

(478) 30-0005-17.18 PRA  
16.17

**DOYLE & COMPANY**  
CHARTERED PROFESSIONAL  
ACCOUNTANTS

Allan J. Grykuliak, CPA, CA\*  
Scott T. Mockford, CPA, CA\*  
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11210 - 107 Avenue N.W., 2nd Flr  
Edmonton, Alberta T5H 0Y1  
Tel (780) 452-2300, Fax (780) 452-2335

\* Operates as a Professional Corporation

September 15, 2017

**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, 2017.
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, 2017.

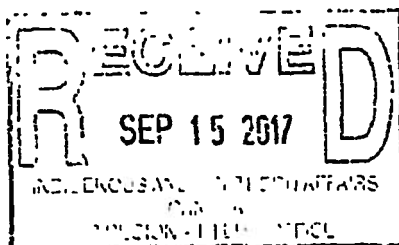
Should you have any questions regarding the foregoing, please do not hesitate to contact this office.

Yours truly,

**DOYLE & COMPANY**

  
A.J. Grykuliak, CPA, CA  
AJG/br  
Enclosures

**TRANSITORY - FNITP UPLOAD #**



**PEERLESS TROUT FIRST NATION #478  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2017**

**PEERLESS TROUT FIRST NATION #478**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2017**

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## PEERLESS TROUT FIRST NATION #478

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### 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.

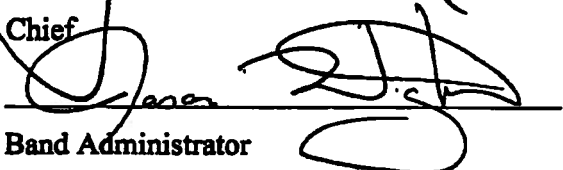
The financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards. Financial statements are not precise since they include certain amounts based on estimates and judgment. When alternative accounting methods exist, management has chosen those it 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

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CHARTERED PROFESSIONAL  
ACCOUNTANTS

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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, 2017 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.

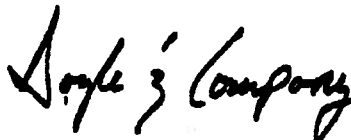
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, 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, 2017 and its financial performance and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Edmonton, Alberta  
September 13, 2017

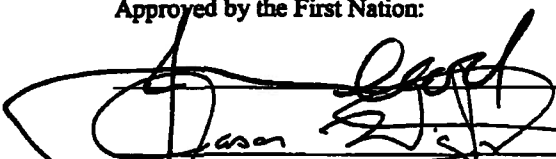
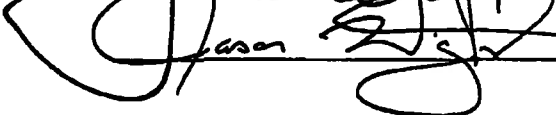


Chartered Professional Accountants

**PEERLESS TROUT FIRST NATION #478**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2017**

	2017	2016
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash	5,406,766	2,066,097
Accounts receivable (Schedule 2)	1,464,537	599,274
Deferred costs (Note 5)	476,542	45,463
	<b>7,347,845</b>	<b>2,710,834</b>
<b>LIABILITIES</b>		
Accounts payable	1,542,780	433,191
Deferred revenue (Note 6)	5,927,436	2,815,459
Investment in First Nation owned companies net of accumulated losses ( Note 4)	8,883,383	809,290
	<b>16,353,599</b>	<b>4,057,940</b>
<b>NET FINANCIAL DEBT</b>	<b>(9,005,754)</b>	<b>(1,347,106)</b>
<b>NON-FINANCIAL ASSETS</b>		
Peerless Trout First Nation Trust (Note 3)	60,035,981	61,840,490
Peerless Trout First Nation Children's Trust (Note 3)	1,197,403	1,296,984
Peerless Trout First Nation Capital Trust (Note 3)	18,254,877	26,620,715
Peerless Trout First Nation Landfill Reclamation Trust (Note 3)	1,331,880	1,307,820
Tangible capital assets (Note 7)	41,898,044	36,328,940
	<b>122,718,185</b>	<b>127,394,949</b>
<b>ACCUMULATED SURPLUS</b>		
<b>ACCUMULATED SURPLUS</b>	<b>32,892,291</b>	<b>34,981,833</b>
<b>EQUITY IN TRUST FUNDS</b>	<b>80,820,140</b>	<b>91,066,010</b>
	<b>113,712,431</b>	<b>126,047,843</b>

Approved by the First Nation:

 Chief  
 Administrator

The accompanying notes form part of these financial statements.

