



GrantThornton

## Consolidated Financial Statements

Pictou Landing Band Council

March 31, 2020

## Contents

	<u>Page</u>
Management's Responsibility for Financial Reporting	1
Independent Auditor's Report	2 - 4
Consolidated Statement of Operations	5
Consolidated Statement of Financial Position	6
Consolidated Statement of Changes in Net Financial Assets	7
Consolidated Statement of Cash Flows	8
Notes to the Consolidated Financial Statements	9 – 18
Schedule of Segmented Disclosure	19 - 21

## **Management's Responsibility for Financial Reporting**

The accompanying consolidated financial statements of the Pictou Landing Band Council and all the information in this annual report are the responsibility of management and have been approved by the Chief and Council.

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

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

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

The Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the consolidated financial statements and the external auditor's report.

The consolidated financial statements have been audited by Grant Thornton LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. Grant Thornton LLP has full and free access to the Council.

On behalf of Pictou Landing Band Council,



Chief Executive Officer



Chief Financial Officer

# Independent Auditor's Report

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Grant Thornton LLP  
Suite 200, George Place  
500 George Street  
Sydney, NS  
B1P 1K6  
T +1 902 562 5581  
F +1 902 562 0073

To the Chief and Councillors of  
**Pictou Landing Band Council**

## **Qualified opinion**

We have audited the accompanying consolidated financial statements of the Pictou Landing Band Council (the "Band Council"), which comprise the consolidated statement of financial position as at March 31, 2020, and the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for qualified opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Pictou Landing Band Council as at March 31, 2020, and the results of its operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

## **Basis for qualified opinion**

The statement of financial position includes intangible assets in the amount of \$5,385,021 (2019 - \$5,385,021) for fishing licenses and permits purchased by the Band Council. Recording intangible assets is a departure from Canadian public sector accounting standards.

Accordingly, both the purchased licenses and permits and accumulated surplus are overstated by \$5,385,021 (2019 - \$5,385,021) as at March 31, 2020.

If intangible assets were not recorded in order to be in compliance with Canadian public sector accounting standards, purchased licenses and permits and accumulated surplus would both decrease by \$5,385,021 (2019 - \$5,385,021).

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Band Council in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

## **Responsibilities of management and those charged with governance 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.

In preparing the consolidated financial statements, management is responsible for assessing the Band Council's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Band Council or to cease operations, or has no realistic alternative to do so.

Those charged with governance are responsible for overseeing the Band Council's financial reporting process.

## **Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Band Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Band Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Band Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Band Council and the organizations it controls to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Sydney, Nova Scotia  
September 18, 2020

*Grant Thornton LLP*  
Chartered Professional Accountants

# Pictou Landing Band Council

## Consolidated Statement of Operations

Year ended March 31

Budget

**2020**

**2019**

Revenue			
Government transfers (Note 14)	\$ 6,486,539	<b>\$ 12,763,065</b>	\$ 10,434,910
Commercial	9,864,046	<b>10,819,284</b>	8,282,263
A' Se'K Seven Generations Trust	866,500	(985,215)	1,418,842
Housing rent	823,250	<b>640,200</b>	781,479
Miscellaneous	804,193	<b>1,033,842</b>	920,372
(Loss) gain on disposal of assets	-	<b>(4,693)</b>	30,535
	<u>18,844,528</u>	<u><b>24,266,483</b></u>	<u>21,868,401</u>
Expenditure			
Administrative	281,797	<b>467,928</b>	407,249
Community expenses	482,204	<b>678,880</b>	968,830
Core funding	284,580	<b>264,073</b>	252,408
Depreciation	-	<b>1,244,492</b>	948,763
Education and training	543,712	<b>663,626</b>	458,931
Fishing	1,044,154	<b>1,180,771</b>	1,295,205
Health programs	370,301	<b>633,481</b>	424,896
Interest	82,602	<b>100,227</b>	73,900
Operations and maintenance	2,361,312	<b>1,938,274</b>	1,705,920
Other	784,628	<b>822,947</b>	904,848
Professional fees	376,516	<b>458,223</b>	329,454
Purchases	3,408,574	<b>3,500,316</b>	3,345,827
Salaries and benefits	6,235,491	<b>7,001,461</b>	5,588,882
Social	2,011,738	<b>1,988,391</b>	2,178,032
	<u>18,267,609</u>	<u><b>20,943,090</b></u>	<u>18,883,145</u>
Excess of revenue over expenditure	<u>\$ 576,919</u>	<u><b>\$ 3,323,393</b></u>	<u>\$ 2,985,256</u>
Accumulated surplus, beginning of year		<b>41,413,521</b>	38,428,265
Accumulated surplus, ending balance (Note 12)		<b>\$ 44,736,914</b>	<u>\$ 41,413,521</u>

See accompanying notes to the consolidated financial statements.

