



Consolidated Financial Statements

Pictou Landing Band Council

March 31, 2019

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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.

Chief Financial Officer



Gord Jones, CFO

Independent Auditor's Report

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To the Chief and Councillors of the
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, 2019, 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, 2019, 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 (2018 - \$5,015,021) 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 (2018 - \$5,015,021) as at March 31, 2019.

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 (2018 - \$5,015,021) and excess of revenues over expenditures would decrease by \$370,000.

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.

Emphasis of matters

We draw attention to Note 2 to the financial statements, which explains that certain comparative information presented for the year ended March 31, 2018 has been restated. Our opinion is not modified in respect of this matter.

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

August 2, 2019


Chartered Professional Accountants
Licensed Public Accountants

Pictou Landing Band Council

Consolidated Statement of Operations

Year ended March 31

Budget

2019

2018
(Restated-
Note 2)

Revenue

Government transfers (Note 15)	\$ 6,373,523	\$ 10,434,910	\$ 7,978,406
Commercial	7,151,100	8,282,263	9,072,858
A' Se'K Seven Generations Trust	2,512,200	1,085,336	-
Boat Harbour remediation funds	182,600	333,506	144,210
Housing rent	699,600	781,479	713,368
Miscellaneous	1,923,904	920,372	647,371
Gain on disposal of assets	-	30,535	-
	<u>19,117,927</u>	<u>21,868,401</u>	<u>18,556,213</u>

Expenditure

Administrative	276,000	407,249	317,721
Community expenses	465,195	968,830	1,020,457
Core funding	-	252,407	250,855
Depreciation	-	948,763	950,902
Education and training	133,784	458,931	419,911
Fishing	480,785	1,295,205	484,154
Health programs	218,627	424,896	435,636
Interest	49,000	73,900	91,586
Operations and maintenance	1,940,424	1,705,920	1,796,668
Other	2,350,776	904,848	588,244
Professional fees	205,350	329,454	587,289
Purchases	2,761,000	3,345,827	3,000,886
Salaries and benefits	4,989,540	5,588,882	5,445,714
Social	2,129,160	2,178,032	2,080,010
	<u>15,999,641</u>	<u>18,883,144</u>	<u>17,470,033</u>

Excess of revenue over expenditure	<u>\$ 3,118,286</u>	<u>\$ 2,985,256</u>	<u>\$ 1,086,180</u>
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Accumulated surplus, beginning of year, as previously stated		16,330,280	14,486,973
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Restatement (Note 2)		<u>22,097,985</u>	<u>22,855,112</u>
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Accumulated surplus, beginning of year, as restated		<u>38,428,265</u>	<u>37,342,085</u>
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Accumulated surplus, ending balance (Note 13)		<u>\$ 41,413,521</u>	<u>\$ 38,428,265</u>
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See accompanying notes to the consolidated financial statements.

Pictou Landing Band Council

Consolidated Statement of Financial Position

March 31

2019

2018
(Restated-
Note 2)

Financial assets

Cash	\$ 23,842,036	\$ 23,325,740
Receivables (Note 3)	2,224,143	2,020,614
Inventory	53,668	51,619
Restricted funds (Note 4)	331,775	391,183
Investment in Mi'kmaq Wind4All Communities LP	427,290	495,692
	<u>26,878,910</u>	<u>26,284,848</u>

Financial liabilities

Payables and accruals (Note 6)	1,984,232	522,650
Deferred revenue (Note 7)	3,491	214,976
Long term debt (Note 8)	6,630,252	6,593,201
Long term payable (Note 9)	112,000	168,000
	<u>8,729,975</u>	<u>7,498,827</u>

Net financial assets (Page 6) **18,148,935** 18,786,020

Non-financial assets

Capital assets (Note 10)	17,877,197	14,614,803
Purchased fishing licenses and permits (Note 11)	5,385,021	5,015,021
Prepays	2,368	12,421
	<u>23,264,586</u>	<u>19,642,245</u>

Accumulated surplus (Page 4) **\$ 41,413,521** \$ 38,428,265

Contingencies (Note 11)

On behalf of the Band Council

 Chief

 Councillor

See accompanying notes to the consolidated financial statements.