**PEERLESS TROUT FIRST NATION #478**  
**STATEMENT OF CHANGES IN ACCUMULATED SURPLUS**  
**FOR THE YEAR ENDED MARCH 31, 2017**

	2017				2016	
	Operating Assets	Net Equity in Business Enterprises	Equity in Business Capital Assets	Revolving Loan Fund (Note 9)	Housing Reserve Fund (Note 10)	Total
	\$	\$	\$	\$	\$	\$
<b>BALANCE - BEGINNING OF YEAR</b>	<b>(663,202)</b>	<b>(809,290)</b>	<b>36,328,940</b>	<b>125,385</b>	<b>-</b>	<b>34,981,833</b>
Excess of revenues over expenditures	(2,089,542)	-	-	-	-	(2,089,542)
Net advances to subsidiary companies	148,262	(148,262)	-	-	-	-
Losses in subsidiary companies	7,925,831	(7,925,831)	-	-	-	-
Transfer to the revolving loan fund (Note 9)	(94,986)	-	-	94,986	-	-
Transfer to the housing reserve fund (Note 10)	(130,112)	-	-	-	130,112	-
Community bldgs. & infrastructure	(5,448,131)	-	5,448,131	-	-	-
Community housing construction	(1,288,081)	-	1,288,081	-	-	-
Water, sewer & roads	(778,419)	-	778,419	-	-	-
Vehicles and equipment	(89,799)	-	89,799	-	-	-
Annual amortization expense	2,035,326	-	(2,035,326)	-	-	-
<b>Change in accumulated surplus</b>	<b>190,349</b>	<b>(8,074,093)</b>	<b>5,569,104</b>	<b>94,986</b>	<b>130,112</b>	<b>(2,089,542)</b>
<b>BALANCE - END OF YEAR</b>	<b>(472,853)</b>	<b>(8,883,383)</b>	<b>41,898,044</b>	<b>220,371</b>	<b>130,112</b>	<b>34,981,833</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, 2017

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

	2017 Actual \$	2016 Actual \$
<b>REVENUE</b>		
Investment Income	3,550,119	2,590,804
<b>EXPENDITURES</b>		
Trustee Expenses- Other	85,000	-
Trustee Expenses- PTFN	125,000	37,500
Legal and audit	17,999	36,101
Investment management fees - ScotiaMcLeod	248,832	274,338
Management fees paid to Peerless Trout First Nation	162,200	149,600
Approved community projects	775,000	775,000
Provision for loan losses	5,783,719	-
	7,197,750	1,272,539
<b>REVENUE LESS EXPENDITURES</b>	(3,647,631)	1,318,265
<b>UNREALIZED (LOSS) GAIN IN MARKET VALUE FOR THE YEAR</b>	1,843,122	(2,435,404)
<b>SURPLUS FOR THE YEAR</b>	(1,804,509)	(1,117,139)
<b>NET ASSETS - BEGINNING OF YEAR</b>	61,840,490	62,957,629
<b>NET ASSETS - END OF YEAR</b>	60,035,981	61,840,490

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

	2017 Actual \$	2016 Actual \$
<b>REVENUE</b>		
Investment income	11,320	30,394
<b>EXPENDITURES</b>		
Per capita distribution to members	110,901	56,137
<b>(DEFICIT) SURPLUS FOR THE YEAR</b>	(99,581)	(25,743)
<b>NET ASSETS - BEGINNING OF YEAR</b>	1,296,984	1,322,727
<b>NET ASSETS - END OF YEAR</b>	1,197,403	1,296,984

