

Little Pine First Nation
Consolidated Financial Statements
March 31, 2019





Little Pine First Nation Contents

For the year ended March 31, 2019

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Management's Responsibility



To the Members of Little Pine First Nation:

The accompanying consolidated financial statements of Little Pine First Nation are the responsibility of management and have been approved by the Chief and Council.

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Chief and Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Chief and Council fulfil these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Chief and Council is also responsible for recommending the appointment of the Nation's external auditors.

MNP LLP, an independent firm of Chartered Professional Accountants, is appointed by the Chief and Council to audit the consolidated financial statements and report directly to the Members of Little Pine First Nation; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Chief and Council and management to discuss their audit findings.

May 18, 2022

(Signature on file)

Management

Independent Auditors' Report

To the Members of Little Pine First Nation:

Disclaimer of Opinion

We were engaged to audit the accompanying consolidated financial statements of Little Pine First Nation, which comprise the consolidated statement of financial position as at March 31, 2019, and the consolidated statements of operations and accumulated surplus, changes in consolidated net financial assets (net financial debt), consolidated cash flows and the related schedules for the year then ended, and a summary of significant accounting policies and other explanatory information.

We do not express an opinion on the accompanying consolidated financial statements of the Little Pine First Nation. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

Basis for Disclaimer of Opinion

Our audit indicated serious deficiencies in the accounting records and in the system of internal controls of Little Pine First Nation. Specifically, the First Nation did not reconcile bank accounts and accounts payable and accruals. As such, we were unable to satisfy ourselves that non-government transfer revenue was recorded completely and classified correctly, expenses were classified correctly, and accounts payable and accruals existed.

We were unable to attain sufficient audit evidence over the value, completeness, and rights and obligations of the investment in Nation business entities. As a result, we could not verify if any adjustments to the carrying value, income (loss), or disclosures related to the investment in Nation business entities was necessary.

We were unable to attain sufficient audit evidence for possible unrecorded contingent assets and liabilities and the related operating accounts.

As a result of the above, we were unable to determine whether adjustments were required in respect of recorded or unrecorded assets and liabilities and the components making up the consolidated statements of operations and accumulated surplus, changes in net debt and cash flows.

Additionally, the statement of operations and accumulated surplus and changes in net financial assets (net financial debt) do not present a comparison of the results of the accounting period with those originally planned (a budget) which constitutes a departure from Canadian public sector accounting standards.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditors' Responsibility

Our responsibility is to conduct an audit of the Little Pine First Nation's consolidated financial statements in accordance with Canadian generally accepted auditing standards and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

We are independent of Little Pine First Nation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Prince Albert, Saskatchewan

May 25, 2022



Chartered Professional Accountants



Little Pine First Nation **Consolidated Statement of Financial Position** *As at March 31, 2019*

	2019	2018
Financial assets		
Current		
Cash and cash equivalents	278,929	158,568
Accounts receivable (Note 3)	118,448	343,641
Receivable from members	38,786	62,731
Restricted cash (Note 4)	1,406,482	832,932
Inventory for resale (Note 5)	58,093	58,093
Subtotal of current assets	1,900,738	1,455,965
Investments in Nation business entities (Note 7)	6,632,310	6,611,395
Funds held in Trust (Note 6)	4,812,925	1,175,303
Restricted cash (Note 8)	268,057	909,577
Total financial assets	13,614,030	10,152,240
Liabilities		
Current		
Bank indebtedness (Note 9)	379,902	593,752
Accounts payable and accruals	2,019,957	2,268,820
Deferred revenue (Note 10)	1,506,792	1,117,320
Current portion of long-term debt (Note 11)	1,209,147	1,218,273
Subtotal of current liabilities	5,115,798	5,198,165
Long-term debt (Note 11)	3,774,143	5,020,301
Total financial liabilities	8,889,941	10,218,466
Net financial assets (net debt)	4,724,089	(66,226)
Contingencies (Note 12)		
Non-financial assets		
Tangible capital assets (Schedule 1)	36,735,866	36,818,652
Accumulated surplus (Note 13)	41,459,955	36,752,426

Approved on behalf of Chief and Council

(Signature on file)

Chief

(Signature on file)

Councillor



Little Pine First Nation **Consolidated Statement of Operations and Accumulated Surplus** *For the year ended March 31, 2019*