Pictou Landing Band Council

Consolidated Statement of Changes in Net Financial Assets

Year ended March 31	Budget	2019	2018 (Restated- Note 2)
Net revenues	\$ 3,118,286	\$ 2,985,256	\$ 1,086,180
Depreciation	-	948,763	950,902
Licenses and permits acquired	-	(370,000)	(1,822,921)
Gain on sale of assets	-	(25,360)	-
Proceeds on sale of assets	-	57,825	-
Capital assets acquired	-	(4,243,622)	(972,891)
	<u>3,118,286</u>	<u>(647,138)</u>	<u>(758,730)</u>
Acquisition of prepaids, net of usage	-	10,053	(12,421)
Change in net financial assets	<u>\$ 3,118,286</u>	(637,085)	(771,151)
Net financial assets, beginning of year, as previously reported		(3,311,935)	(3,297,941)
Restatement (Note 2)		<u>22,097,985</u>	<u>22,855,112</u>
Net financial assets, beginning of year as restated		<u>18,786,020</u>	<u>19,557,171</u>
Net financial assets, end of year		<u>\$ 18,148,935</u>	<u>\$18,786,020</u>

See accompanying notes to the consolidated financial statements.

Pictou Landing Band Council

Consolidated Statement of Cash Flows

Year ended March 31

2019

2018
(Restated
Note 2)

Operating		
Excess of revenue over expenditures	\$ 2,985,256	\$ 1,086,180
Share of partnership income	(93,347)	(116,225)
Gain on disposal of assets	(25,360)	-
Depreciation	<u>948,763</u>	<u>950,902</u>
	3,815,312	1,920,857
Change in non-cash operating working capital		
Receivables	(203,528)	(838,586)
Prepays	10,053	(12,421)
Inventory	(2,049)	(11,091)
Payables and accruals	1,461,582	(90,625)
Deferred revenue	<u>(211,485)</u>	<u>96,785</u>
	4,869,885	1,064,919
Financing		
Repayment of long term payable	(56,000)	(56,000)
Receipt of long term debt	658,185	2,183,510
Repayment of long term debt	<u>(621,134)</u>	<u>(522,308)</u>
	(18,949)	1,605,202
Investing		
Withdrawals from Mi'kmaq Wind4All Communities LP	161,750	310,045
Licenses and permits acquired	(370,000)	(1,822,921)
Proceeds on sale of assets	57,825	-
Capital assets acquired	<u>(4,243,622)</u>	<u>(972,891)</u>
	(4,394,047)	(2,485,767)
Net increase (decrease) in cash and cash equivalents	456,889	184,354
Cash and cash equivalents, beginning of year	<u>23,716,922</u>	<u>23,532,568</u>
Cash and cash equivalents, end of year	\$ 24,173,811	\$ 23,716,922
Cash and cash equivalents consist of:		
Cash	\$ 23,842,036	\$ 23,325,740
Restricted cash	<u>331,775</u>	<u>391,182</u>
	\$ 24,173,811	\$ 23,716,922

See accompanying notes to the consolidated financial statements.

Pictou Landing Band Council

Notes to the Consolidated Financial Statements

March 31, 2019

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, 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.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks, and term deposits net of bank overdraft.

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.

Pictou Landing Band Council

Notes to the Consolidated Financial Statements

March 31, 2019

1. Summary of significant accounting policies (continued)

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*.

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 2019 was \$3,345,827 (2018 - \$3,000,886). No write-down of inventories below their cost to their net realizable value was made in fiscal 2019. 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.

Pictou Landing Band Council

Notes to the Consolidated Financial Statements

March 31, 2019

1. Summary of significant accounting policies (continued)

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.