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, 2017

<b><u>PEERLESS TROUT FIRST NATION CAPITAL TRUST (Note 3)</u></b>		
	<b>2017 Actual \$</b>	<b>2016 Actual \$</b>
<b>REVENUE</b>		
Capital fund		
Increase(decrease) in market value of mutual funds	<b>282,828</b>	<b>(2,555,918)</b>
Investment Income	<b>1,067,334</b>	<b>2,171,739</b>
	<b>1,350,162</b>	<b>(384,179)</b>
<b>EXPENDITURES</b>		
Transfers to PTFN TLE operating bank account	<b>9,500,000</b>	<b>6,000,000</b>
Transfer of TLE project management fees	<b>216,000</b>	<b>216,000</b>
	<b>9,716,000</b>	<b>6,216,000</b>
<b>(DEFICIT) SURPLUS FOR THE YEAR</b>	<b>(8,365,838)</b>	<b>(6,600,179)</b>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>26,620,715</b>	<b>33,220,894</b>
<b>NET ASSETS - END OF YEAR</b>	<b>18,254,877</b>	<b>26,620,715</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, 2017**

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

	<b>2017 Actual \$</b>	<b>2016 Actual \$</b>
<b>REVENUE</b>		
Investment income	24,060	25,643
<b>EXPENDITURES</b>	-	-
<b>SURPLUS FOR THE YEAR</b>	24,060	25,643
<b>NET ASSETS - BEGINNING OF YEAR</b>	1,307,820	1,282,177
<b>NET ASSETS - END OF YEAR</b>	1,331,880	1,307,820

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The accompanying notes form part of these financial statements.

# PEERLESS TROUT FIRST NATION #478

## STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2017

	2017 Budget \$	2017 Actual \$	2016 Actual \$
<b>REVENUE</b>			
Indigenous and Northern Affairs Canada (INAC)	3,275,942	3,286,009	1,024,036
Health Canada	1,545,248	1,543,622	1,208,579
Provincial Funding	-	-	164,228
Interest income	-	53,071	110,360
First Nation Development Fund (FNDF)	-	679,254	479,978
Other	2,049,915	1,833,374	2,948,235
Transfers from PTFN Capital Trust Account	8,920,000	9,500,000	6,000,000
Revenue deferred from prior year	604,385	2,815,460	1,828,995
Revenue deferred to next year	(606,225)	(5,927,436)	(2,815,459)
	<b>15,789,265</b>	<b>13,783,354</b>	<b>10,948,952</b>
<b>EXPENDITURES</b>			
Band support	1,327,193	998,932	1,064,338
First Nation Management	-	-	4,958
Community Economic Development	145,742	145,728	145,742
Corporate and Governance Structure Project	-	-	77,849
First Nations Consultation Capacity Investment Program	-	-	134,278
Housing Ownership	-	-	244,910
Housing Rental	78,314	91,803	120,811
Housing & Infrastructure	215,000	217,523	215,000
Housing Renovations	250,000	8,445	-
Arena Committee	18,000	15,330	29,697
Operations & Maintenance	-	-	260,315
Operations & Maintenance - Firehall	173,432	189,268	-
Operations & Maintenance - Water systems	8,591	12,549	-
Operations & Maintenance - Community buildings	26,500	75,636	-
Post Secondary Education	261,510	304,885	239,371
TLE Infrastructure Construction	8,920,000	924,975	888,012
Trust Program	648,455	603,589	642,430
Alberta One Drive Project	-	25,071	-
Capacity Development	5,000	2,205	-
First Nations and Inuit Youth Employment Strategy	60,814	31,000	-
Housing Duplexes	1,434,000	256,400	-
Granny Flats	400,000	5,509	-
RAPP Reno Loan	79,499	120,410	-
Income Support	13,000	9,462	-
First Nation Development Fund	-	534,559	569,729
Health Summary	1,635,727	1,338,460	829,564
Amortization	-	2,035,326	1,728,457
	<b>15,700,777</b>	<b>7,947,065</b>	<b>7,195,461</b>
<b>(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES BEFORE OTHER</b>	<b>88,488</b>	<b>5,836,289</b>	<b>3,753,491</b>
<b>OTHER</b>			
Net loss in First Nation owned companies	-	(7,925,831)	(2,375,921)
<b>OPERATING SURPLUS (DEFICIT) FOR THE PERIOD</b>	<b>88,488</b>	<b>(2,089,542)</b>	<b>1,377,570</b>