	<i>Schedules</i>	2019 Actual	<i>2018 Actual</i>
Revenues			
Indigenous and Northern Affairs Canada (Note 14)		14,758,156	6,534,715
Canada Mortgage and Housing Corporation		453,451	392,741
First Nations and Inuit Health Branch		23,336	35,000
Forfeited INAC funding (Note 15)		(45,954)	(406)
		15,188,989	6,962,050
Retail gas and convenience store sales		2,585,146	2,440,887
Permit income		1,574,224	1,438,630
Little Pine Legacy Trust		798,750	-
Other revenue		709,121	862,903
First Nations Trust		639,751	643,798
Rental income		150,020	86,250
Lease and royalty income		86,080	152,529
Interest income		53,524	34,194
Administration fees		42,013	1,350
Band housing - user fees		7,639	15,378
Battleford Agency Tribal Chiefs CDC		1,054	119,491
Earnings (loss) from investment in Nation business entities (Note 7)		(522,641)	(291,862)
Insurance Proceeds		-	1,155,452
		21,313,670	13,621,050
Program expenses			
Government	3	2,815,227	1,437,487
Capital	4	494,046	533,397
Infrastructure	5	902,381	951,284
Education	6	3,663,280	3,376,530
Social Services	7	1,328,917	1,677,725
First Nation Programs	8	4,084,137	2,632,111
Other Programs	9	3,318,153	3,624,955
		16,606,141	14,233,489
Surplus (deficit)		4,707,529	(612,439)
Accumulated surplus, beginning of year		36,752,426	37,364,865
Accumulated surplus, end of year (Note 13)		41,459,955	36,752,426

The accompanying notes are an integral part of these financial statements



Little Pine First Nation **Consolidated Statement of Change in Net Financial Assets (Net Debt)** *For the year ended March 31, 2019*

	2019 <i>Actual</i>	2018 <i>Actual</i>
Annual surplus (deficit)	4,707,529	(612,439)
Acquisition of tangible capital assets (net)	(1,041,908)	(1,527,719)
Amortization of tangible capital assets	1,124,694	1,187,638
Use of prepaid expenses	-	1,995
Decrease in net financial assets	4,790,315	(950,525)
Net debt, beginning of year	(66,226)	884,299
Net financial assets, end of year	4,724,089	(66,226)

The accompanying notes are an integral part of these financial statements



The accompanying notes are an integral part of these financial statements



Little Pine First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2019

1. Operations

The Little Pine First Nation (the "First Nation") is located in the province of Saskatchewan, and provides various services to its members. Little Pine First Nation financial reporting entity includes all related entities that are accountable to the First Nation and are either owned or controlled by the First Nation.

Impact on operations of COVID-19 (coronavirus)

In early March 2020 the global outbreak of COVID-19 (coronavirus) began to have a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders.

The First Nation's operations were impacted by COVID-19 due to distancing measures, reduced gaming revenues from First Nations Trust, and reduced office hours. As the First Nation provides essential services to its members, Indigenous Services Canada has increased the amount of financial resources provided to the First Nation in order to ensure the safe and orderly provision of services. The First Nation's total revenues were not negatively impacted as a result.

2. Significant accounting policies

These financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and including the following significant accounting policies:

Reporting entity

The financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity, except for First Nation business entities. Trusts administered on behalf of third parties by Little Pine First Nation are excluded from the First Nation reporting entity.

The First Nation has consolidated the assets, liabilities, revenue and expenses of the following entities and departments:

- Little Pine First Nation;
- Little Pine CMHC Housing;
- Little Pine Gas Bar and Convenience Store;
- Little Pine Treaty Land Entitlement - Band Account;
- Little Pine First Nation Permit Enterprise; and,
- Blue Hill Energy Inc.

All inter-entity balances have been eliminated on consolidation; however, transactions between departments have not been eliminated in order to present the results of operations for each specific department.

Little Pine First Nation business entities, owned or controlled by the First Nation's Council but not dependent on the First Nation for their continuing operations, are included in the financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform to those of the First Nation. Thus, the First Nation's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received. Entities accounted for by the modified equity basis include:

- Little Pine Business Developments Limited Partnership
- Little Pine Business Developments Inc.
- Little Pine Gas Holdings Limited Partnership
- Little Pine Gas Holdings Inc.



Little Pine First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2019

2. Significant accounting policies (Continued from previous page)

Other economic interests

The First Nation does not either share in the control or the profit or loss of the following entities. As a result, the financial statements of the following entities have not been consolidated or proportionately consolidated with the financial statements of Little Pine First Nation.

- The First Nation is a member of the Northwest Professional Services Corp. (NPSC). The NPSC is an organization of three Nations. The NPSC is mandated to enhance the services provided to the member Nations.
- The First Nation is a member of Battlefords Tribal Council (BTC). The BTC is an organization of seven Nations. The BTC is mandated to enhance the services provided to the member Nations.
- The First Nation is provided Health Services through Battle River Treaty 6 Health Centre Inc. Battle River Treaty 6 Health Centre provides community based health services to promote, support, and encourage the physical, mental, social and spiritual health of the people living on Little Pine First Nation and other member First Nations.

Basis of presentation

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

Cash resources

Cash resources include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Restricted cash

Restricted cash consists of funds held in a project bank account for specific capital projects. Long-term restricted cash consists of funds held in the CMHC replacement reserve bank account; the CMHC replacement reserve is used to pay eligible expenditures of the CMHC units.

Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the first-in, first-out method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling costs.

Tangible capital assets

Tangible capital assets are initially recorded at cost. Contributed tangible assets are recorded at their fair value at the date of contribution.