2. Restatement

The Band Council has identified a number of internally restricted funds related to the A'Se'K Seven Generations Trust that were previously recorded as restricted funds. In accordance with Section 3400 Revenue, when a public sector entity receives revenue from transactions with no performance obligations, the entity should recognize revenue when the amounts are received or receivable. As these funds were not externally restricted, the receipt of funds should have been recognized as revenue in full at the time they were received from the Boat Harbour Settlement Trust in 2015. Subsequent to this, any investment income earned or expenses incurred on these funds should also have been recognized in the consolidated financial statements of the Band Council.

As a result of the restatement, the following financial statement items as at March 31, 2018 have been increased (decreased) by the following amounts:

	Previously <u>reported</u>	<u>Adjustments</u>	<u>As restated</u>
<u>March 31, 2018</u>			
Consolidated statement of operations			
Revenues	\$ 19,264,085	\$ (707,872)	\$ 18,556,213
Expenses	17,420,778	49,255	17,470,033
Excess of revenues over expenses	1,843,307	(757,127)	1,086,180
Consolidated statement of financial position			
Cash	\$ 1,227,755	\$ 22,097,985	\$ 23,325,740
Restricted cash	22,489,168	(22,097,985)	391,183
Restricted fund liability	22,097,985	(22,097,985)	-
Accumulated surplus	16,330,280	22,097,985	38,428,265
Statement of cash flows			
Cash flows from operating activities	\$ 1,822,046	(757,127)	1,064,919
Cash flows from financing activities	848,075	757,127	1,605,202

Pictou Landing Band Council

Notes to the Consolidated Financial Statements

March 31, 2019

3. Receivables	<u>2019</u>	<u>2018</u>
Department of Indigenous Services Canada	\$ 261,780	\$ 339,504
Department of Fisheries and Oceans	359,900	687,200
Commodity taxes receivable	192,214	150,839
Loans to fishers	3,285	7,612
Federal government departments	167,720	59,513
Province of Nova Scotia	93,267	244,737
Mi'kmaq Employment Training Secretariat	35,318	73,322
Mi'Kmaq Kina'matnewey	927,101	187,179
Trade	261,780	200,927
Sundry	<u>2450</u>	<u>72,731</u>
	2,227,093	2,023,564
Less: allowance for doubtful accounts	<u>(2,950)</u>	<u>(2,950)</u>
	<u>\$ 2,224,143</u>	<u>\$ 2,020,614</u>

4. Restricted funds	<u>2019</u>	<u>2018</u>
Funds on deposit with Department of Indigenous Services Canada (a)	\$ 5,054	\$ 4,939
CMHC funds held in trust (b)	10,151	10,151
Replacement reserve (c)	<u>316,570</u>	<u>376,092</u>
	<u>\$ 331,755</u>	<u>\$ 391,182</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.

Pictou Landing Band Council

Notes to the Consolidated Financial Statements

March 31, 2019

5. 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 (2018 – \$nil).

6. Payables and accruals	<u>2019</u>	<u>2018</u>
Trade payables	\$ 1,892,040	\$ 367,684
Government remittances	13,739	16,861
Accrued liabilities	<u>78,453</u>	<u>138,105</u>
	<u>\$ 1,984,232</u>	<u>\$ 522,650</u>

7. Deferred revenue	<u>2019</u>	<u>2018</u>
Indigenous Services Canada		
School replacement	\$ -	\$ 89,976
Housing	-	75,000
Waste water	-	50,000
Health Canada	<u>3,491</u>	<u>-</u>
	<u>\$ 3,491</u>	<u>\$ 214,976</u>

8. Long term debt	<u>2019</u>	<u>2018</u>
Canada Mortgage and Housing Corporation		
.98% - 2.41% mortgages, repayable under various terms by 2044.	\$ 2,092,348	\$ 2,222,494
Royal Bank of Canada		
1.94 – 2.9% mortgages, repayable under various terms by 2021.	366,023	125,959

Pictou Landing Band Council

Notes to the Consolidated Financial Statements

March 31, 2019

8. 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.	1,925,000	2,216,667
2.84 – 3.89% mortgages, repayable under various terms by 2032.	688,549	328,081
Prime plus .75% demand loan, repayable in annual principal instalments of \$141,672 plus interest paid monthly, maturing in 2030.	<u>1,558,332</u>	<u>1,700,000</u>
	6,630,252	6,593,201
Current portion of long term debt	<u>701,411</u>	<u>650,000</u>
	<u>\$ 5,928,842</u>	<u>\$ 5,943,201</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:

2020	\$ 701,411
2021	\$ 699,377
2022	\$ 744,851
2023	\$ 685,069
2024	\$ 674,102
Thereafter	\$ 3,088,390

9. 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%.

