096	4,109,038
Materials, goods and utilities	822,525	277,883
Bank charges and short term interest	14,535	11,147
Amortization	1,728,457	1,150,504
	<b>7,216,744</b>	<b>6,508,770</b>

**Peerless Trout First Nation #478**  
**SCHEDULE 4 - TANGIBLE CAPITAL ASSETS**  
**FOR THE YEAR ENDED MARCH 31, 2016**

	Community Buildings & Facilities \$	Band Housing \$	Community Equipment \$	Water, Sewer & Roads \$	2016 Total \$	2015 Total \$
<b>COST:</b>						
Balance, Beginning of Year	19,328,455	8,086,221	2,238,453	5,983,193	35,636,322	25,111,554
Acquisition of tangible capital assets	2,090,187	-	64,386	2,229,902	4,183,475	10,524,768
<b>Balance, End of Year</b>	<b>21,418,642</b>	<b>8,086,221</b>	<b>2,302,839</b>	<b>8,212,095</b>	<b>40,019,797</b>	<b>35,636,322</b>
<b>ACCUMULATED AMORTIZATION</b>						
Balance, Beginning of year	386,569	753,852	672,399	149,580	1,962,400	811,896
Current year amortization	856,746	323,449	342,960	205,302	1,728,457	1,150,504
<b>Balance, End of Year</b>	<b>1,243,315</b>	<b>1,077,301</b>	<b>1,015,359</b>	<b>354,882</b>	<b>3,690,857</b>	<b>1,962,400</b>
<b>NET BOOK VALUE</b>	<b>20,175,327</b>	<b>7,008,920</b>	<b>1,287,480</b>	<b>7,857,213</b>	<b>36,328,940</b>	<b>33,673,922</b>

The accompanying notes form part of these financial statements.

**Peerless Trout First Nation #478**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2016**

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**1. SCOPE OF FINANCIAL STATEMENTS**

These financial statements consolidate the assets, liabilities and results of operations for Peerless Trout First Nation. The First Nation commenced operations April 2010.

**2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards for government entities, as defined in the CPA Canada Public Sector Accounting Handbook, which encompasses the following principles:

**(a) Tangible Capital Assets**

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development and betterment of the asset.

**(b) Amortization**

The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over the estimated useful life as follows:

	<u>Years</u>
Community Buildings and facilities	25
Band Housing	25
Community Equipment	5 and 10
Water, sewer and roads	40

**(c) Revenue Recognition**

Revenue is recorded in the period specified in the funding agreement entered into with government agencies and other organizations. Assistance received in advance of making the related expenditure is deferred.

**(d) Investment in Peerless Trout Enterprises Inc.**

The investment in the First Nations subsidiary company, Peerless Trout Enterprises Inc., is included in these financial statements using the modified equity method as detailed in Note 5.

**(e) Financial Instruments**

The First Nation's financial instruments consist of cash and term deposits, accounts receivable, and accounts payable. It is management's opinion that the First Nation is not exposed to significant interest, currency and market risk arising from these financial instruments. Unless otherwise noted, the fair value of these financial instruments approximates their carrying value.

**(f) Measurement Uncertainty**

The preparation of 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 at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Peerless Trout First Nation #478**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2016**

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**3. PEERLESS TROUT SETTLEMENT TRUST ACCOUNTS**

**a) Information about the Trust:**

Peerless Trout First Nation Trust Agreement, Children's Trust Agreement and Capital Trust Agreement were established December 18, 2009.

The purposes and objectives of these Trusts are as follows:

**i) Peerless Trout First Nation Trust Agreement**

The beneficiaries of this trust are the members of Peerless Trout First Nation. The funds and income generated by this trust will be used to pay expenses and make distributions as governed by the agreement and include per capita distributions, remediation of contaminated sites, legal fees regarding the Settlement Agreement and various other amounts.

Commencing 2011, and each year ending December 31 thereafter, the income generated by this trust is intended to be disbursed providing programs and service to the Nation and its members as determined by council and the voting beneficiaries.

The financial position and results of operations of this trust will be reported on annually each December 31 to the members.