Amortization

Amortization for tangible capital assets is provided using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives:

	Rate
Buildings	2.5 - 5 %
Band housing	4 - 5 %
CMHC housing	5 %
Water and sewer	2.5 - 5 %
Vehicles and equipment	4 - 25 %
Computer hardware and software	20 - 25 %

Projects under construction are not amortized until they are put into use.



Little Pine First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2019

2. Significant accounting policies *(Continued from previous page)*

Funds held in Trust

Funds held in trust on behalf of First Nation members by the Government of Canada in the Ottawa Trust Fund are reported on the statement of financial position. Trust moneys consist of:

- Capital trust moneys derived from non-renewable resource transactions, the sale of land or other First Nation tangible capital assets; and,
- Revenue trust moneys generated primarily through land leasing transactions or interest earned on deposits held in trust.

Revenues from trust moneys are recognized when measurable, earned and collection is reasonably assured. These moneys are reported on by the Government of Canada.

Funds held in trust also include moneys from the Specific Claim - Treaty Annuities settlement against the Government of Canada; the funds are held in the Little Pine Legacy Trust account.

Long-lived assets

Long-lived assets consist of tangible capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The First Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. The carrying amount of a long-lived asset is not recoverable if the carrying amount exceeds the sum of the undiscounted future cash flows from its use and disposal. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Fair value is measured using prices for similar items. Any impairment is included in surplus for the year.

Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets and prepaid expenses.

Net financial assets

The First Nation's financial statements are presented so as to highlight net debt as the measurement of financial position. The net financial assets of the First Nation is determined by its financial assets less its liabilities. Net financial assets is comprised of two components, non-financial assets and accumulated surplus.



Little Pine First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2019

2. Significant accounting policies (Continued from previous page)

Revenue recognition

Government transfers

The First Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the First Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Funds held in Trust Fund

Revenue is recognized when amounts can be reasonably estimated and collectability is known.

Permit income

Revenue is recognized over the lease term, when amounts can be reasonably estimated, and collectability is known.

Other revenue

Rental revenue is recognized over the rental term.

Revenue from retail sales are recognized upon completion of the sale transaction and the customer takes possession of the merchandise.

Other revenue is earned from other services provided by the First Nation and are recognized when the service has been provided.

Non-government funding revenue is recognized as it becomes receivable under the terms of the applicable funding agreement. Funding received under funding agreements that relate to a subsequent fiscal period are reflected as deferred revenue on the statement of financial position in the year of receipt.

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 and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets. Legal provisions are recorded when the likelihood of loss and amount of settlement can be determined. Liabilities for contaminated sites are estimated based on the best information available regarding potentially contaminated sites for which the First Nation is responsible.

Liability for contaminated site

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the First Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all cost directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2019.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The First Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

There are no liabilities for contaminated sites as at March 31, 2019.



Little Pine First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2019

2. Significant accounting policies (Continued from previous page)

Segments

The First Nation conducts its business through 7 reportable segments: Government, Capital, Infrastructure, Education, Social Services, First Nation Programs and Other Programs. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information. Administration fees have been apportioned based on a percentage of budgeted revenue, where permitted by the funder.

The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in the significant accounting policies.

3. Accounts receivable

	2019	2018
Land permits	132,679	120,184
Other trade receivables	100,723	192,355
CMHC subsidy assistance receivable	39,164	93,705
Goods and services tax	36,576	28,064
Battlefords Tribal Council	-	52,171
Indigenous Services Canada	-	28,625
Battlefords Agency Tribal Chiefs	-	7,856
	309,142	522,960
Allowance for doubtful accounts	(190,694)	(179,319)
	118,448	343,641

4. Restricted cash

	2019	2018
Capital projects - Major capital	1,406,482	832,932

Restricted cash consists of cash managed by a capital project manager who is responsible for payment of expenses relating to capital projects funded by INAC.

5. Inventory for resale

Inventory for resale from the Little Pine Gas Bar and Convenience Store represents fuel, tobacco and confectionary items.

The cost of inventories recognized as an expense and included in cost of sales amounted to \$2,212,993 (2018 – \$2,041,055).



Little Pine First Nation **Notes to the Consolidated Financial Statements** *For the year ended March 31, 2019*

6. Funds held in Trust

Capital and revenue trust monies are transferred to the First Nation on the authorization of the First Nation's Council, with the consent of the Minister of Indigenous Services Canada.