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, 2017**

	2017 Actual \$	2016 Actual \$
<b>EXCESS (DEFICIT) OF REVENUE OVER EXPENSES</b>	<b>(2,089,542)</b>	<b>1,377,570</b>
Acquisition of tangible capital assets	(7,604,432)	(4,383,474)
Amortization of tangible capital assets	2,035,326	1,728,457
	<b>(5,569,106)</b>	<b>(2,655,017)</b>
<b>DECREASE (INCREASE) IN NET ASSETS</b>	<b>(7,658,648)</b>	<b>(1,277,447)</b>
<b>NET FINANCIAL ASSETS (DEBT), BEGINNING OF YEAR</b>	<b>(1,347,106)</b>	<b>(69,659)</b>
<b>NET FINANCIAL ASSETS (DEBT), END OF YEAR</b>	<b>(9,005,754)</b>	<b>(1,347,106)</b>

The accompanying notes form part of these financial statements.

# PEERLESS TROUT FIRST NATION #478

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2017

	2017	2016
	\$	\$
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Cash received from funding agencies, customers and the Capital Trust	16,030,068	12,271,804
Cash paid to suppliers	(5,217,555)	(5,351,220)
Interest paid	(15,676)	(14,535)
	<u>10,796,837</u>	<u>6,906,049</u>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>		
Net advances to first Nation owned companies	148,262	(1,170,096)
<b><u>CASH FLOWS (TO) FROM INVESTING ACTIVITIES</u></b>		
Purchase of capital assets	(7,604,430)	(4,383,475)
Net increase (decrease) in cash	3,340,669	1,352,478
<b><u>CASH - Beginning of year</u></b>	<u>2,066,097</u>	<u>713,619</u>
<b><u>CASH - End of year</u></b>	<u>5,406,766</u>	<u>2,066,097</u>

The accompanying notes form part of these financial statements.

**PEERLESS TROUT FIRST NATION #478**  
**SCHEDULE 1 - INDIVIDUAL PROGRAMS**  
**FOR THE YEAR ENDED MARCH 31, 2017**

	INAC Contributions	Other Revenue	Revenue deferred from prior year	Revenue deferred to next year	Total Revenue	Operating Expenditures	Capital Expenditures, Loan Principal Repayments, and advances	Total Expenditures	Transfers	Current Year's Surplus (Deficit)
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Band support	383,247	256,078	-	-	639,325	998,932	-	998,932	-	(359,607)
First Nation Management	-	551,808	44,600	-	596,408	-	-	-	-	596,408
Community Economic Development	145,742	-	-	-	145,742	145,728	-	145,728	-	14
Housing - Rental	-	168,028	-	-	168,028	91,803	-	91,803	53,887	130,112
Housing & Infrastructure	217,272	251	-	-	217,523	217,523	-	217,523	-	-
Housing Minor Renovations	250,000	-	-	(200,644)	49,356	8,445	-	8,445	(40,911)	-
Arena Committee	-	-	31,938	(16,608)	15,330	15,330	-	15,330	-	-
Operations & Maintenance - Firehalls	83,679	70,000	-	-	153,679	189,268	-	189,268	-	(35,589)
Operations & Maintenance - Water Systems	8,591	-	-	-	8,591	12,549	-	12,549	-	(3,958)
Operations & Maintenance - Community Bldgs	18,918	-	-	-	18,918	75,636	-	75,636	-	(56,718)
Settlement Agreement - Economic Development	-	-	-	-	-	-	-	-	-	-
Post Secondary Education	259,585	-	450,165	(450,165)	-	-	-	-	-	(3,375)
TLE Infrastructure Construction	-	9,504,009	1,670,558	(3,440,329)	7,734,238	304,885	6,809,263	7,734,238	-	-
Trust Program	-	586,445	107,405	(36,374)	657,476	603,589	-	603,589	(53,887)	-
Alberta One Drive Project	82,350	-	25,000	-	25,000	25,071	-	25,071	-	(71)
Capacity Development	-	-	-	(80,145)	2,205	2,205	-	2,205	-	-
First Nations and Inuit Youth Employ Strategy	-	60,814	-	(29,814)	31,000	31,000	-	31,000	-	-
INAC Housing Duplexes	1,436,625	-	-	(627,037)	809,588	256,400	553,188	809,588	-	-
INAC Granny Flats	400,000	-	-	(242,311)	157,689	5,509	152,180	157,689	-	-
RAPP Reno Loan	-	79,499	-	-	79,499	120,410	-	120,410	40,911	-
Income Support	-	94,721	-	(85,259)	9,462	9,462	-	9,462	-	-
Health Summary	-	1,558,414	423,118	(553,273)	1,428,259	1,338,460	89,799	1,428,259	-	-
First Nation Development Fund	-	679,254	20,751	(165,477)	534,528	534,559	-	534,559	-	(31)
	3,286,009	13,609,321	2,815,460	(5,927,436)	13,783,354	5,911,739	7,604,430	13,516,169	-	267,185