**ii) Peerless Trout First Nation Children's Trust Agreement**

The beneficiaries of this trust are the members of Peerless Trout First Nation under the age of 18 years at the time of the agreement. The purpose of this trust is to invest the funds until the beneficiary is eighteen at which time a per capita distribution is made of \$3,500 plus interest.

The financial position and results of operations of this trust will be reported on annually each December 31 to the members.

**iii) Peerless Trout First Nation Capital Trust Agreement**

The beneficiaries of this trust are the members of Peerless Trout First Nation. The purpose of the trust is to manage and administer capital and risk pool trust funds for construction of infrastructure and purchase of assets in accordance with the Capital Agreement, Capital Plans and Annual Construction Budgets.

The financial position and results of operations of this trust will be reported on annually each March 31 to the members.

**iii) Peerless Trout First Nation Landfill Reclamation Trust Agreement**

The beneficiaries of this trust are the members of Peerless Trout First Nation. The purpose of the trust is to manage and administer funds for the reclamation of landfills and contaminated sites on the lands set apart as reserves in the communities of Trout Lake and Peerless Lake.

**Peerless Trout First Nation #478**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2016**

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**3. PEERLESS TROUT SETTLEMENT TRUST ACCOUNTS (continued)**

**b) Information related to the investments held by the Trust as at March 31 is as follows:**

	Canadian Investments	U.S. Investments	Total March 31 2016	Total March 31 2015
			Market Value	Market Value
	\$	\$	\$	\$

**i) Peerless Trout First Nation Trust Account:**

**a) ScotiaMcLeod Investment Accounts**

Cash and Savings accounts	144,056	62,312	206,368	211,703
Fixed income funds	16,655,981	162,325	16,818,306	22,897,965
T Bills/Money Market/Savings	6,511,264	1,171,214	7,682,478	11,766,320
Stocks and Equity Funds	12,890,424	11,715,141	24,605,565	26,241,641
	<b>36,201,725</b>	<b>13,110,992</b>	<b>49,312,717</b>	<b>61,117,629</b>

**b) Other Investment Accounts - 5% demand loans**

PTFN Concrete Inc.	882,566	-	882,566	885,000
PTFN Development Corp.	2,814,940	-	2,814,940	355,000
DCR Inc.	688,174	-	688,174	600,000
PTFN Trucking Inc.	8,142,093	-	8,142,093	-
	<b>12,527,773</b>	<b>-</b>	<b>12,527,773</b>	<b>1,840,000</b>
<b>TOTAL</b>	<b>48,729,498</b>	<b>13,110,992</b>	<b>61,840,490</b>	<b>62,957,629</b>

**ii) Peerless Trout First Nation Children's Trust Account(Canadian Western Bank & Scotia Bank) :**

Current Account	57,808	-	57,808	4,006
Savings & GIC's 1.5% to 2.55%	1,239,176	-	1,239,176	1,318,721
	<b>1,296,984</b>	<b>-</b>	<b>1,296,984</b>	<b>1,322,727</b>

**Peerless Trout First Nation #478**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2016**

**3. PEERLESS TROUT SETTLEMENT TRUST ACCOUNTS (continued)**

	Canadian Investments	U.S. Investments	Total March 31, 2016	Total March 31, 2015
			Market Value	Market Value
	\$	\$	\$	\$

**iii) Peerless Trout First Nation Capital Trust Account:**

Capital (Scotia Bank)				
Cash	313,765	-	313,765	322,775
GIC's - 2.23%	23,971	-	23,971	6,323,913
Mutual Funds @ Market Value	27,386,130	-	27,386,130	27,648,459
<b>Due to Risk Pool</b>	<b>(6,974,054)</b>	-	<b>(6,974,054)</b>	<b>(6,837,308)</b>
<b>Due to Landfill Reclam. Trust</b>	<b>(1,103,151)</b>	-	<b>(1,103,151)</b>	<b>(1,074,253)</b>
	<b>19,646,661</b>	-	<b>19,646,661</b>	<b>26,383,586</b>
<b>Risk Pool</b>				
<b>Due from Capital</b>	<b>6,974,054</b>	-	<b>6,974,054</b>	<b>6,837,308</b>
	<b>26,620,715</b>	-	<b>26,620,715</b>	<b>33,220,894</b>