	2019	2018
Capital Trust		
Balance, beginning of year	1,050,131	974,685
Oil and gas royalties	2,995	75,446
	1,053,126	1,050,131
Less: Transfers to Nation	526,089	-
Balance, end of year	527,037	1,050,131
Revenue Trust		
Balance, beginning of year	125,172	161,912
Interest	22,877	26,170
Land leases	83,085	77,083
	231,134	265,165
Less: Transfers to Nation	198,650	139,993
Balance, end of year	32,484	125,172
Little Pine Legacy Trust		
Settlement of specific claim - annuities claim	6,876,341	-
Interest	18,989	-
Professional fees and claim expenditures	(1,587,087)	-
	5,308,243	-
Less: Transfers to Nation	1,054,839	-
Balance, end of year	4,253,404	-
	4,812,925	1,175,303

Date and No. of BCR	Date Funds Released to First Nation	Balance Beginning of Year	Amount Received from Trust Fund	Actual Amount Spent	Balance End of Year	Purpose for Release of Funds
2018-19-57	Dec 14, 2018	---	526,089	526,089	---	Sub-note 1
2018-19-33	Nov 28, 2018	---	137,500	137,500	---	Sub-note 2
2018-19-60	Feb 4, 2019	---	61,150	61,150	---	Sub-note 3

Sub-note 1 - Per Capita payments have been paid to Nation members and are identified in the First Nations Programs segment schedule #8.

Sub-note 2 - Purchase of Sewer Truck has been completed and can be identified as an increase in vehicles and equipment on the Consolidated Schedule of Tangible Capital Assets.

Sub-note 3 - Interest on long-term debt and payment of loan principal have been paid and are identified in the First Nations Programs segment schedule #8 and a reduction of loan principal.



Little Pine First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2019

7. Investments in Nation business entities

Summary financial information for each business entity, accounted for using the modified equity method, for their respective year-end is as follows:

The First Nation has investments in the following entities:

	<i>Opening</i>	<i>Contributions</i>	<i>Withdrawals</i>	<i>Share of earnings (loss)</i>	<i>Ending</i>
First Nation business entities:					
Little Pine Business Developments Inc. (100%)	(79)	-	-	(30)	(109)
Little Pine Gas Holdings Inc. (100%)	(10)	-	-	(426)	(436)
First Nation Business Partnerships:					
Little Pine Business Developments Limited Partnership (99.99%)	6,013,578	116,418	(15,264)	(29,708)	6,085,024
Little Pine Gas Holdings Limited Partnership (99.99%)	597,906	442,401	-	(492,476)	547,831
	6,611,484	558,819	(15,264)	(522,184)	-

The First Nation's investments in Little Pine Business Development Limited Partnership and its general partner, Little Pine Business Development Inc. and Little Pine Gas Holdings Limited Partnership and its general partner, Little Pine Gas Holdings Inc. were established to develop and maintain land for the future development of a gas station, business centre and casino in the City of Lloydminster, Saskatchewan.

Summary financial information for each First Nation business partnership, accounted for using the modified equity method, for their respective year-end is as follows:

	<i>Little Pine Business Developments Limited Partnership As at March 31, 2019</i>	<i>Little Pine Gas Holdings Limited Partnership As at March 31, 2019</i>
Assets		
Accounts receivable	120,000	-
Goods and Services Tax receivable	4,785	-
Trade and other receivables	-	66,153
Advances to related parties	-	335,636
Property, plant and equipment	7,050,715	4,618,151
Investments	-	10,803
Total assets	7,175,500	5,030,743
Liabilities		
Bank indebtedness	-	247,831
Trade and other payables	247,626	1,296,683
Payable to partners	335,636	-
Current portion of long-term debt	198,567	-
Long-term debt	308,757	2,899,254
Goods and Services Tax payable	-	39,580
Total liabilities	1,090,586	4,483,348
Equity	6,084,914	547,395



Little Pine First Nation **Notes to the Consolidated Financial Statements** *For the year ended March 31, 2019*

7. Investments in Nation business entities *(Continued from previous page)*

Total revenue	80,000	-
Total expenses	109,738	492,902
Net loss	(29,738)	(492,902)
Comprehensive loss	(29,738)	(492,902)

Principal repayments on long-term debt of the First Nation's business enterprises in each of the next five years assuming all term debt is subject to contractual terms of repayment, are estimated as follows:

	2020	2021	2022	2023	2024	Thereafter	Total
Little Pine Business Developments Limited Partnership	198,567	206,554	103,564	-	-	-	508,685
Little Pine Gas Holdings Limited Partnership	2,899,254	-	-	-	-	-	2,899,254

The First Nation has guaranteed the following debt on behalf of its First Nation business enterprises:

Little Pine Business Developments Limited Partnership has the following long-term debt which the First Nation has issued a guarantee for repayment:

- Innovation Credit Union mortgage repayable at \$53,950 quarterly including interest at 3.95% per annum, secured by land with a carrying value of \$2,430,508. The loan is secured by the First Nation through use of First Nation Trust - Gaming funds as collateral.

Little Pine Gas Holdings Limited Partnership has long-term debt of \$2,899,254 with interest only payments of 7.05%. The long-term debt is secured by buildings with a carrying value of \$4,618,151;

8. Restricted cash - long-term

	2019	2018
CMHC replacement reserve	267,619	909,121
CMHC operating reserve	438	456
	268,057	909,577

Long-term restricted cash funds held in the CMHC replacement reserve bank account are to be used to pay eligible expenditures of the CMHC housing units.

9. Bank indebtedness

Bank indebtedness represents cash on deposit less outstanding cheque's.