**Pictou Landing Band Council  
Consolidated Statement of Financial Position**

March 31

2020

2019

**Financial assets**

Cash	\$ 21,969,331	\$ 23,842,036
Receivables (Note 2)	3,461,583	2,224,143
Inventory	53,668	53,666
Restricted funds (Note 3)	333,907	331,775
Investment in Mi'kmaq Wind4All Communities LP	396,066	427,290
	<u>26,214,555</u>	<u>26,878,910</u>

**Financial liabilities**

Payables and accruals (Note 5)	1,747,088	1,984,232
Deferred revenue (Note 6)	407,873	3,491
Long term debt (Note 7)	9,625,031	6,630,252
Long term payable (Note 8)	56,000	112,000
	<u>11,835,992</u>	<u>8,729,975</u>

Net financial assets (Page 6)

14,378,563

18,148,935

**Non-financial assets**

Capital assets (Note 9)	24,969,820	17,877,197
Purchased fishing licenses and permits (Note 10)	5,385,021	5,385,021
Prepays	3,510	2,368
	<u>30,358,351</u>	<u>23,264,586</u>

Accumulated surplus (Page 5)

\$ 44,736,914

\$ 41,413,521

**Contingencies (Note 11)**

On behalf of the Band Council

Andre Dule Chief

Dale Faure Councillor

See accompanying notes to the consolidated financial statements.

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## Pictou Landing Band Council

### Consolidated Statement of Changes in Net Financial Assets

Year ended March 31	Budget	<b>2020</b>	2019
Net revenues	\$ 576,919	<b>\$ 3,323,393</b>	\$ 2,985,256
Depreciation	-	<b>1,244,492</b>	948,763
Licenses and permits acquired	-	(370,000)	
Loss (gain) on sale of assets	-	<b>4,693</b>	(25,360)
Proceeds on sale of assets	-	<b>77,686</b>	57,825
Capital assets acquired	-	<b>(8,419,494)</b>	(4,243,622)
	<u>576,919</u>	<u>(3,769,230)</u>	<u>(647,138)</u>
Acquisition of prepaids, net of usage	-----	<b>(1,142)</b>	10,053
Change in net financial assets	<u>\$ 576,919</u>	<b>(3,770,372)</b>	(637,085)
Net financial assets, beginning of year		<b><u>18,148,935</u></b>	<u>18,786,020</u>
Net financial assets, end of year		<b><u>\$ 14,378,563</u></b>	<u>\$18,148,935</u>

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See accompanying notes to the consolidated financial statements.

# Pictou Landing Band Council

## Consolidated Statement of Cash Flows

Year ended March 31

2020

2019

Net inflow (outflow) of cash and cash equivalents:

### Operating

Excess of revenue over expenditures	\$ 3,323,393	\$ 2,985,256
Share of partnership income	(103,926)	(93,347)
Loss (gain) on disposal of assets	4,693	(25,360)
Depreciation	<u>1,244,492</u>	948,763
	<u>4,468,652</u>	3,815,312

### Change in non-cash operating working capital

Receivables	(1,237,440)	(203,528)
Prepays	(1,142)	10,053
Inventory	(2)	(2,049)
Payables and accruals	(237,144)	1,461,582
Deferred revenue	<u>404,382</u>	(211,485)
	<u>3,397,306</u>	4,869,885

### Financing

Repayment of long term payable	(56,000)	(56,000)
Receipt of long-term debt	<u>3,699,700</u>	658,185
Repayment of long-term debt	<u>(704,921)</u>	(621,134)
	<u>2,938,779</u>	(18,949)

### Investing

Withdrawals from Mi'kmaq Wind4All Communities LP	<u>135,150</u>	161,750
Licenses and permits acquired	-	(370,000)
Proceeds on sale of assets	<u>77,686</u>	57,825
Capital assets acquired	<u>(8,419,494)</u>	(4,243,622)
	<u>(8,206,658)</u>	(4,394,047)

Net increase (decrease) in cash and cash equivalents (1,870,573) 456,889

Cash and cash equivalents, beginning of year 24,173,811 23,716,922

Cash and cash equivalents, end of year \$ 22,303,238 \$ 24,173,811

Cash and cash equivalents consist of:

Cash	\$ 21,969,331	\$ 23,842,036
Restricted cash	<u>333,907</u>	331,775
	<u>\$ 22,303,238</u>	\$ 24,173,811

See accompanying notes to the consolidated financial statements.