Pictou Landing Band Council

Notes to the Consolidated Financial Statements

March 31, 2019

10. Capital assets

	Land	Buildings	Computer equipment	Equipment	Fencing	Fishing vessels
Cost						
Balance, beginning of year	\$ 454,334	\$22,239,153	\$ 156,215	\$ 2,114,493	\$ 130,515	\$ 1,932,028
Additions	-	118,600	4,010	51,452	-	-
Transfers	-	157,256	-	-	-	-
Disposals	-	-	-	-	-	(172,986)
Balance, end of year	454,334	22,515,009	160,225	2,165,945	130,515	1,759,043
Accumulated amortization:						
Balance, beginning of year	-	10,977,503	99,214	1,709,017	77,357	1,277,415
Amortization	-	647,198	17,993	79,438	5,316	98,192
Amortization on disposals	-	-	-	-	-	(140,522)
Balance, end of year	-	11,624,701	117,207	1,788,455	82,673	1,235,085
Net book value	\$ 454,334	\$10,890,308	\$ 43,018	\$ 377,490	\$ 47,842	\$ 523,957

	Infrastructure	Vehicle	Assets under construction	Total 2019	Total 2018
Cost					
Balance, beginning of year	\$ 2,951,902	\$ 431,398	\$ 12,567	30,422,606	29,449,715
Additions	-	-	4,069,560	4,243,622	1,388,689
Transfers	-	-	(157,256)	-	-
Disposals	-	-	-	(172,986)	415,798
Balance, end of year	2,951,902	431,398	3,924,872	34,493,242	30,422,606
Accumulated amortization:					
Balance, beginning of year	1,310,097	357,200	-	15,807,803	14,856,902
Amortization	78,366	22,261	-	948,763	950,901
Amortization on disposals	-	-	-	(140,522)	-
Balance, end of year	1,388,463	379,461	-	16,616,045	15,807,803
Net book value	\$ 1,563,439	\$ 51,937	\$ 3,924,872	\$17,877,197	\$14,614,803

Pictou Landing Band Council

Notes to the Consolidated Financial Statements

March 31, 2019

11. Purchased fishing licenses and permits

	<u>2019</u>	<u>2018</u>
Purchased fishing licenses and permits	<u>\$ 5,385,021</u>	<u>\$ 5,015,021</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.

12. Contingencies

- a) As a result of certain deficiencies in its working capital position, the Band Council is also party to a Remedial Management Plan agreement (RMP) with the Department of Indigenous Services Canada which expires March 31, 2022. Under the terms of the RMP agreement, funding from the arrangement 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.

13. Accumulated surplus

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

	<u>2019</u>	<u>2018</u> (Restated- Note 2)
Unallocated	\$ 18,316,691	\$ 15,858,180
Funds on deposit with Department of Indigenous Services Canada	5,054	4,939
A'Se'K Seven Generations Trust	22,560,967	22,097,985
Moveable capital asset reserve (Health Canada)	169,834	156,056
Replacement reserve	<u>360,975</u>	<u>311,105</u>
	<u>\$ 41,413,521</u>	<u>\$ 38,428,265</u>

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

Pictou Landing Band Council

Notes to the Consolidated Financial Statements

March 31, 2019

14. 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 \$156,715 (2018 - \$157,919).

