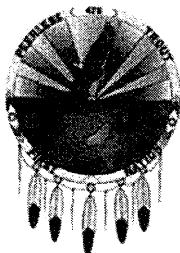


**PEERLESS TROUT FIRST NATION #478  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2018**

**PEERLESS TROUT FIRST NATION #478**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2018**

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## PEERLESS TROUT FIRST NATION #478

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Peerless Lake, AB  
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Phone: 780 869 3985  
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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.

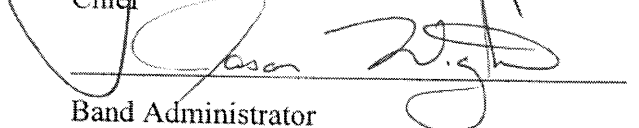
The financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards. Financial statements are not precise since they include certain amounts based on estimates and judgment. When alternative accounting methods exist, management has chosen those it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

Allan J. Grykuliak, CPA, CA\*  
Scott T. Mockford, CPA, CA\*  
Allen Lee, CPA, CMA\*  
Jason Bondarevich, CPA, CA\*  
\* Operates as a Professional Corporation

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

## **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, 2018 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.

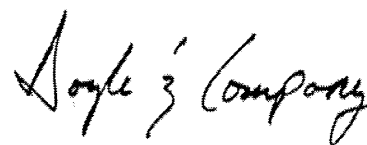
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, 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, 2018 and its financial performance and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Edmonton, Alberta  
August 21, 2018

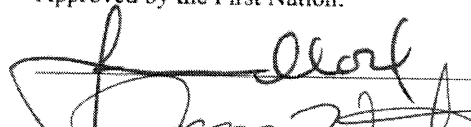
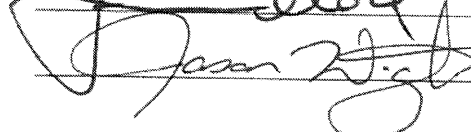


Chartered Professional Accountants

**PEERLESS TROUT FIRST NATION #478**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2018**

	2018	2017
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash	4,471,288	5,406,766
Accounts receivable (Schedule 2)	1,773,573	1,464,537
Deferred costs (Note 5)	1,165,470	476,542
Investment in First Nation owned companies ( Note 4)	48,748	-
	<b>7,459,079</b>	<b>7,347,845</b>
<b>LIABILITIES</b>		
Accounts payable	2,155,429	1,542,780
Deferred revenue (Note 6)	5,569,251	5,927,436
Investment in First Nation owned companies net of accumulated losses ( Note 4)	-	8,883,383
	<b>7,724,680</b>	<b>16,353,599</b>
<b>NET FINANCIAL DEBT</b>	<b>(265,601)</b>	<b>(9,005,754)</b>
<b>NON-FINANCIAL ASSETS</b>		
Peerless Trout First Nation Trust (Note 3)	54,053,323	60,035,981
Peerless Trout First Nation Children's Trust (Note 3)	1,139,537	1,197,403
Peerless Trout First Nation Capital Trust (Note 3)	8,809,226	18,254,877
Peerless Trout First Nation Landfill Reclamation Trust (Note 3)	-	1,331,880
Tangible capital assets (Note 7)	49,805,109	41,898,044
Prepaid expenses	27,466	-
	<b>113,834,661</b>	<b>122,718,185</b>
<b>ACCUMULATED SURPLUS</b>		
<b>ACCUMULATED SURPLUS</b>	<b>49,566,974</b>	<b>32,892,291</b>
<b>EQUITY IN TRUST FUNDS</b>	<b>64,002,086</b>	<b>80,820,140</b>
	<b>113,569,060</b>	<b>113,712,431</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, 2018**

