



# FINANCE

The Grand Council changed auditors in the 2014-15 fiscal year. Based on their recommendations the financial statements have been restated for assets, liabilities, revenue, expenses and surplus in the prior fiscal year for the changes in the consolidated entities. The White Buffalo Youth Inhalant Treatment Centre has been removed from the financial statements and the Sprucelodge Boarding Home and the Northern Inter-tribal Health Authority (NITHA) have been included. As a quarter partner in NITHA, 25% of their assets, liabilities, revenue, expenses and surplus has been included in the restated financial statements of PAGC for the 2014 fiscal year. Also, 100% of White Buffalo has been removed since they are considered a separate entity from PAGC, and 100% of Sprucelodge has been included because it has the same Board as PAGC..

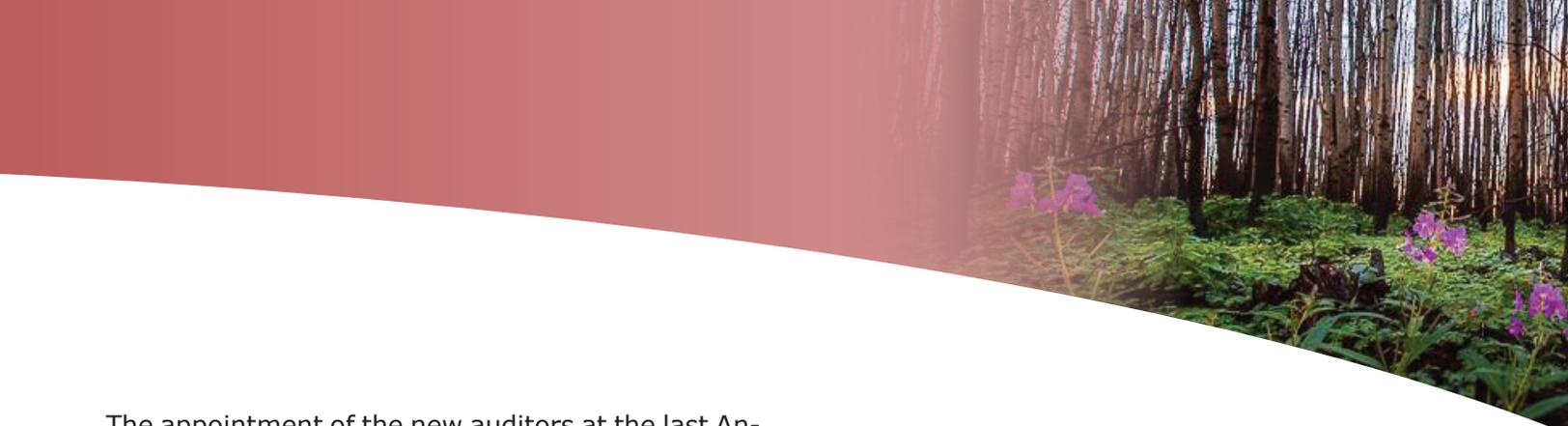
For operating results, the removal of White Buffalo did not affect the financial statements very much because they only had a small cumulative deficit, but the inclusion of Sprucelodge and NITHA changed the original 2014 accumulated deficit of (\$1,386,368) by \$1,555,105 into a restated accumulated surplus of \$168,737. The restated annual revenue also increased by about \$798,000 and restated expenses increased by \$763,000, which together with other adjustments resulted in an increase of \$44,474 in the annual surplus from \$518,801 to \$563,275 in 2014. Although this increase in the 2014 annual surplus was small, both Sprucelodge and NITHA had large accumulated surpluses contributing to increased financial assets of \$1,156,699, increased liabilities of \$601,230 and decreased tangible capital assets of (\$202,376) mostly due to the removal of White Buffalo.

After these changes in consolidated entities, the 2015 annual revenue was \$61.22 million and annual expenses were \$60.96 million, resulting in an annual surplus of \$259,498. One-quarter of NITHA's annual revenue in 2015 was \$1,325,832 and one-quarter of its annual expenses was \$1,244,250, resulting in their contribution of

\$81,582 to PAGC's annual surplus in 2015. For programs that are 100% controlled by PAGC, the annual revenue was \$59,890,147 and annual expenses were \$59,712,231, resulting in an annual surplus of \$177,916. This small recovery to our cumulative deficit is after amortization of \$618,000. Net debt was reduced by \$559,465 during the year to (\$3,307,168) from (\$3,866,633). A number of programs deficit hindered the improvement in the Grand Council's financial position. The Spiritual Healing Lodge did not operate at capacity for the first half of the fiscal year, causing a deficit of (\$247,000). Write-offs on old funding agency receivables of (\$288,613) also affected the deficit recovery. Without these last two financial setbacks the Grand Council would have achieved approximately 80% of its deficit recovery plan for 2015.

The Grand Council experienced the first year of AANDC's drastic cut of (\$1,343,314) to Tribal Council Funding (TCF) beginning in April 2014. This 71% reduction in core funding by AANDC eliminated resources for providing core advisory services to member First Nations and reduced our ability to consult and negotiate with the federal government on treaty issues and program services. The change in government provides hope for better relationships and restored funding to serve our member First Nations.

With the vigilance and support of our First Nations leadership and the Executive, the Grand Council will continue to improve its financial position by strictly following budgets for program services and discretionary expenditures. By achieving deficit recovery targets of \$1 million to \$1.5 million over the next three years, The Annual Assembly has been reviewing the progress on our Management Action Plan (MAP) and this process will continue until most of the cumulative deficit has been eliminated. The Chiefs on the Executive Board/Treasury Board continue to be supportive of this MAP through quarterly reviews of the budgets and discretionary expenditures and recovery of any over-expenditures by the Executive and staff.



The appointment of the new auditors at the last Annual Assembly has led to a productive relationship with MNP LLP. We thank the new auditors and their staff for working diligently throughout the year and especially during the last month complete our audit. We relied upon their expertise in changing the consolidated corporate entities in this year's financial statements. Their availability during odd hours and tireless effort demonstrates their commitment to providing us with exemplary professional service and advice in future.

First Nations Elders, Chiefs and Councils, and their staff have contributed immensely to the financial success of the Grand Council. We express our appreciation to you for your leadership, guidance, wisdom and support as PAGC endeavors to serve your members better.

Gene Der

Director of Finance

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