The accompanying notes form part of these financial statements.

# PEERLESS TROUT FIRST NATION #478

## SCHEDULE 2 - ACCOUNTS RECEIVABLE

FOR THE YEAR ENDED MARCH 31, 2017

	2017 \$	2016 \$
<b>Accounts Receivable consists of:</b>		
INAC	105,000	105,000
Province of Alberta - FNDF	318,669	121,267
Other	175,573	104,575
GST	525,951	268,432
Trust funds	171,445	-
CMHC RAPP	79,499	-
Accrued Trust management fees	28,400	-
Receivable from Childrens Trust	60,000	-
	<b>1,464,537</b>	<b>599,274</b>

The accompanying notes form part of these financial statements.



**PEERLESS TROUT FIRST NATION #478**  
**SCHEDULE 3 - CONSOLIDATED EXPENDITURES BY OBJECT**  
**FOR THE YEAR ENDED MARCH 31, 2017**

	2017	2016
	\$	\$
Salaries, wages and benefits	1,655,802	1,363,131
Contracted and general services	3,328,189	3,266,813
Materials, goods and utilities	913,182	822,525
Bank charges and short term interest	14,566	14,535
Amortization	2,035,326	1,728,457
	7,947,065	7,195,461

The accompanying notes form part of these financial statements.

# PEERLESS TROUT FIRST NATION #478

## SCHEDULE 4 - TANGIBLE CAPITAL ASSETS

FOR THE YEAR ENDED MARCH 31, 2017

	Community Buildings & Facilities \$	Band Housing \$	Community Equipment \$	Water, Sewer & Roads \$	2017 Total \$	2016 Total \$
<b>COST:</b>						
Balance, Beginning of Year	21,418,642	8,086,221	2,302,839	8,212,095	40,019,797	35,636,322
Acquisition of tangible capital assets	5,760,211	976,001	89,799	778,419	7,604,430	4,383,475
<b>Balance, End of Year</b>	<b>27,178,853</b>	<b>9,062,222</b>	<b>2,392,638</b>	<b>8,990,514</b>	<b>47,624,227</b>	<b>40,019,797</b>
<b>ACCUMULATED AMORTIZATION</b>						
Balance, Beginning of year	1,243,315	1,077,301	1,015,359	354,882	3,690,857	1,962,400
Current year amortization	1,087,154	362,489	360,920	224,763	2,035,326	1,728,457
<b>Balance, End of Year</b>	<b>2,330,469</b>	<b>1,439,790</b>	<b>1,376,279</b>	<b>579,645</b>	<b>5,726,183</b>	<b>3,690,857</b>
<b>NET BOOK VALUE</b>	<b>24,848,384</b>	<b>7,622,432</b>	<b>1,016,359</b>	<b>8,410,869</b>	<b>41,898,044</b>	<b>36,328,940</b>

The accompanying notes form part of these financial statements.