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# Pictou Landing Band Council

## Notes to the Consolidated Financial Statements

March 31, 2020

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### 1. Summary of significant accounting policies

#### **Reporting entity and principles of financial reporting**

These financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards. The consolidated financial statements of the Pictou Landing Band Council are the representations of management prepared in accordance with Canadian generally accepted accounting principles for public sector entities, as required by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

The focus of PSAB financial statements is on the financial position of the Band Council and the changes thereto. The consolidated statement of financial position includes all the assets and liabilities of the Band Council.

Significant aspects of the accounting policies adopted by the Band Council are as follows:

#### **Principles of consolidation**

The consolidated financial statements include the accounts of all funds and operations in which the Band Council has a controlling interest, after the elimination of inter-fund transactions and balances. The entities include the following Pictou Landing Band Council, Pictou Landing Housing Fund, the A'Se'K Seven Generations Trust and the Victoria Corner Market.

#### **Revenue recognition**

Government transfers received are recognized in the financial statements as revenue when the transfers are authorized, and all eligibility criteria have been met except when there is a stipulation that gives rise to an obligation that meets the definition of a liability. In that case, the transfer is recorded as a liability and recognized as revenue as the stipulations are met.

Government transfers to individuals and other entities are recognized as an expense when the transfers are authorized, and all eligibility criteria have been met.

Revenue from housing is recognized on a monthly basis as rents are received. Rents are based on the Band Council's established market rent for on reserve housing programs.

Unrestricted revenue, including commercial sales, is recognized when received or receivable if the amount to be received can be reasonably estimated and ultimate collection is reasonably assured.

Gaming revenue from video lottery net of corresponding direct expenses are recognized at the time of play and are recorded net of commissions and credits paid out. Other gaming revenues are recognized as earned when received or receivable as long as collection is reasonably assured.

#### **Cash and cash equivalents**

Cash and cash equivalents include cash on hand, balances with banks, term deposits net of bank overdraft, and highly liquid marketable securities, which are recorded at fair value.

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# Pictou Landing Band Council

## Notes to the Consolidated Financial Statements

March 31, 2020

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### 1. Summary of significant accounting policies (continued)

#### **Purchased fishing licenses and permits**

Purchased fishing licenses and permits assets are intangible assets. These indefinite-lived fishing licenses and permits are recognized at cost and are not amortized. The capitalization of intangible assets is a departure from Canadian public sector accounting standards.

The Band Council evaluates the carrying value of its licenses and permits annually for impairment. Should a permanent impairment be identified, the impairment will be recognized as a reduction in the carrying value and as a charge against income on the statement of operations in the period the impairment occurred.

The Band Council also owns other communal fishing licenses and permits which were not purchased by the Band Council but were given to or granted to the Band Council.

#### **Capital assets**

Capital assets are recorded at cost less accumulated amortization and impairment.

#### **Depreciation**

Rates and bases of depreciation applied to write off the cost of property and equipment over their estimated lives are as follows:

Buildings	4% declining balance
Housing properties	25-year straight line
Infrastructure	4% declining balance
Fishing vessels	15% declining balance
Equipment	20% declining balance
Motor vehicles	30% declining balance
Computer hardware and software	30% declining balance
Fencing/compound	10% declining balance

#### **Use of estimates**

In preparing the Band Council's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

#### **Income taxes**

The Band Council is exempt from income taxes under Section 149(l) (c) of the *Canadian Income Tax Act*.

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# **Pictou Landing Band Council**

## **Notes to the Consolidated Financial Statements**

March 31, 2020

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### **1. Summary of significant accounting policies (continued)**

#### **Inventory**

The cost of inventories is comprised of directly attributable costs and includes the purchase price plus other costs incurred in bringing the inventories to their present location and condition, such as freight. The cost is reduced by the value of rebates and allowances received from vendors. The Band Council estimates net realizable value as the amount that inventories are expected to be sold. Inventories are written down to net realizable value when the cost of inventories is not estimated to be recoverable due to obsolescence, damage, or declining selling prices. When circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in selling price, the amount of the write-down previously recorded is reversed. Costs that do not contribute to bringing inventories to their present location and condition, such as storage and administrative overheads, are specifically excluded from the cost of inventories and are expensed in the period incurred.