	2018					2017		
	Operating Assets	Net Equity in Enterprises	Equity in Business Enterprises	Equity in Tangible Capital Assets	Revolving Loan Fund (Note 9)	Housing Reserve Fund (Note 10)	Total	Total
	\$	\$	\$	\$	\$	\$	\$	\$
BALANCE - BEGINNING OF YEAR	(472,853)	(8,883,383)		41,898,044	220,371	130,112	32,892,291	34,981,833
Excess of revenues over expenditures	16,674,683	-	-	-	-	-	16,674,683	(2,089,542)
Net advances to subsidiary companies	25,606	(25,606)		-	-	-	-	-
Recovery of losses in subsidiaries	(8,957,737)	8,957,737		-	-	-	-	-
Transfer to the revolving loan fund (Note 9)	(16,068)	-	-	-	16,068	-	-	-
Transfer to the housing reserve fund (Note 10)	130,112	-	-	-	-	(130,112)	-	-
Community bldgs. & infrastructure	(8,998,132)	-	-	8,998,132	-	-	-	-
Community housing construction	(973,629)	-	-	973,629	-	-	-	-
Water, sewer & roads	(84,995)	-	-	84,995	-	-	-	-
Vehicles and equipment	(214,873)	-	-	214,873	-	-	-	-
Annual amortization expense	2,364,564	-	-	(2,364,564)	-	-	-	-
Change in accumulated surplus	(50,469)	8,932,131		7,907,065	16,068	(130,112)	16,674,683	(2,089,542)
BALANCE - END OF YEAR	(523,322)	48,748		49,805,109	236,439	-	49,566,974	32,892,291

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, 2018

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

	2018 Actual \$	2017 Actual \$
<hr/>		
<b>REVENUE</b>		
Investment revenue including unrealized gains	2,162,871	5,393,241
<hr/>		
<b>EXPENDITURES</b>		
Trustee Expenses- Other	85,000	85,000
Trustee Expenses- PTFN	125,000	125,000
Legal and audit	27,183	17,999
Investment management fees - ScotiaMcLeod	230,083	248,832
Management fees paid to Peerless Trout First Nation	406,520	162,200
Approved community projects	-	775,000
Provision for loan losses	7,271,743	5,783,719
	8,145,529	7,197,750
<hr/>		
<b>(DEFICIT) SURPLUS FOR THE YEAR</b>	<b>(5,982,658)</b>	<b>(1,804,509)</b>
<hr/>		
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>60,035,981</b>	<b>61,840,490</b>
<hr/>		
<b>NET ASSETS - END OF YEAR</b>	<b>54,053,323</b>	<b>60,035,981</b>

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

	2018 Actual \$	2017 Actual \$
<hr/>		
<b>REVENUE</b>		
Investment income	20,044	11,320
<hr/>		
<b>EXPENDITURES</b>		
Per capita distribution to members	77,910	110,901
<hr/>		
<b>(DEFICIT) SURPLUS FOR THE YEAR</b>	<b>(57,866)</b>	<b>(99,581)</b>
<hr/>		
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>1,197,403</b>	<b>1,296,984</b>
<hr/>		
<b>NET ASSETS - END OF YEAR</b>	<b>1,139,537</b>	<b>1,197,403</b>

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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, 2018

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

	<b>2018 Actual \$</b>	<b>2017 Actual \$</b>
<hr/>		
<b>REVENUE</b>		
<b>Capital fund</b>		
Transfer from the PTFN Landfill Reclamation Trust	<b>1,351,577</b>	-
Investment Income	<b>349,241</b>	1,067,334
Increase(decrease) in market value of mutual funds	<b>(152,027)</b>	282,828
	<b>1,548,791</b>	1,350,162
<hr/>		
<b>EXPENDITURES</b>		
Transfers to PTFN TLE operating bank account	<b>11,000,000</b>	9,500,000
Transfer of TLE project management fees	-	216,000
	<b>11,000,000</b>	9,716,000
<hr/>		
<b>(DEFICIT) SURPLUS FOR THE YEAR</b>	<b>(9,451,209)</b>	(8,365,838)
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>18,254,877</b>	26,620,715
<hr/>		
<b>NET ASSETS - END OF YEAR</b>	<b>8,803,668</b>	18,254,877

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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, 2018

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

	2018 Actual \$	2017 Actual \$
<hr/>		
<b>REVENUE</b>		
Investment income	19,697	24,060
<hr/>		
<b>EXPENDITURES</b>		
Transfer to the PTFN Capital Trust	1,351,577	-
<hr/>		
<b>(DEFICIT) SURPLUS FOR THE YEAR</b>	<b>(1,331,880)</b>	24,060
<hr/>		
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>1,331,880</b>	1,307,820
<hr/>		
<b>NET ASSETS - END OF YEAR</b>	<b>-</b>	<b>1,331,880</b>