At March 31, 2019, the First Nation had lines of credit totaling \$200,000 charging interest at prime + 1.55%, of which \$18,771 were drawn.



Little Pine First Nation **Notes to the Consolidated Financial Statements** *For the year ended March 31, 2019*

10. Deferred revenue

The following table represents changes in the deferred revenue balance attributable to each major category of external restrictions:

	<i>Balance, beginning of year</i>	<i>Contributions received</i>	<i>Amount recognized as revenue</i>	<i>Balance, end of year</i>
Water - INAC	45,025	-	45,025	-
Well Development - INAC	583,971	-	-	583,971
Lagoon - INAC	106,546	-	-	106,546
School Renovations - INAC	24,952	-	5,482	19,470
Solid Waste Transfer Station - INAC	53,488	1,020,000	650,072	423,416
Land permits	303,338	1,631,782	1,561,731	373,389
	1,117,320	2,651,782	2,262,310	1,506,792

11. Long-term debt

The following loans are secured by government guarantees, and relate to the construction of on reserve housing. The First Nation receives a subsidy from Canada Mortgage and Housing Corporation to assist with the payment of principal and interest on the following mortgages:

<i>CMHC Phase</i>	<i>Monthly Payment Including Interest</i>	<i>Interest Rate</i>	<i>Renewal Date</i>	2019	2018
I	703	1.92%	1-Apr-19	40,845	48,423
II	1,626	1.05%	1-Aug-21	133,109	151,119
III	1,326	2.52%	1-Sep-23	132,376	145,769
IV	1,258	1.82%	1-Sep-19	144,192	156,728
V	1,247	1.05%	1-Apr-20	155,373	168,630
VI	5,423	1.04%	1-Oct-20	408,889	469,384
VII	7,867	2.08%	1-May-19	845,528	921,564
VIII	7,080	1.01%	1-Feb-21	953,591	1,028,531
IX	1,982	1.43%	1-Apr-22	467,640	484,619
X	2,217	2.41%	1-Apr-23	486,446	450,875
CMHC loans				3,767,989	4,025,642
Loan with Royal Bank of Canada; bridge loan for the reconstruction of the First Nation band office; repayable interest only at a rate of prime plus 1.35%. Total available loan approved is \$1,540,602 and is available to draw down by request of project manager. Loan is due January 1, 2020 and is secured by insurance settlement equalling \$1,540,602.				385,151	385,151
Loan with innovation Credit Union; repayable in quarterly installments of \$28,375 at an interest rate of prime plus 2.25%. Loan matures July 2021 and is secured by general security agreement and assignment of First Nations Trust revenues and direction of Land Lease Revenue.				241,020	336,440
Loan with Royal Bank of Canada; operating loan; blended repayment of interest and principal at prime rate plus 2.00%. Loan is due January 1, 2020 is secured by general security agreement and assignment of First Nation Trust revenues and direction of Land Lease Revenue.				217,305	416,000



Little Pine First Nation **Notes to the Consolidated Financial Statements** *For the year ended March 31, 2019*

11. Long-term debt *(Continued from previous page)*

Loan with Royal Bank of Canada; operating loan; blended repayment of interest and principal at prime rate plus 2.42%. Loan is due January 1, 2020 and secured by general security agreement and assignment of First Nations Trust revenues and direction of Land Lease Revenue.	194,130	212,882
Loan with Innovation Credit Union; repayable in quarterly principal and interest installments of \$43,902 at an interest rate of prime plus 1.75%. Loan matures April 2020.	125,507	328,138
Loan with Brandt Tractor Financing, payable in monthly and principal installments of \$1,646 at an interest rate of 7.25% and is secured by a Bobcat tractor having a net book value of \$59,850.	22,023	39,484
Loan with Brandt Tractor Financing, payable in monthly principal and interest installments of \$1,679 at an interest rate of 4.50%. Loan matures in February 2020 and is secured by a John Deere 310SLT loader backhoe having a net book value of \$41,424.	18,063	36,939
Loan with Brandt Tractor Financing, payable in monthly principal and interest installments of \$1,555 at an interest rate of 7.25%. Loan matures in November 2019 and is secured by a John Deere 333EXT Tractor having a net book value of \$36,331.	12,102	29,207
Loan with innovation Credit Union; interest payable in monthly installments of \$959 at a rate of prime plus 1.75%. Loan matures on March 2019 and is secured by general security agreement and assignment of First Nations Trust revenues and direction of Land Lease Revenue.	-	422,812
Loan with Brandt Tractor Financing, payable in monthly and principal installments of \$2,949 at an interest rate of 8.25% and is secured by a 2007 Case Excavator having a net book value of \$52,734.	-	5,879
	4,983,290	6,238,574
Less: current portion	1,209,147	1,218,273
	3,774,143	5,020,301

Principal repayments on long-term debt in each of the next five years, assuming long-term debt subject to refinancing is renewed, are estimated as follows:

2020	1,209,146
2021	447,140
2022	341,828
2023	347,788
2024	354,063

12. Contingencies

These financial statements are subject to review by the First Nation's funding agents. It is possible that adjustments could be made based on the results of their reviews.