The cost of inventory recognized as an expense during fiscal 2020 was \$3,500,316 (2019 - \$3,345,827). No write-down of inventories below their cost to their net realizable value was made in fiscal 2020. There were no reversals of inventories written down previously that are no longer estimated to sell below cost.

#### **Net debt**

The Band Council's financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt of the Band Council is determined by its liabilities less its financial assets.

#### **Moveable Capital Asset Reserve**

The Band Council is required to maintain a Moveable Capital Asset Reserve in accordance with the consolidated contribution agreement with Health Canada. The reserve is for the maintenance or replacement of capital assets transferred to the Band Council by Health Canada. Expenditures of capital funds under the reserve are restricted to expenditures on these assets only and there can be no transfer of these funds to the operating budget.

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# Pictou Landing Band Council

## Notes to the Consolidated Financial Statements

March 31, 2020

<b>2. Receivables</b>	<b>2020</b>	<b>2019</b>
Department of Indigenous Services Canada	\$ 712,195	\$ 161,630
Department of Fisheries and Oceans	1,034,150	359,900
Commodity taxes receivable	238,828	192,214
Loans to fishers	-	3,285
Federal government departments	255,142	167,720
Province of Nova Scotia	235,306	93,267
Mi'kmaq Employment Training Secretariat	115,149	35,318
Mi'Kmaw Kina'matnewey	148,125	927,101
Trade	725,638	261,780
Sundry	-	24,878
	<u>3,464,533</u>	2,227,093
Less: allowance for doubtful accounts	<u>(2,950)</u>	<u>(2,950)</u>
	<u><u>\$ 3,461,583</u></u>	<u><u>\$ 2,224,143</u></u>

<b>3. Restricted funds</b>	<b>2020</b>	<b>2019</b>
Funds on deposit with Department of Indigenous Services Canada (a)	\$ 5,054	\$ 5,054
CMHC funds held in trust (b)	10,151	10,151
Replacement reserve (c)	<u>318,702</u>	<u>316,570</u>
	<u><u>\$ 333,907</u></u>	<u><u>\$ 331,755</u></u>

- a) Funds on deposit with the Department of Indigenous Services Canada refers to monies that were derived from capital revenue sources as outlined in Section 32 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act and restricted for specific purposes.
- b) Funds on deposit with Canada Mortgage and Housing Corporation that are to be applied as principal repayments when certain mortgages are renewed.
- c) Under the terms of the agreement with the Canada Mortgage and Housing Corporation (CMHC), replacement reserve funds are required to be set aside for housing repairs or replacements. The funds may only be used as approved by the CMHC.

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# Pictou Landing Band Council

## Notes to the Consolidated Financial Statements

March 31, 2020

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### 4. Bank indebtedness

The Band Council has an established line of credit of \$400,000, plus \$100,000 overdraft limit, which is secured by Band Council Resolutions. The lines of credit bear interest at prime plus 1%. At the year end, the line of credit had a balance outstanding of \$nil (2019 – \$nil).

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5. Payables and accruals	<u>2020</u>	<u>2019</u>
Trade payables	\$ 1,586,498	\$ 1,892,040
Government remittances	52,621	13,739
Accrued liabilities	<u>108,329</u>	<u>78,453</u>
	<u>\$ 1,747,088</u>	<u>\$ 1,984,232</u>

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6. Deferred revenue	<u>2020</u>	<u>2019</u>
Indigenous Services Canada		
Boat Harbour	\$ 110,963	\$ -
Capital	74,505	-
Social	38,306	-
First Nations Inuit Health Branch	<u>184,099</u>	<u>3,491</u>
	<u>\$ 407,873</u>	<u>\$ 3,491</u>

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7. Long term debt	<u>2020</u>	<u>2019</u>
<b>Canada Mortgage and Housing Corporation</b>		
.94% - 2.5% mortgages, repayable under various terms by 2043.	\$ 2,054,343	\$ 2,092,348
<b>Royal Bank of Canada</b>		
2.48% - Prime + .25% mortgages, repayable under various terms by 2021.	461,589	366,023

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# Pictou Landing Band Council

## Notes to the Consolidated Financial Statements

March 31, 2020

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### 7. Long term debt (continued)