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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, 2018

	2018 Budget \$	2018 Actual \$	2017 Actual \$
<b>REVENUE</b>			
Indigenous and Northern Affairs Canada (INAC)	1,664,482	1,848,370	3,286,009
Health Canada	2,258,333	2,186,922	1,543,622
Provincial Funding	137,500	137,500	-
Interest income	67,060	79,348	53,071
First Nation Development Fund (FNDF)	420,400	420,400	679,254
Other	2,120,890	2,631,186	1,833,374
Transfers from PTFN Capital Trust Account	14,210,000	11,000,000	9,500,000
Revenue deferred from prior year	2,310,227	5,927,436	2,815,460
Revenue deferred to next year	(980,725)	(5,569,253)	(5,927,436)
	22,208,167	18,661,909	13,783,354
<b>EXPENDITURES</b>			
Band support	1,038,260	1,267,208	998,932
Community Economic Development	145,742	145,742	145,728
First Nations Consultation Capacity Investment Program	137,500	137,500	-
Housing Rental	98,100	99,654	91,803
Housing & Infrastructure	215,000	225,656	217,523
Housing Renovations	242,000	268,755	8,445
Arena Committee	16,600	7,917	15,330
Operations & Maintenance - Firehall	234,000	259,131	189,268
Operations & Maintenance - Water systems	8,591	8,591	12,549
Operations & Maintenance - Community buildings	75,000	80,961	75,636
Post Secondary Education	250,000	253,646	304,885
TLE Infrastructure Construction	14,210,000	752,755	924,975
Trust Program	436,120	426,888	603,589
Alberta One Drive Project	-	-	25,071
Capacity Development	80,145	79,726	2,205
First Nations and Inuit Youth Employment Strategy	117,440	117,440	31,000
INAC Housing Duplexes	627,037	256,611	256,400
Granny Flats	242,311	58,696	5,509
RAPP Reno Loan	306,056	327,897	120,410
Income Support	635,000	714,487	9,462
ASETS	180,000	177,651	-
Campground	10,000	5,656	-
Stella Trindle	-	102,003	-
First Nation Development Fund	585,877	526,753	534,559
Health Summary	2,356,046	2,279,075	1,338,460
Amortization	-	2,364,564	2,035,326
	22,246,825	10,944,963	7,947,065
<b>EXCESS OF REVENUE OVER EXPENSES BEFORE OTHER</b>	(38,658)	7,716,946	5,836,289
<b>Net income (loss) in First Nation owned companies</b>	-	8,957,737	(7,925,831)
<b>OPERATING SURPLUS (DEFICIT) FOR THE PERIOD</b>	(38,658)	16,674,683	(2,089,542)

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, 2018

	2018 Actual \$	2017 Actual \$
<b>EXCESS (DEFICIT) OF REVENUE OVER EXPENSES</b>	<b>16,674,683</b>	<b>(2,089,542)</b>
Acquisition of tangible capital assets	(10,271,629)	(7,604,432)
Amortization of tangible capital assets	2,364,564	2,035,326
Increase in prepaid expenses	(27,465)	-
	(7,934,530)	(5,569,106)
<b>DECREASE (INCREASE) IN NET ASSETS</b>	<b>8,740,153</b>	<b>(7,658,648)</b>
<b>NET FINANCIAL ASSETS (DEBT), BEGINNING OF YEAR</b>	<b>(9,005,754)</b>	<b>(1,347,106)</b>
<b>NET FINANCIAL ASSETS (DEBT), END OF YEAR</b>	<b>(265,601)</b>	<b>(9,005,754)</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, 2018

	2018 \$	2017 \$
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Cash received from funding agencies, customers and the Capital Trust	17,994,688	16,030,068
Cash paid to suppliers	(8,669,785)	(5,217,555)
Interest paid	(14,358)	(15,676)
	9,310,545	10,796,837
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>		
Net advances to first Nation owned companies	25,606	148,262
<b><u>CASH FLOWS (TO) FROM INVESTING ACTIVITIES</u></b>		
Purchase of capital assets	(10,271,629)	(7,604,430)
Net increase (decrease) in cash	(935,478)	3,340,669
CASH - Beginning of year	5,406,766	2,066,097
CASH - End of year	4,471,288	5,406,766

The accompanying notes form part of these financial statements.