# PEERLESS TROUT FIRST NATION #478

## NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2017

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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 Band Owned Enterprises

The investment in the First Nations subsidiary companies, 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, accounts payable, and deferred revenue. 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, 2017**

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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, 2017

### 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 2017 Market Value	Total March 31 2016 Market Value
	\$	\$	\$	\$
<b>i) Peerless Trout First Nation Trust Account:</b>				
<b>a) ScotiaMcLeod Investment Accounts</b>				
Cash and Savings accounts	164,528	749,781	914,309	206,368
Short-term Cash Equivalents	3,709,214	1,724,247	5,433,461	7,682,478
Fixed income funds	16,168,252	166,167	16,334,419	16,818,306
Stocks and Equity Funds	16,270,240	11,901,793	28,172,033	24,605,565
	36,312,234	14,541,988	50,854,222	49,312,717
<b>b) Other Investment Accounts - 5% demand loans</b>				
PTFN Concrete Inc.	1,507,010	-	1,507,010	882,566
PTFN Development Corp.	3,923,057	-	3,923,057	2,814,940
DCR Inc.	679,643	-	679,643	688,174
PTFN Trucking Inc.	7,121,083	-	7,121,083	8,142,093
Debcour Holdings Ltd.	1,734,685	-	1,734,685	-
	14,965,478	-	14,965,478	12,527,773
Provision for uncollectible amounts	(5,783,719)	-	(5,783,719)	-
	9,181,759	-	9,181,759	12,527,773
<b>TOTAL</b>	<b>45,493,993</b>	<b>14,541,988</b>	<b>60,035,981</b>	<b>61,840,490</b>

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

Current Account	6,787	-	6,787	57,808
Savings & GIC's 1.5% to 2.55%	1,190,616	-	1,190,616	1,239,176
	1,197,403	-	1,197,403	1,296,984

# PEERLESS TROUT FIRST NATION #478

## NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2017

3. PEERLESS TROUT SETTLEMENT TRUST ACCOUNTS (continued)				
	Canadian Investments	U.S. Investments	Total March 31 2017 Market Value	Total March 31 2016 Market Value
	\$	\$	\$	\$
iii) Peerless Trout First Nation Capital Trust Account:				
Capital (Scotia Bank)				
Cash	449,719	-	449,719	313,765
GIC's	24,109	-	24,109	23,974
Mutual Funds @ Market Value	18,906,271	-	18,906,271	27,386,130
Due to Risk Pool	(7,113,535)	-	(7,113,535)	(6,974,054)
Due to Landfill Reclaim. Trust	(1,125,222)	-	(1,125,222)	(1,103,151)
	11,141,342	-	11,141,342	19,646,664
Risk Pool				
Due from Capital	7,113,535	-	7,113,535	6,974,054
	18,254,877	-	18,254,877	26,620,718
iv) Peerless Trout First Nation Landfill Reclamation Trust Account (Canadian Western Bank):				
Prime - 1.7% Current Account	212,216	-	212,216	204,669
Due from Capital Trust	1,119,664	-	1,119,664	1,103,151
	1,331,880	-	1,331,880	1,307,820

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, 2017

### 4. INVESTMENT IN FIRST NATION OWNED COMPANIES

	2017 \$	2016 \$
<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.	4,088,037	4,234,119
Accumulated net income (loss) at March 31	(4,578,246)	(3,804,675)
	(490,109)	429,544
<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)	(8,441)
Accumulated net income (loss) at March 31	(905,760)	(454,727)
	(914,101)	(463,068)
<b>(c) Investment in PTFN Development Corp.</b>		
100 Class A shares - 100% ownership, at cost	100	100
Advances from PTFN Development Corp.	(15,784)	(13,604)
Accumulated net income (loss) at March 31	(1,709,932)	(690,868)
	(1,725,616)	(704,372)
<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	-	-
	100	100
<b>(e) Investment in PTFN Trucking Inc. (NOTE)</b>		
100 Class A shares - 100% ownership, at cost	100	100
Advances from PTFN Trucking Inc.	-	-
Accumulated net income (loss) at March 31	(5,753,757)	(71,594)
	(5,753,657)	(71,494)
<b>TOTAL</b>	<b>(8,883,383)</b>	<b>(809,290)</b>

NOTE: Subsequent to the year end Debcur (a 51% owned subsidiary of PTFN Trucking Inc.) went into receivership

# PEERLESS TROUT FIRST NATION #478

## NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2017

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

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

	March 31 2017	March 31 2016
	\$	\$
Assets	7,623,177	4,180,203
Liabilities	12,201,323	7,984,778
Revenue	7,989,063	6,897,510
Net (loss) for the year	(784,028)	(1,437,925)