#### Bank of Montreal

Prime plus .75% demand loan, repayable in annual principal instalments of \$291,667, plus interest paid monthly, maturing in September 2026.	<b>1,633,333</b>	1,925,000
2.84 – 4.89% mortgages, repayable under various terms by 2032.	<b>366,794</b>	403,549
Prime plus .75% demand loan, repayable in monthly principal instalments of \$5,000, plus interest, maturing 2025.	<b>225,000</b>	285,000
Prime plus .75% demand loan, repayable in annual principal instalments of \$141,672, plus interest paid monthly, maturing in 2030.	<b>1,416,667</b>	1,558,332
Prime plus .75% demand loan, repayment terms to be set at completion of project based upon funds used	<b><u>3,467,305</u></b>	<u>-</u>
	<b>9,625,031</b>	6,630,252
Current portion of long-term debt	<b><u>4,288,574</u></b>	<u>701,411</u>
	<b><u>\$ 5,336,457</u></b>	<u>\$ 5,928,842</u>

As security for all mortgages, the Band Council has provided a Band Council Resolution providing an irrevocable authorization to the Department of Indigenous Services Canada to assign all funding until all loans are repaid to the bank and a floating charge on the assets of the Band Council. As security for the Bank of Montreal demand loan, the Band Council has provided a Band Council Resolution and pledged all related fishing licenses, gear, and equipment.

Repayments in each of the next five (5) years are as follows:

2021	\$ 4,288,574
2022	\$ 814,165
2023	\$ 694,093
2024	\$ 710,755
2025	\$ 610,173
Thereafter	\$ 2,507,271

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# Pictou Landing Band Council

## Notes to the Consolidated Financial Statements

March 31, 2020

### 8. Long term payable

The long-term payable consists of an outstanding account owed to Chignecto Regional School Board. The Band Council is committed to annual minimum principal repayments of \$56,000, plus interest, at prime minus 1.625%.

### 9. Capital assets

	<u>Land</u>	<u>Buildings</u>	<u>Computer equipment</u>	<u>Equipment</u>	<u>Fencing</u>	<u>Fishing vessels</u>
<b>Cost:</b>						
Balance, beginning of year	\$ 454,334	\$ 22,515,009	\$ 160,223	\$ 2,165,945	\$ 130,515	\$ 1,759,043
Additions	-	141,357	6,833	1,500	-	-
Transfers		11,958,588				
Disposals	-	(97,155)	-	-	-	-
Balance, end of year	<u>454,334</u>	<u>34,517,799</u>	<u>167,056</u>	<u>2,167,445</u>	<u>130,515</u>	<u>1,759,043</u>
<b>Accumulated amortization:</b>						
Balance, beginning of year	-	11,624,701	117,207	1,788,455	82,673	1,235,085
Amortization	-	962,219	14,222	75,786	4,784	78,593
Amortization on disposals		(14,777)				
Balance, end of year	<u>-</u>	<u>12,572,143</u>	<u>131,429</u>	<u>1,864,241</u>	<u>87,457</u>	<u>1,313,678</u>
<b>Net book value</b>	<b>\$ 454,334</b>	<b>\$ 21,945,657</b>	<b>\$ 35,627</b>	<b>\$ 303,204</b>	<b>\$ 43,058</b>	<b>\$ 445,365</b>

	<u>Infrastructure</u>	<u>Vehicle</u>	<u>under construction</u>	<u>Total 2020</u>	<u>Total 2019</u>
<b>Cost:</b>					
Balance, beginning of year	\$ 2,951,902	\$ 431,398	\$ 3,924,872	<u>34,493,242</u>	<u>30,422,606</u>
Additions	-	137,278	8,132,526	<u>8,419,494</u>	<u>4,243,622</u>
Transfers			(11,958,588)	-	-
Disposals	-	-	(97,155)	(172,986)	
Balance, end of year	<u>2,951,902</u>	<u>568,676</u>	<u>98,810</u>	<u>42,815,581</u>	<u>34,493,242</u>
<b>Accumulated amortization:</b>					
Balance, beginning of year	1,388,463	379,461	-	<u>16,616,045</u>	<u>15,807,804</u>
Amortization	72,714	36,175	-	<u>1,244,492</u>	<u>948,763</u>
Amortization on disposals			(14,777)	(140,522)	
Balance, end of year	<u>1,461,177</u>	<u>415,636</u>	<u>-</u>	<u>17,845,760</u>	<u>16,616,045</u>
<b>Net book value</b>	<b>\$ 1,490,726</b>	<b>\$ 153,040</b>	<b>\$ 98,810</b>	<b>\$ 24,969,820</b>	<b>\$ 17,877,197</b>

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# Pictou Landing Band Council

## Notes to the Consolidated Financial Statements

March 31, 2020

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10. Purchased fishing licenses and permits	<u>2020</u>	<u>2019</u>
Purchased fishing licenses and permits	<u>\$ 5,385,021</u>	<u>\$ 5,385,021</u>

The Band Council records all purchased commercial fishing licenses and permits as intangible assets. All other permits and licenses owned by Pictou Landing Band Council have been granted for a nil consideration and therefore have not been capitalized.