# PEERLESS TROUT FIRST NATION #478

## SCHEDULE 1 - INDIVIDUAL PROGRAMS FOR THE YEAR ENDED MARCH 31, 2018

	INAC Contributions	Other Revenue	Revenue deferred from prior year	Revenue deferred to next year	Total Revenue	Operating Expenditures	Capital Expenditures, and Repayments, and advances	Total Expenditures	Transfers	Current Year's Surplus (Deficit)
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Band support	404,633	135,052	-	-	539,685	1,267,208	-	1,267,208	-	(727,523)
First Nation Management	-	900,926	-	(46,400)	854,526	-	-	-	-	854,526
Community Economic Development	145,742	-	-	-	145,742	145,742	-	145,742	-	-
FNCCIP	-	137,500	-	-	137,500	137,500	-	137,500	-	-
Housing - Rental	-	165,752	-	-	165,752	99,654	-	99,654	-	66,098
Housing & Infrastructure	215,000	-	-	-	215,000	225,656	-	225,656	10,000	(656)
INAC - Housing Renovations	-	-	200,644	-	200,644	268,755	-	268,755	40,911	(27,200)
Arena Committee	-	-	16,608	(8,691)	7,917	7,917	-	7,917	-	-
Operations & Maintenance - Firehalls	163,679	87,000	-	-	250,679	259,131	-	259,131	-	(8,452)
Operations & Maintenance - Water Systems	8,591	-	-	-	8,591	8,591	-	8,591	-	-
Operations & Maintenance - Comm. Build.	13,749	-	-	-	13,749	80,961	-	80,961	-	(67,212)
Settlement Agreement - Econ. Development	-	-	450,165	(450,165)	-	-	-	-	-	-
Post Secondary Education	272,991	-	-	(19,345)	253,646	253,646	-	253,646	-	-
TLE Infrastructure Construction	-	11,010,433	3,440,329	(4,301,825)	10,148,937	752,755	9,396,182	10,148,937	-	-
Trust Program	-	395,084	36,374	-	431,458	426,888	-	426,888	-	4,570
Capacity Development	-	-	80,145	-	80,145	79,726	-	79,726	-	419
First Nations and Inuit Youth Employ. Strategy	-	87,626	29,814	-	117,440	117,440	-	117,440	-	-
INAC Housing Duplexes	-	-	627,037	-	627,037	256,611	-	256,611	21,129	(235,103)
INAC Granny Flats	-	-	242,311	-	242,311	58,696	605,529	328,614	86,303	(62,752)
RAPP Reno Loan	-	-	-	-	306,056	327,897	-	327,897	(40,911)	(5,243)
Income Support	623,985	306,056	85,259	-	709,244	714,487	-	714,487	-	-
ASETS	-	251,040	-	(73,389)	177,651	177,651	-	177,651	-	-
Campground	-	10,000	-	(4,344)	5,656	5,656	-	5,656	-	-
Insurance Proceeds - Stella Trindle	-	219,435	-	-	219,435	102,003	-	102,003	(117,432)	-
Health Summary	-	2,329,052	553,273	(605,970)	2,276,355	2,279,075	-	2,279,075	-	(2,720)
First Nation Development Fund	-	420,400	165,477	(59,124)	526,753	526,753	-	526,753	-	-
	1,848,370	16,455,356	5,927,436	(5,569,253)	18,661,909	8,580,399	10,271,629	18,852,028	-	(211,248)

The accompanying notes form part of these financial statements.