15. Government transfers

	2019			2018		
	Operating	Capital	Total	Operating	Capital	Total
Department of Indigenous Services Canada	\$ 3,659,590	\$ -	\$ 3,659,590	\$ 3,765,005	\$ -	\$ 3,765,005
Health Canada	1,115,697	-	1,115,697	991,203	-	991,203
Canada Mortgage and Housing Corporation	233,755	-	233,755	209,474	-	209,474
Mik'maw Kina'matnewey	1,613,638	2,906,837	4,520,475	1,760,374	-	1,760,374
Other	386,211	300,030	686,241	519,580	614,005	1,133,585
	7,008,891	3,206,867	10,215,758	7,245,636	614,005	7,859,641
Province of Nova Scotia	219,151	-	219,151	118,765	-	118,765
Total	\$ 7,228,042	\$ 3,206,867	\$ 10,434,910	\$ 7,364,401	\$ 614,005	\$ 7,978,406

Pictou Landing Band Council

Schedule of Segment Disclosure
Year ended March 31, 2019

	Social Development			Band Government			Capital Projects			Operations and Maintenance			Gaming		
	Budget 2019	Actual 2019	Actual 2018	Budget 2019	Actual 2019	Actual 2018	Budget 2019	Actual 2019	Actual 2018	Budget 2019	Actual 2019	Actual 2018	Budget 2019	Actual 2019	Actual 2018
Revenues															
Federal government operating transfers	\$ 2,468,824	\$ 2,468,824	\$ 2,584,567	\$ 376,867	\$ 485,599	\$ 452,255	\$ 55,488	\$ 74,193	\$ 111,647	\$ 270,891	\$ 441,408	\$ 383,629	-	\$ -	-
Federal government capital transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provincial government operating transfers	-	-	-	45,000	90,976	-	-	-	-	-	9,579	-	89,876	83,105	-
Provincial government capital transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	10,260	2,617	311,100	422,804	436,172	190,000	98,043	157,069	59,600	14,767	-	1,003,166	303,166	-
	2,468,824	2,479,084	2,587,184	732,967	999,379	888,427	245,488	172,236	268,716	330,491	465,754	383,629	1,093,042	386,271	-
Expenses															
Salaries and benefits	380,689	414,499	229,456	786,968	1,001,222	583,939	83,578	71,786	568,295	326,500	294,345	-	190,000	124,582	-
Amortization	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	5,000	28,091	53,325	5,000	-	-	-	-	-	-	-	-
Other	2,229,160	2,051,066	2,419,905	513,412	610,518	699,668	589,093	945,773	326	469,199	520,052	644,552	466,150	64,398	-
	2,609,849	2,465,565	2,649,361	1,305,380	1,639,831	1,336,932	677,671	1,017,529	568,621	795,699	814,397	644,552	656,150	188,980	-
	(141,025)	\$ 13,519	\$ (62,177)	\$ (572,413)	\$ (640,452)	\$ (448,505)	\$ (432,183)	\$ (845,293)	\$ (299,905)	\$ (465,208)	\$ (346,643)	\$ (260,923)	\$ 436,892	\$ 197,291	\$ -
Surplus (deficit) for the year															