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### 11. Contingencies

- a) During the fiscal year-ended March 31, 2020 the Band Council has entered into a ten-year funding agreement with the Department of Indigenous Services Canada, expiring and renewable March 31, 2030. These funds are to be used to provide certain programs and services to band members and recipients as defined in the agreement. Under the terms of the agreement, funding with the Department of Indigenous Services Canada can be suspended if the terms of the RMP are not complied with by the Band Council.
  - b) The Band Council has entered into contribution agreements with various government departments. Funding received under these contribution agreements is subject to repayment if the Band Council fails to comply with the terms and conditions of the agreements.
  - c) The Band Council has pledged to Ultramar Ltd. an \$8,000 letter of credit with the Bank of Montreal as security for inventory.
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### 12. Accumulated surplus

The Band Council segregates its accumulated surplus into the following categories:

	<u>2020</u>	<u>2019</u>
Unallocated	\$ 23,393,643	\$ 18,316,691
Funds on deposit with Department of Indigenous Services Canada	5,054	5,054
A'Se'K Seven Generations Trust	20,774,834	22,560,967
Moveable capital asset reserve (Health Canada)	169,834	169,834
Replacement reserve	<u>393,549</u>	<u>360,975</u>
	<u><b>\$ 44,736,914</b></u>	<u><b>\$ 41,413,521</b></u>

The funds on deposits have been set aside to be spent on specific projects.

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# Pictou Landing Band Council

## Notes to the Consolidated Financial Statements

March 31, 2020

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### 13. Pension plan

Pictou Landing Band Council maintains a registered pension plan on behalf of eligible employees. The plan is a defined contribution plan for all permanent employees. The plan is funded at the rate of 8.1% of the annual earnings for Native employees and 5.5% for non-native employees.

Pictou Landing Band Council matches these contributions. Upon cessation of employment, employees are required to withdraw the plan balance or are given the option to convert to a personal plan. Total contributions during the year amounted to \$180,985 (2019 - \$156,715).

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### 14. Government transfers

	2020			2019		
	Operating	Capital	Total	Operating	Capital	Total
Department of Indigenous Services Canada	\$ 3,770,343	\$ -	\$ 3,770,343	\$ 3,659,590	\$ -	\$ 3,659,590
Health Canada	1,638,008		1,638,008	1,115,697		1,115,697
Canada Mortgage and Housing Corporation	121,645	-	121,645	233,755	-	233,755
Mi'kmaq Kina'matnewey	1,459,164	3,820,339	5,279,503	1,613,638	2,906,837	4,520,475
Other	396,464	915,000	1,311,464	386,211	300,030	686,241
Province of Nova Scotia	7,385,624	4,735,339	12,120,963	7,008,891	3,206,867	10,215,758
Total	532,501	109,600	642,101	219,151	-	219,151
	\$ 7,918,125	\$ 4,844,939	\$ 12,763,065	\$ 7,228,042	\$ 3,206,867	\$ 10,434,910

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# **Pictou Landing Band Council**

## **Notes to the Consolidated Financial Statements**

March 31, 2020

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### **15. Impact of COVID-19**

Since March 31, 2020, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

As a result of the quarantines and social distancing, the Band shut down their gaming operations prior to year end. To assist with the economic consequences resulting from COVID-19, the Band Council was also able to obtain principal repayment postponements for its long-term debt obligations with the Canada Mortgage and Housing Corporation, the Bank of Montreal the Royal Bank of Canada from April - September 2020. This has been reflected in the current portion of long-term debt. The Band has also secured additional funding from Indigenous Services Canada to cover the additional costs incurred as a result of COVID-19.

The Band has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended March 31, 2020, have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Band for future periods.