# PEERLESS TROUT FIRST NATION #478

## SCHEDULE 2 - ACCOUNTS RECEIVABLE

FOR THE YEAR ENDED MARCH 31, 2018

	2018 \$	2017 \$
<b>Accounts Receivable consists of:</b>		
INAC	-	105,000
CMHC loan funding	237,220	-
Province of Alberta - FNDF	385,399	318,669
Other	55,204	175,573
GST	879,898	525,951
Trust funds	-	171,445
CMHC RAPP	211,852	79,499
Accrued Trust management fees	-	28,400
Receivable from Children's Trust	4,000	60,000
	<b>1,773,573</b>	<b>1,464,537</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, 2018**

	2018	2017
	\$	\$
Salaries, wages and benefits	2,223,990	1,661,603
Contracted and general services	5,643,329	3,661,769
Materials, goods and utilities	698,255	573,801
Bank charges and short term interest	14,825	14,566
Amortization	2,364,564	2,035,326
	10,944,963	7,947,065

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, 2018

	Community Buildings & Facilities \$	Band Housing \$	Community Equipment \$	Water, Sewer & Roads \$	2018 Total \$	2017 Total \$
<b>COST:</b>						
Balance, Beginning of Year	27,178,853	9,062,222	2,392,638	8,990,514	47,624,227	40,019,797
Acquisition of tangible capital assets	8,998,132	973,629	214,873	84,995	10,271,629	7,604,430
<b>Balance, End of Year</b>	<b>36,176,985</b>	<b>10,035,851</b>	<b>2,607,511</b>	<b>9,075,509</b>	<b>57,895,856</b>	<b>47,624,227</b>
<b>ACCUMULATED AMORTIZATION</b>						
Balance, Beginning of year	2,330,469	1,439,790	1,376,279	579,645	5,726,183	3,690,857
Current year amortization	1,332,346	401,434	403,896	226,888	2,364,564	2,035,326
<b>Balance, End of Year</b>	<b>3,662,815</b>	<b>1,841,224</b>	<b>1,780,175</b>	<b>806,533</b>	<b>8,090,747</b>	<b>5,726,183</b>
<b>NET BOOK VALUE</b>	<b>32,514,170</b>	<b>8,194,627</b>	<b>827,336</b>	<b>8,268,976</b>	<b>49,805,109</b>	<b>41,898,044</b>

The accompanying notes form part of these financial statements.



# PEERLESS TROUT FIRST NATION #478

## NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2018

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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:

	Years
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, 2018

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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, 2018

### 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 2018 Market Value \$	Total March 31 2017 Market Value \$
	\$	\$	\$	\$
<b>i) Peerless Trout First Nation Trust Account:</b>				
<b>a) ScotiaMcLeod Investment Accounts</b>				
Cash and Savings accounts	36,131	20,317	56,448	914,309
Short-term Cash Equivalents	3,459,889	2,990,347	6,450,236	5,433,461
Fixed income funds	13,765,437	152,284	13,917,721	16,334,419
Stocks and Equity Funds	17,015,694	11,067,879	28,083,573	28,172,033
	34,277,151	14,230,827	48,507,978	50,854,222
<b>b) Other Investment Accounts - 5% demand loans</b>				
PTFN Concrete Inc.	2,032,606	-	2,032,606	1,507,010
PTFN Development Corp.	4,860,162	-	4,860,162	3,923,057
DCR Inc.	904,413	-	904,413	679,643
PTFN Trucking Inc.	7,485,411	-	7,485,411	7,121,083
Debcour Holdings Ltd.	2,032,478	-	2,032,478	1,734,685
Peerless Trout Enterprises	982,000	-	982,000	-
PTFN Convenience Store	200,000	-	200,000	-
PTFN Housing	100,000	-	100,000	-
	18,597,070	-	18,597,070	14,965,478
Provision for uncollectible amounts	(13,051,725)	-	(13,051,725)	(5,783,719)
	5,545,345	-	5,545,345	9,181,759
<b>TOTAL</b>	<b>39,822,496</b>	<b>14,230,827</b>	<b>54,053,323</b>	<b>60,035,981</b>

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

Current Account	572	-	572	6,787
Savings & GIC's 1.25% to 2.5%	1,138,965	-	1,138,965	1,190,616
	1,139,537	-	1,139,537	1,197,403