Little Pine First Nation **Notes to the Consolidated Financial Statements** *For the year ended March 31, 2019*

13. Accumulated surplus

Accumulated surplus consists of the following:

	2019	2018
Equity in funds held in trust		
Balance, beginning of year	1,175,303	1,136,597
Contributions	5,417,200	170,699
Withdrawals	(1,779,578)	(131,993)
	4,812,925	1,175,303
Equity in CMHC reserves		
Balance, beginning of year	1,544,144	1,401,238
Provision	199,567	134,970
Interest	-	7,936
	1,743,711	1,544,144
Equity in tangible capital assets		
Balance, beginning of year	32,296,350	31,252,874
Acquisition of tangible capital assets	1,041,908	1,527,719
Advances of long-term debt	(35,392)	(846,546)
Repayment of long-term debt	1,290,675	1,549,941
Amortization	(1,124,694)	(1,187,638)
	33,468,847	32,296,350
Equity in investments in Nation business entities		
Balance, beginning of year	6,611,463	6,644,660
Contributions	543,422	258,665
Share of loss	(522,575)	(291,862)
	6,632,310	6,611,463
Unrestricted deficit		
Balance, beginning of year	(4,874,768)	(3,070,506)
Transfer (to) from equity in funds held in trust	(3,637,622)	(38,706)
Transfer to equity in CMHC reserves	(199,567)	(142,906)
Transfer (to) from equity in tangible capital assets	(1,172,498)	(1,043,477)
Transfer to (from) equity in investments in Nation business entities	(20,912)	33,132
Current surplus (deficit)	4,707,529	(612,371)
	(5,197,838)	(4,874,834)
	41,459,955	36,752,426

The First Nation does not have a Moveable Asset Reserve.



Little Pine First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

14. Indigenous Services Canada reconciliation

INAC funding per confirmation	15,077,576
Add:	
2018-19 Recognition of revenue from ongoing capital projects	813,983
Less:	
2018-19 Deferral of revenue for ongoing capital projects	(1,133,403)
Total funding per consolidated financial statements	14,758,156

15. Forfeited INAC funding

2018-19 Assisted Living Reconciliation	7,595
2018-19 BEB Reconciliation	38,359
	45,954

16. Economic dependence

Little Pine First Nation receives a significant portion of its revenues from the Government of Canada as a result of Treaties entered into with the Crown in Right of Canada. These Treaties are administered by Indigenous Services Canada under the terms and conditions of the Indian Act. The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these Treaties.

17. Canada Mortgage and Housing Corporation reserves

Under agreements with CMHC the First Nation has established the following:

A replacement reserve, established to ensure replacement of capital equipment and for major repairs to the housing units requires an annual cash allocation to the reserve. At March 31, 2019 the replacement reserve is underfunded \$847,960 (2018 - underfunded \$115,382).

An operating surplus reserve established for housing units under the Post 1997 Fixed Subsidy Program require surpluses to be retained in cash to offset future operating losses. At March 31, 2019 the operating surplus reserve is underfunded \$625,589 (2018 - underfunded \$516,655).



Little Pine First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2019

18. Segments

The First Nation has 7 reportable segments. These segments are differentiated by the major activities or services they provide. The First Nation's segments are as follows:

Government - includes administration and governance activities.

Capital - reports on capital projects.

Infrastructure - includes activities for the maintenance of the First Nation's buildings and infrastructure.

Education - includes the operations of education programs.

First Nation Programs - includes the activities of First Nations Trust funding, Ottawa Trust and band revenue,

Other Programs - other programs not funded by INAC or Health Canada.

Social Services - includes the operations and delivery of social programs.

Details of the segment revenues and expenses are provided in the accompanying schedules. There are no revenues or expenses that have not been allocated to a segment.

19. Comparative figures

Certain comparative figures have been reclassified to conform with current year's presentation.

20. Compliance with authorities

The First Nation is required to make its financial statements publicly available and submit its financial statements to Indigenous Services Canada by July 29, 2019. As the audit report date is dated after July 29, 2019, the First Nation is in breach of this requirement. The possible effect of this breach has not yet been determined.