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# Pictou Landing Band Council

## Schedule of Segment Disclosure

Year ended March 31, 2020

	Social Development			Band Government			Capital Projects			Operations and Maintenance			Gaming		
	Budget 2020	Actual 2020	Actual 2019	Budget 2020	Actual 2020	Actual 2019	Budget 2020	Actual 2020	Actual 2019	Budget 2020	Actual 2020	Actual 2019	Budget 2020	Actual 2020	Actual 2019
<b>Revenues</b>															
Federal government operating transfers	\$ 2,468,824	\$ 2,473,824	\$ 2,468,824	\$ 321,699	\$ 373,990	\$ 485,599	\$ -	\$ 74,193	\$ 303,243	\$ 997,695	\$ 441,408	-	\$ -	\$ -	\$ -
Federal government capital transfers	-	-	-	90,985	4,800	90,976	-	-	2,162	-	9,579	94,102	77,776	83,105	-
Provincial government operating transfers	-	-	-	9,600	-	-	-	-	-	-	-	-	-	-	-
Provincial government capital transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	3,417	42,912	10,260	525,733	639,096	422,804	166,446	124,885	98,043	11,178	6,187	14,767	945,967	1,024,934	303,166
	<b>2,472,241</b>	<b>2,516,736</b>	<b>2,479,084</b>	<b>938,417</b>	<b>1,027,486</b>	<b>999,379</b>	<b>166,446</b>	<b>124,885</b>	<b>172,236</b>	<b>316,583</b>	<b>1,003,882</b>	<b>465,754</b>	<b>1,040,069</b>	<b>1,102,710</b>	<b>386,271</b>
<b>Expenses</b>															
Salaries and benefits	439,096	544,265	414,499	1,028,649	1,046,530	1,001,222	137,724	90,899	71,756	305,902	298,652	294,345	128,282	327,834	124,582
Amortization	-	-	-	27,479	40,681	28,091	10,981	12,984	-	-	-	-	-	-	-
Interest	-	-	-	896,589	978,585	610,518	881,395	635,530	945,773	505,698	398,550	520,052	165,718	239,707	64,398
Other	2,011,738	1,988,391	2,051,066	896,589	978,585	610,518	881,395	635,530	945,773	505,698	398,550	520,052	165,718	239,707	64,398
	<b>2,450,834</b>	<b>2,532,656</b>	<b>2,465,565</b>	<b>1,952,717</b>	<b>2,065,796</b>	<b>1,639,831</b>	<b>1,030,100</b>	<b>739,413</b>	<b>1,017,529</b>	<b>811,600</b>	<b>697,202</b>	<b>814,397</b>	<b>294,000</b>	<b>567,541</b>	<b>188,980</b>
<b>Surplus (deficit) for the year</b>	<b>\$ 21,407</b>	<b>\$ (15,920)</b>	<b>\$ 13,519</b>	<b>\$ (1,014,300)</b>	<b>\$ (1,038,310)</b>	<b>\$ (640,452)</b>	<b>\$ (863,654)</b>	<b>\$ (614,528)</b>	<b>\$ (845,293)</b>	<b>\$ (495,017)</b>	<b>\$ 306,680</b>	<b>\$ (348,643)</b>	<b>\$ 746,069</b>	<b>\$ 535,169</b>	<b>\$ 197,291</b>