**iv) Peerless Trout First Nation Landfill Reclamation Trust Account (Canadian Western Bank):**

Prime - 1.7% Current Account	204,669	-	204,669	207,924
<b>Due from Capital Trust</b>	<b>1,103,151</b>	-	<b>1,103,151</b>	<b>1,074,253</b>
	<b>1,307,820</b>	-	<b>1,307,820</b>	<b>1,282,177</b>

Fixed Income Funds bear interest at rates from 1.45% to 6.4%. Stocks and equity funds are held in companies listed on stock exchanges.

The Trusts are exposed to the risk that fair market values of fixed income funds, GIC's and money market funds may fluctuate due to fluctuations in interest rates. The fair market value of the Trust's stock portfolio may fluctuate as a result of changes in market stock prices that may be caused by factors specific to an individual security or its issuer, or factors affecting some or all securities traded in the market. The fair market value of the Trust's stock portfolio may also be affected by the foreign exchange rates in effect at the year-end for securities traded on stock exchanges outside of Canada.

**Peerless Trout First Nation #478**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2016**

**4. INVESTMENT IN FIRST NATION OWNED COMPANIES**

	2016 \$	2015 \$
<b>(a) Investment in Peerless Trout Enterprise Inc.</b>		
100 Class A shares - 100% ownership, at cost	100	100
Advances to Peerless Trout Enterprise Inc.	4,234,119	3,078,916
Accumulated net income (loss) at March 31	(3,804,675)	(2,366,750)
	<b>429,544</b>	<b>712,266</b>
<b>(b) Investment in PTFN Concrete Inc.</b>		
100 Class A shares - 100% ownership, at cost	100	100
Advances from PTFN Concrete Inc.	(8,441)	(9,441)
Accumulated net income (loss) at March 31	(454,727)	(279,194)
	<b>(463,068)</b>	<b>(288,535)</b>
<b>(c) Investment in PTFN Development Corp.</b>		
100 Class A shares - 100% ownership, at cost	100	100
Advances from PTFN Development Corp.	(13,604)	(27,197)
Accumulated net income (loss) at March 31	(690,868)	-
	<b>(704,372)</b>	<b>(27,097)</b>
<b>(d) Investment in PT Forest Products Inc.</b>		
100 Class A shares - 100% ownership, at cost	100	100
Advances from PT Forest Products Inc.	-	-
Accumulated net income (loss) at March 31	-	-
	<b>100</b>	<b>100</b>
<b>(e) Investment in PTFN Trucking Inc.</b>		
100 Class A shares - 100% ownership, at cost	100	-
Advances from PTFN Trucking Inc.	-	-
Accumulated net income (loss) at March 31	(142,193)	-
	<b>(142,093)</b>	<b>-</b>
<b>TOTAL</b>	<b>(879,889)</b>	<b>396,734</b>

**Peerless Trout First Nation #478**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2016**

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**4. INVESTMENT IN FIRST NATION OWNED COMPANIES (Cont.)**

March 31 unaudited financial information for Peerless Trout Enterprise Inc. is as follows:

	March 31 2016	March 31 2015
	\$	\$
Assets	4,180,203	5,123,192
Liabilities	7,984,778	7,488,665
Revenue	6,897,510	7,534,133
Net (loss) for the year	(1,437,925)	(1,424,693)

March 31 unaudited financial information for PTFN Concrete Inc. is as follows:

	March 31 2016	March 31 2015
	\$	\$
Assets	445,333	615,406
Liabilities	899,960	894,500
Revenue	770	17,171
Net (loss) for the year	(175,533)	(279,094)

March 31 unaudited financial information for PTFN Development Corp. is as follows:

	March 31 2016	March 31 2015
	\$	\$
Assets	2,549,678	937,711
Liabilities	3,240,446	937,611
Revenue	771,776	273,327
Net (loss) for the year	(690,868)	-