# PEERLESS TROUT FIRST NATION #478

## NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2018

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

	Canadian Investments	U.S. Investments	Total March 31 2018 Market Value	Total March 31 2017 Market Value
	\$	\$	\$	\$
<b>iii) Peerless Trout First Nation Capital Trust Account:</b>				
<b>Capital</b>				
Prime - 1.7% Current Account	215,118	-	215,118	-
<b>(Scotia Bank)</b>				
Cash	92	-	92	449,719
GIC's	8,594,016	-	8,594,016	18,551
Mutual Funds @ Market Value	-	-	-	18,906,271
<b>Due to Risk Pool</b>	<b>(7,113,535)</b>	-	<b>(7,113,535)</b>	<b>(7,113,535)</b>
<b>Due to Landfill Reclaim. Trust</b>	<b>-</b>	-	<b>-</b>	<b>(1,119,664)</b>
	<b>1,695,691</b>	-	<b>1,695,691</b>	<b>11,141,342</b>
<b>Risk Pool</b>				
<b>Due from Capital</b>	<b>7,113,535</b>	-	<b>7,113,535</b>	<b>7,113,535</b>
	<b>8,809,226</b>	-	<b>8,809,226</b>	<b>18,254,877</b>
<b>iv) Peerless Trout First Nation Landfill Reclamation Trust Account (Canadian Western Bank):</b>				
Prime - 1.7% Current Account		-	-	212,216
Due from Capital Trust		-	-	1,119,664
		-	-	1,331,880

GIC's and savings accounts bear interest at rates from 1.4% to 1.7%.

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, 2018

### 4. INVESTMENT IN FIRST NATION OWNED COMPANIES

	2018 \$	2017 \$
<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.	4,015,448	4,088,037
Accumulated net income (loss) at March 31	(4,015,548)	(4,578,246)
	-	(490,109)
<b>(b) Investment in PTFN Concrete Inc.</b>		
100 Class A shares - 100% ownership, at cost	100	100
Advances to (from) PTFN Concrete Inc.	18,076	(8,441)
Accumulated net income (loss) at March 31	(18,176)	(905,760)
	-	(914,101)
<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)
Accumulated net income (loss) at March 31	(100)	(1,709,932)
	-	(1,725,616)
<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	(100)	(5,753,757)
	-	(5,753,657)

# PEERLESS TROUT FIRST NATION #478

## NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2018

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

	2018	2017
	\$	\$
<hr/>		
<b>(f) Investment in PTFN Housing</b>		
100 Class A shares - 100% ownership, at cost	100	-
Accumulated net income (loss) at March 31	-	-
	100	-
<hr/>		
<b>(g) Investment in PTFN Convenience Store Ltd.</b>		
100 Class A shares - 100% ownership, at cost	100	-
Advances to PTFN Convenience Store Ltd.	5,309	-
Accumulated net income (loss) at March 31	(5,409)	-
	-	-
<hr/>		
<b>(h) Investment in PTFN Camp Ltd.</b>		
100 Class A shares - 100% ownership, at cost	100	-
Advances from PTFN Camp Ltd.	48,671	-
Accumulated net income (loss) at March 31	(223)	-
	48,548	-
<hr/>		
<b>TOTAL</b>	<b>48,748</b>	<b>(8,883,383)</b>

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NOTE: Debcurl (a 51% owned subsidiary of PTFN Trucking Inc.) is in receivership

# PEERLESS TROUT FIRST NATION #478

## NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2018

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

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

	<b>March 31 2018</b>	<b>March 31 2017</b>
	\$	\$
Assets	10,606,781	7,623,177
Liabilities	15,684,776	12,201,323
Revenue	11,348,786	7,989,063
Net (loss) for the year	(387,161)	(784,028)

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

	<b>March 31 2018</b>	<b>March 31 2017</b>
	\$	\$
Assets	942,025	699,969
Liabilities	2,452,788	1,605,629
Revenue	292,033	338,781
Net (loss) for the year	(605,103)	(451,033)

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

	<b>March 31 2018</b>	<b>March 31 2017</b>
	\$	\$
Assets		2,890,290
Liabilities	3,003,198	4,600,122
Revenue	(16,995)	260,877
Net (loss) for the year	(1,293,366)	(1,019,064)