Pictou Landing Band Council

Schedule of Segment Disclosure
Year ended March 31, 2019

	Education			Employment Development			Health Canada Programs			Miscellaneous			Canada Mortgage & Housing		
	Budget 2019	Actual 2019	Actual 2018	Budget 2019	Actual 2019	Actual 2018	Budget 2019	Actual 2019	Actual 2018	Budget 2019	Actual 2019	Actual 2018	Budget 2019	Actual 2019	Actual 2018
Revenues															
Federal government operating transfers	\$ 1,288,788	\$ 1,613,638	\$ 1,781,374	\$ 339,640	\$ 372,972	\$ 367,134	\$ 907,100	\$ 1,115,697	\$ 991,203	\$ -	\$ -	\$ -	\$ 199,449	\$ 233,755	\$ 209,474
Federal government capital transfers	-	2,906,837	-	-	-	-	-	-	-	-	-	-	-	-	37,052
Provincial government operating transfers	-	30,490	-	-	5,000	118,765	-	-	-	-	-	-	-	-	-
Provincial government capital transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	312,888	11,765	5,469	17,250	90,388	600	-	(5,410)	39,510	-	3,295	5,933	434,095	344,400	227,162
	1,601,676	4,562,730	1,786,843	356,890	468,360	466,499	907,100	1,110,287	1,030,713	-	3,295	5,933	633,544	578,155	473,688
Expenses															
Salaries and benefits	837,873	951,420	1,247,318	192,049	107,026	195,921	474,956	533,766	589,653	-	18,378	-	-	231,640	37,054
Amortization	-	-	-	-	-	-	-	-	-	-	595,092	581,680	-	45,809	215,227
Interest	-	-	-	-	-	-	-	-	-	-	-	-	39,000	38,261	-
Other	701,514	499,539	330,349	154,857	281,359	202,026	303,582	447,175	513,564	166,900	597,017	569,106	496,400	297,403	232,122
	1,539,387	1,450,959	1,577,667	346,906	388,385	397,947	778,538	980,941	1,103,217	166,900	1,210,487	1,150,786	535,400	574,852	522,664
Surplus (deficit) for the year	\$ 62,289	\$ 3,111,771	\$ 209,176	\$ 9,984	\$ 79,975	\$ 88,552	\$ 128,562	\$ 129,346	\$ (72,504)	\$ (165,900)	\$ (1,207,192)	\$ (1,144,853)	\$ 98,144	\$ 3,303	\$ (48,976)

Pictou Landing Band Council

Schedule of Segment Disclosure

Year ended March 31, 2019

	Non-Subsidized Housing			Commercial Fishing			Victoria Corner Market			Boat Harbour Trust and Other			Total	
	Budget 2019	Actual 2019	Actual 2018	Budget 2019	Actual 2019	Actual 2018	Budget 2019	Actual 2019	Actual 2018	Budget 2019	Actual 2019	Actual 2018	Budget 2019	Actual 2018
Revenues														
Federal government operating transfers	\$ -	\$ -	172,836	\$ 149,000	\$ 134,427	\$ 154,465	\$ -	\$ -	\$ -	\$ 182,600	\$ 68,380	\$ -	\$ 6,238,647	\$ 7,008,893
Federal government capital transfers	-	-	-	-	300,030	614,005	-	-	-	-	-	-	-	3,206,867
Provincial government operating transfers	-	-	-	-	-	-	-	-	-	-	-	-	134,876	219,150
Provincial government capital transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	118,765
Other	753,005	437,079	486,206	3,416,100	4,102,018	5,071,557	3,735,000	4,182,074	4,001,302	2,512,200	1,418,842	144,210	12,744,404	11,433,491
	753,005	437,079	659,042	3,565,100	4,536,475	5,840,027	3,735,000	4,182,074	4,001,302	2,694,800	1,487,222	144,210	19,117,927	21,868,401
Expenses														
Salaries and benefits	-	-	-	1,423,832	1,722,073	1,686,979	293,095	349,815	307,099	-	-	-	4,989,540	5,588,882
Amortization	-	122,031	153,995	-	-	-	-	-	-	-	-	-	-	948,763
Interest	-	-	-	-	1,892,673	1,395,491	3,082,499	3,460,988	3,127,049	-	-	-	49,000	73,900
Other	1,600	-	152,082	1,278,735	1,892,673	1,395,491	3,082,499	3,460,988	3,127,049	508,000	603,638	695,591	10,961,101	12,271,600
	1,600	122,031	306,077	2,702,567	3,614,746	3,082,470	3,375,594	3,810,803	3,434,148	508,000	603,638	695,591	15,999,641	18,883,145
Surplus (deficit) for the year	\$ 751,405	\$ 315,048	\$ 352,965	\$ 862,533	\$ 921,729	\$ 2,757,557	\$ 359,406	\$ 371,271	\$ 567,154	\$ 2,186,800	\$ 883,584	\$ (551,381)	\$ 3,118,286	\$ 2,985,256
														\$ 1,086,180