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

	March 31 2017	March 31 2016
	\$	\$
Assets	699,969	445,333
Liabilities	1,605,629	899,960
Revenue	338,781	770
Net (loss) for the year	(451,033)	(175,533)

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

	March 31 2017	March 31 2016
	\$	\$
Assets	2,890,290	2,549,678
Liabilities	4,600,122	3,240,446
Revenue	260,877	771,776
Net (loss) for the year	(1,019,064)	(690,868)

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

	March 31 2017	March 31 2016
	\$	\$
Assets	-	-
Liabilities	-	-
Revenue	-	-
Net (loss) for the year	-	-

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

	March 31 2017	March 31 2016
	\$	\$
Assets	1,645,100	5,000,100
Liabilities	7,327,163	5,071,594
Revenue	-	-
Net (loss) from September 1, 2014 to March 31, 2017	(5,610,569)	(71,594)



# PEERLESS TROUT FIRST NATION #478

## NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2017

### 5. DEFERRED COSTS

	2017 \$	2016 \$
Deferred costs consists of :		
Medical Transportation costs carried forward to be covered by Health Canada funds received in the 2016/17 fiscal year	-	13,650
Newsletter and Website Development costs carried forward to be covered by FNDF funds received in the 2016/17 fiscal year	-	21,282
Governance and Administrative costs carried forward to be covered by FNDF funds received in the 2016/17 fiscal year	-	10,531
CMHC duplex costs carried forward to next fiscal year to be covered by CMHC Loan Advance in the 2017/18 fiscal year	476,542	-
	476,542	45,463

# PEERLESS TROUT FIRST NATION #478

## NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2017

### 6. DEFERRED REVENUE

	2017 \$	2016 \$
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	3,440,329	1,670,558
<b>Funding from the Health Canada:</b>		
Health program funding received during the year	553,273	419,982
<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
Granny flats	242,311	-
Housing duplexes	627,037	-
Housing renovations	200,644	-
Capacity development	80,144	-
	1,150,136	41,925
<b>Funding from the Province of Alberta:</b>		
Gov. of Alberta - Car Seat Safety Technician Program	-	3,135
Corporate and Governance Structure Project	-	-
Alberta One Drive Project	-	25,000
	-	28,135
<b>First Nation Development Fund:</b>		
Project 11695,11992 & 12315 - Finance Training & Support	90,413	10,302
Project 12604 - HR planning and accountability support	11,593	-
Project 12252 - Newsletter and website development	712	-
Project 12602 - Gov. & administrative advisory	62,759	-
Band Advisor Project 12249	-	7,231
Xmas Hampers Project 12250	-	3,218
	165,477	20,751
<b>Other Funding:</b>		
KTC funding - FNIYES	29,814	-
KTC transition funding - Income support	85,259	-
CMHC duplexes	-	-
PTFN Trust Funding - Trustee expenses	-	107,405
PTFN Trust Funding - Trustee Management fees	36,374	44,600
PTFN Trust Funding - Arena Committee	16,609	31,938
	168,056	183,943
	5,927,436	2,815,459

# PEERLESS TROUT FIRST NATION #478

## NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2017

### 7. TANGIBLE CAPITAL ASSETS

	2017			2016
	\$			\$
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	\$	\$	\$	\$
Community Equipment	2,392,638	1,376,279	1,016,359	1,287,480
Band Housing	9,062,222	1,439,790	7,622,432	7,008,920
Community Buildings	27,178,853	2,330,469	24,848,384	20,175,327
Water, Sewer & Roads	8,990,514	579,645	8,410,869	7,857,213
	47,624,227	5,726,183	41,898,044	36,328,940

### 8. 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.

### 9. 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

### 10. HOUSING RESERVE FUND

The housing reserve fund is comprised of the 2016/17 rental housing surplus that has been set aside for future rental housing repairs and renovations.

### 11. 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 \$452,614 (2016 - \$210,055).

Peerless Trout Enterprises Inc. paid royalties during the year to the First Nation in the amount of \$1,198,359 (2016 - \$989,627).

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.

### 12. COMPARATIVE FIGURES

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