Little Pine First Nation **Schedule 1 - Consolidated Schedule of Tangible Capital Assets** *For the year ended March 31, 2019*

	Buildings	Band housing	CMHC housing	Water and sewer	Land and land improvements	Vehicles and equipment	Subtotal
Cost							
Balance, beginning of year	6,126,317	2,025,281	9,188,585	7,297,734	18,365,146	3,281,774	46,284,837
Acquisition of tangible capital assets	-	-	35,361	-	-	161,500	196,861
Transfer from assets under construction	-	-	-	-	-	-	-
Balance, end of year	6,126,317	2,025,281	9,223,946	7,297,734	18,365,146	3,443,274	46,481,698
Accumulated amortization							
Balance, beginning of year	1,741,359	918,045	3,589,766	2,258,574	-	2,003,822	10,511,566
Annual amortization	204,797	82,948	461,197	79,213	-	283,506	1,111,661
Balance, end of year	1,946,156	1,000,993	4,050,963	2,337,787	-	2,287,328	11,623,227
Net book value of tangible capital assets							
	4,180,161	1,024,288	5,172,983	4,959,947	18,365,146	1,155,946	34,858,471
2018 Net book value of tangible capital assets	4,384,958	1,107,236	5,598,819	5,039,160	18,365,146	1,277,952	35,773,271



Little Pine First Nation **Schedule 1 - Consolidated Schedule of Tangible Capital Assets** *For the year ended March 31, 2019*

	Subtotal	Computer hardware and software	Projects under construction	2019	2018
Cost					
Balance, beginning of year	46,284,837	113,454	1,017,697	47,415,988	45,888,270
Acquisition of tangible capital assets	196,861	-	845,047	1,041,908	5,245,998
Transfer from assets under construction	-	-	-	-	(3,718,280)
Balance, end of year	46,481,698	113,454	1,862,744	48,457,896	47,415,988
Accumulated amortization					
Balance, beginning of year	10,511,566	85,770	-	10,597,336	9,409,699
Annual amortization	1,111,661	13,033	-	1,124,694	1,187,637
Balance, end of year	11,623,227	98,803	-	11,722,030	10,597,336
Net book value of tangible capital assets					
	34,858,471	14,651	1,862,744	36,735,866	36,818,652
2018 Net book value of tangible capital assets	35,773,271	27,684	1,017,697	36,818,652	



Little Pine First Nation

Schedule 2 - Schedule of Consolidated Expenses by Object

For the year ended March 31, 2019

	2019 Actual	2018 Actual
Salaries and benefits	4,489,053	4,207,406
Cost of sales	2,212,993	2,041,055
Per capita distribution	1,663,861	439,408
Professional fees	1,358,840	367,590
Basic needs	1,182,688	1,366,885
Amortization	1,124,694	1,187,638
Repairs and maintenance	764,118	999,615
Travel	455,435	371,571
Living allowance	396,327	407,079
Utilities	358,754	145,389
Supplies	319,049	245,523
Tuition	247,999	200,042
Activities and recreation	214,002	213,365
Insurance	213,241	320,080
Community events	156,510	156,071
Band member assistance	151,500	124,404
Interest on long-term debt	146,993	161,760
Office supplies and expenses	126,088	88,169
Program expense	119,916	15,804
Meeting	105,586	115,722
Elders fees	102,642	211,682
Bank charges and interest	95,527	46,514
Contracted services	84,635	166,540
Health	84,396	88,800
Fuel	80,630	57,002
Administration	59,911	2,222
Student expenses	51,066	59,370
Telephone	45,930	40,381
Community donations	39,201	47,296
Rent	32,855	125,126
Training	31,266	39,288
Honourarium	29,160	16,672
Office equipment lease	18,111	19,706
Election	15,224	15,224
Property tax	11,778	74,967
Bad debts	11,376	11,564
Advertising and promotion	3,972	6,123
Miscellaneous	813	20,423
Chief and council per diems	-	10,012
	16,606,140	14,233,488



Little Pine First Nation Government

Schedule 3 - Schedule of Revenue and Expenses and Surplus (Deficit)

For the year ended March 31, 2019

	2019 Actual	2018 Actual
Revenue		
Indigenous and Northern Affairs Canada	7,614,780	743,882
Forfeited INAC funding	(38,359)	-
Other revenue	162,622	271,889
Interest income	28,218	-
Band housing - user fees	7,639	9,156
Administration fees	-	1,350
	7,774,900	1,026,277
Expenses		
Professional fees	1,326,380	255,432
Salaries and benefits	635,759	677,539
Utilities	215,125	41,713
Insurance	132,014	11,342
Supplies	125,030	4,360
Travel	114,363	79,525
Office supplies and expenses	51,420	21,574
Meeting	41,477	19,656
Bank charges and interest	25,672	18,704
Contracted services	22,660	-
Telephone	19,643	18,529
Rent	18,188	121,587
Administration	17,898	2,222
Repairs and maintenance	16,865	32,190
Election	15,224	15,224
Interest on long-term debt	13,255	56,266
Fuel	7,446	8,397
Band member assistance	7,372	25,798
Student expenses	5,250	-
Community donations	2,500	-
Community events	877	500
Training	609	3,018
Per capita distribution	200	22,608
Activities and recreation	-	320
Miscellaneous	-	17
Health	-	966
	2,815,227	1,437,487
Surplus (deficit)	4,959,673	(411,210)



Little Pine First Nation Capital

Schedule 4 - Schedule of Revenue and Expenses and Surplus (Deficit)