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

	<b>March 31 2018</b>	<b>March 31 2017</b>
	\$	\$
Assets		-
Liabilities	-	-
Revenue	-	-
Net (loss) for the year	-	-

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

	<b>March 31 2018</b>	<b>March 31 2017</b>
	\$	\$
Assets	100	1,645,100
Liabilities	7,485,411	7,327,163
Revenue	-	-
Net (loss) from September 1, 2014 to March 31, 2017	(1,803,248)	(5,610,569)

# PEERLESS TROUT FIRST NATION #478

## NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2018

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

March 31 unaudited financial information for PTFN Housing Ltd. is as follows:

	<b>March 31</b>	<b>March 31</b>
	<b>2018</b>	<b>2017</b>
Assets	<b>100,100</b>	-
Liabilities	<b>100,100</b>	-
Revenue	-	-
Net (loss) for the year	-	-

March 31 unaudited financial information for PTFN Convenience Store Ltd. is as follows:

	<b>March 31</b>	<b>March 31</b>
	<b>2018</b>	<b>2017</b>
Assets	<b>73,423</b>	-
Liabilities	<b>125,358</b>	-
Revenue	<b>19,657</b>	-
Net (loss) for the year	<b>(52,035)</b>	-

March 31 unaudited financial information for PTFN Camp Ltd. is as follows:

	<b>March 31</b>	<b>March 31</b>
	<b>2018</b>	<b>2017</b>
Assets	<b>103,275</b>	-
Liabilities	<b>103,398</b>	-
Revenue	<b>98,500</b>	-
Net (loss) for the year	<b>(223)</b>	-

### 5. DEFERRED COSTS

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Deferred costs consists of :		
CMHC Phase 2 bungalow costs carried forward to be covered by funds received in the 2018/19 fiscal year	<b>169,454</b>	-
CMHC duplex costs carried forward to next fiscal year to be covered by CMHC Loan Advance in the 2018/19 fiscal year	<b>996,016</b>	476,542
	<b>1,165,470</b>	476,542



# PEERLESS TROUT FIRST NATION #478

## NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2018

### 6. DEFERRED REVENUE

	2018 \$	2017 \$
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	4,301,824	3,440,329
<b>Funding from the Health Canada:</b>		
Health program funding received during the year	605,970	553,273
<b>Funding from INAC:</b>		
Post Secondary Education	19,345	-
Granny flats	-	242,311
Housing duplexes	-	627,037
Housing renovations	-	200,644
Capacity development	-	80,144
	19,345	1,150,136
<b>First Nation Development Fund:</b>		
Project 12504 - Finance Advisor	-	90,413
Project 12604 - HR planning and accountability support	-	11,593
Project 12252 - Newsletter and website development	-	712
Project 12602 - Gov. & administrative advisory	-	62,759
Project 12995 - Staff Workshop	59,124	-
	59,124	165,477
<b>Other Funding:</b>		
KTC funding - FNIYES	-	29,814
KTC transition funding - Income support	-	85,259
KTC funding - ASETS	73,389	-
Campground	4,344	-
PTFN Trust Funding	-	36,374
PTFN Trust Funding - Trustee Management fees	46,400	-
PTFN Trust Funding - Arena Committee	8,690	16,609
	132,823	168,056
	5,569,251	5,927,436

# PEERLESS TROUT FIRST NATION #478

## NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2018

### 7. TANGIBLE CAPITAL ASSETS

	2018			2017
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	\$	\$	\$	\$
Community Equipment	2,607,521	1,780,175	827,346	1,016,359
Band Housing	10,035,851	1,841,224	8,194,627	7,622,432
Community Buildings	36,176,975	3,662,815	32,514,160	24,848,384
Water, Sewer & Roads	9,075,509	806,533	8,268,976	8,410,869
	57,895,856	8,090,747	49,805,109	41,898,044

### 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 \$546,712(2017 - \$452,614).

Peerless Trout Enterprises Inc. paid royalties during the year to the First Nation in the amount of \$0(2017 - \$1,198,359).

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.