March 31 unaudited financial information for PT Forest Products Inc. is as follows:

	March 31 2016	March 31 2015
	\$	\$
Assets	-	-
Liabilities	-	-
Revenue	-	-
Net (loss) for the year	-	-

March 31 unaudited financial information for PTFN Trucking Inc. is as follows:

	March 31 2016	March 31 2015
	\$	\$
Assets	8,000,000	-
Liabilities	8,142,093	-
Revenue	-	-
Net (loss) for the year	(142,193)	-

**Peerless Trout First Nation #478**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2016**

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**5. TANGIBLE CAPITAL ASSETS**

	2016			2015
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	\$	\$	\$	\$
Community Equipment	2,302,839	1,015,359	1,287,480	1,566,054
Band Housing	8,086,221	1,077,301	7,008,920	7,332,369
Community Buildings	21,418,642	1,243,315	20,175,327	18,941,886
Water, Sewer & Roads	8,212,095	354,882	7,857,213	5,833,613
	<b>40,019,797</b>	<b>3,690,857</b>	<b>36,328,940</b>	<b>33,673,922</b>

**Peerless Trout First Nation #478**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2016**

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**6. DEFERRED REVENUE**

	<b>2016</b> <b>\$</b>	<b>2015</b> <b>\$</b>
Deferred revenue is comprised of the following amounts that have not been spent as at March 31:		
<b>Funding from the Government of Canada:</b>		
As part of the Settlement Agreement for the purpose of Economic Development	450,165	450,165
<b>Funding from the PTFN Capital Trust Account:</b>		
Transfers to be used to cover the cost of infrastructure construction in future years	1,670,558	936,997
<b>Funding from the Health Canada:</b>		
Health program funding received during the year	419,983	-
<b>Funding from INAC:</b>		
Post Secondary Education funding to be used to cover tuition and living allowance costs for April/May 2016	41,925	39,711
<b>Funding from the Province of Alberta:</b>		
Gov. of Alberta -Car Seat Safety Technician Program	3,135	-
Corporate and Governance Structure Project	-	24,349
Government of Alberta -Capacity Assistance - Newsletter	3,717	-
<b>First Nation Development Fund:</b>		
Project 11695 & 11992 (Finance Training & Support)	10,302	10,502
Concrete Batch Plant	-	100,000
Band Advisor Project 12249	7,231	-
Xmas Hampers Project 12250	3,218	-
<b>Other Funding:</b>		
PTFN - Corporate and Governance Structure Project	-	53,500
Approved Trust Program Funding	-	36,270
PTFN Trust Funding - Trustee expenses	107,405	125,000
PTFN Trust Funding - Trustee Management fees	44,600	52,500
PTFN Trust Funding - Arena Committee	31,938	-
	<b>2,794,177</b>	<b>1,828,994</b>

**Peerless Trout First Nation #478**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2016**

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**7. CONTINGENT LIABILITIES**

A statement of claim has been filed and continues against the First Nation with respect to alleged damages sustained as a result of breach of contract totaling \$2,747,730. Losses, if any, resulting from this claim can not be determined at this time and a provision for losses has not been recorded in the accounts of the First Nation.

**8. REVOLVING LOAN FUND**

The revolving loan fund is comprised of interest and principal collected on member renovation loans. The use of these funds is restricted and can only be used for future member home renovation loans.

**9. RELATED PARTY TRANSACTIONS**

During the year the First Nation contracted its subsidiary company, Peerless Trout Enterprises Inc., to perform construction and other services. The total amount billed to the First Nation for these services was \$210,055 (2015 - \$949,901).

Peerless Trout Enterprises Inc. paid royalties during the year to the First Nation in the amount of \$989,627 (2015 - \$1,128,192).

These transactions are in the normal course of business and are measured at the exchange amount, being the amount of consideration established and agreed to by the related parties.

**10. COMPARATIVE FIGURES**

Certain prior year comparative figures have been restated to conform to the presentation adopted by the First Nation in the current year.