# Pictou Landing Band Council

## Schedule of Segment Disclosure

Year ended March 31, 2020

	Education			Employment Development			Health Canada Programs			Miscellaneous			Canada Mortgage & Housing		
	Budget 2020	Actual 2020	Actual 2019	Budget 2020	Actual 2020	Actual 2019	Budget 2020	Actual 2020	Actual 2019	Budget 2019	Actual 2019	Actual 2018	Budget 2019	Actual 2019	Actual 2018
<b>Revenues</b>															
Federal government operating transfers	\$ 1,443,249	\$ 1,459,164	\$ 1,613,638	\$ 211,595	\$ 312,100	\$ 372,972	\$ 945,277	\$ 1,453,909	\$ 1,115,697	\$ -	\$ -	\$ -	\$ 233,755	\$ 119,676	\$ 233,755
Federal government capital transfers	- 3,820,339	- 2,906,837	-	-	-	-	-	-	-	-	-	-	-	-	-
Provincial government operating transfers	- 51,620	- 30,490	- 5,000	-	- 5,000	-	-	-	-	-	-	-	-	-	-
Provincial government capital transfers	- 100,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	7,333	160,362	11,765	74,844	33,372	90,388	11,946	24,529	(5,410)	3,296	2,500	3,295	456,400	357,207	344,400
	<b>1,450,582</b>	<b>5,591,485</b>	<b>4,562,730</b>	<b>291,439</b>	<b>345,472</b>	<b>468,360</b>	<b>957,223</b>	<b>1,478,438</b>	<b>1,110,287</b>	<b>3,296</b>	<b>2,500</b>	<b>3,295</b>	<b>690,155</b>	<b>476,883</b>	<b>578,155</b>
<b>Expenses</b>															
Salaries and benefits	950,701	1,210,708	951,420	259,205	259,314	107,026	602,800	701,911	533,766	-	-	18,378	-	-	-
Amortization	-	-	-	-	-	-	-	-	-	-	-	793,875	595,092	-	232,428
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	44,142	46,562
Other	486,896	508,879	499,539	80,875	147,697	281,359	405,015	665,435	447,175	478,072	663,326	597,017	307,633	256,870	297,403
	<b>1,437,597</b>	<b>1,719,587</b>	<b>1,450,959</b>	<b>340,080</b>	<b>407,011</b>	<b>388,385</b>	<b>1,007,815</b>	<b>1,367,346</b>	<b>980,941</b>	<b>478,072</b>	<b>1,457,201</b>	<b>1,210,487</b>	<b>351,775</b>	<b>535,860</b>	<b>574,852</b>
<b>Surplus (deficit) for the year</b>	<b>\$ 12,985</b>	<b>\$ 3,871,898</b>	<b>\$ 3,111,771</b>	<b>\$ (48,641)</b>	<b>\$ (61,539)</b>	<b>\$ 79,975</b>	<b>\$ (50,592)</b>	<b>\$ 111,092</b>	<b>\$ 129,346</b>	<b>\$ (474,776)</b>	<b>\$ (1,454,701)</b>	<b>\$ (1,207,192)</b>	<b>\$ 338,380</b>	<b>\$ (58,977)</b>	<b>\$ 3,303</b>

# Pictou Landing Band Council

## Schedule of Segment Disclosure

Year ended March 31, 2020

	Non-Subsidized Housing			Commercial Fishing			Victoria Corner Market			Boat Harbour Trust and Other			Total			
	Budget 2020	Actual 2020	Actual 2019	Budget 2020	Actual 2020	Actual 2019	Budget 2020	Actual 2020	Actual 2019	Budget 2020	Actual 2020	Actual 2019	Budget 2020	Actual 2020	Actual 2019	
<b>Revenues</b>																
Federal government operating transfers	\$ 181,148	\$ 76,117	\$ -	\$ 150,500	\$ 119,150	\$ 134,427	\$ -	\$ -	\$ -	\$ 68,380	\$ -	\$ 6,259,290	\$ 7,385,625	\$ 7,008,893		
Federal government capital transfers	-	-	-	-	915,000	300,030	-	-	-	-	-	-	4,735,339	3,206,867		
Provincial government operating transfers	-	-	-	-	-	-	-	-	-	35,000	398,305	-	227,249	532,501	219,150	
Provincial government capital transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	109,600	-	
Other	366,850	278,300	437,079	4,663,844	5,428,097	4,102,018	4,254,235	4,366,255	4,182,074	866,500	(985,215)	1,418,842	12,357,989	11,503,421	11,433,491	
	547,998	354,417	437,079	4,814,344	6,462,247	4,536,475	4,254,235	4,366,255	4,182,074	901,500	(586,910)	1,487,222	18,844,528	24,266,486	21,868,401	
<b>Expenses</b>																
Salaries and benefits	-	-	-	2,034,289	2,226,483	1,722,073	348,843	294,865	349,815	-	-	-	6,235,491	7,001,461	5,588,882	
Amortization	-	210,828	122,031	-	-	-	-	7,361	-	-	-	-	-	1,244,492	948,763	
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	82,602	100,227	73,900
Other	-	3,209	-	1,923,733	2,063,956	1,892,673	3,649,781	3,650,069	3,460,988	156,373	396,705	603,638	11,949,516	12,596,910	12,271,599	
	-	214,037	122,031	3,958,022	4,290,439	3,614,746	3,998,624	3,952,295	3,810,803	156,373	396,705	603,638	18,267,609	20,943,090	18,883,144	
<b>Surplus (deficit) for the year</b>	<b>\$ 547,998</b>	<b>\$ 140,380</b>	<b>\$ 315,048</b>	<b>\$ 856,322</b>	<b>\$ 2,171,808</b>	<b>\$ 921,729</b>	<b>\$ 255,611</b>	<b>\$ 413,960</b>	<b>\$ 371,271</b>	<b>\$ 745,127</b>	<b>\$ (983,615)</b>	<b>\$ 883,584</b>	<b>\$ 576,919</b>	<b>\$ 3,323,396</b>	<b>\$ 2,985,257</b>	