For the year ended March 31, 2019

	2019 Actual	2018 Actual
Revenue		
Indigenous and Northern Affairs Canada	1,120,711	529,019
Administration fees	42,013	-
Other revenue	255	26,164
Insurance Proceeds	-	1,155,452
	1,162,979	1,710,635
Expenses		
Repairs and maintenance	361,918	337,420
Insurance	47,693	100,750
Administration	42,013	-
Salaries and benefits	20,235	41,547
Supplies	14,073	1,121
Travel	6,248	1,954
Contracted services	1,250	6,100
Telephone	600	-
Bank charges and interest	16	122
Meeting	-	10,849
Fuel	-	33,534
	494,046	533,397
Surplus	668,933	1,177,238



Little Pine First Nation **Infrastructure**

Schedule 5 - Schedule of Revenue and Expenses and Surplus (Deficit)

For the year ended March 31, 2019

	2019 Actual	2018 Actual
Revenue		
Indigenous and Northern Affairs Canada	364,235	261,292
Expenses		
Amortization	312,765	320,816
Salaries and benefits	279,678	331,712
Repairs and maintenance	129,767	194,129
Fuel	66,363	5,470
Supplies	29,630	8,823
Insurance	26,500	10,244
Utilities	22,346	35,992
Travel	14,694	17,363
Contracted services	11,000	14,032
Rent	4,669	-
Office supplies and expenses	3,500	-
Telephone	1,469	1,118
Interest on long-term debt	-	11,585
	902,381	951,284
Deficit	(538,146)	(689,992)



Little Pine First Nation **Education**

Schedule 6 - Schedule of Revenue and Expenses and Surplus (Deficit)

For the year ended March 31, 2019

	2019 Actual	2018 Actual
Revenue		
Indigenous and Northern Affairs Canada	3,417,369	3,199,159
Other revenue	263,961	259,074
Rental income	6,155	-
	3,687,485	3,458,233
Expenses		
Salaries and benefits	2,466,147	2,169,446
Living allowance	396,327	407,079
Tuition	247,999	200,042
Supplies	118,385	167,149
Activities and recreation	80,013	47,939
Repairs and maintenance	68,728	111,994
Travel	68,276	34,962
Utilities	42,690	37,403
Student expenses	41,966	53,990
Meeting	30,817	25,008
Office supplies and expenses	25,784	34,674
Training	17,700	9,878
Amortization	17,278	19,870
Contracted services	12,178	15,588
Rent	7,938	3,539
Professional fees	6,843	-
Telephone	5,515	2,818
Insurance	4,542	4,950
Fuel	1,735	4,693
Bank charges and interest	1,663	9,703
Honourarium	600	1,000
Community donations	100	210
Miscellaneous	56	14,124
Interest on long-term debt	-	471
	3,663,280	3,376,530
Surplus	24,205	81,703



**Little Pine First Nation
Social Services**

Schedule 7 - Schedule of Revenue and Expenses and Surplus (Deficit)

For the year ended March 31, 2019

	2019 Actual	2018 Actual
Revenue		
Indigenous and Northern Affairs Canada	1,335,732	1,609,041
Forfeited ISC funding	(7,595)	(406)
	1,328,137	1,608,635
Expenses		
Basic needs	1,164,115	1,355,080
Salaries and benefits	78,622	63,452
Program expense	66,263	33,646
Office supplies and expenses	15,000	14,027
Travel	2,567	1,000
Activities and recreation	1,250	-
Supplies	485	5,873
Band member assistance	315	500
Training	300	17,211
Contracted services	-	43,771
Telephone	-	5,794
Community events	-	137,371
	1,328,917	1,677,725
Deficit	(780)	(69,090)



Little Pine First Nation **First Nation Programs**

Schedule 8 - Schedule of Revenue and Expenses and Surplus (Deficit)

For the year ended March 31, 2019

	2019 <i>Actual</i>	2018 <i>Actual</i>
Revenue		
Indigenous and Northern Affairs Canada	355,329	192,321
First Nations and Inuit Health Branch	23,336	35,000
Permit income	1,574,224	1,438,630
Little Pine Legacy Trust	798,750	-
First Nations Trust	639,751	643,798
Other revenue	114,485	253,529
Lease and royalty income	86,080	152,529
Interest income	22,948	26,197
Battleford Agency Tribal Chiefs CDC	1,054	119,491
Band housing - user fees	-	6,223
	3,615,957	2,867,718
Expenses		
Per capita distribution	1,663,661	416,800
Salaries and benefits	719,996	594,669
Amortization	327,574	349,352
Travel	217,220	149,692
Community events	155,633	16,856
Band member assistance	143,814	96,607
Activities and recreation	132,739	165,106
Elders fees	102,642	211,682
Health	84,396	87,834
Utilities	72,087	22,360
Repairs and maintenance	71,494	128,377
Bank charges and interest	55,771	8,564
Interest on long-term debt	52,643	41,791
Community donations	31,551	27,659
Program expense	29,881	(25,169)
Meeting	29,593	40,013
Supplies	28,471	25,182
Contracted services	26,626	79,306
Professional fees	20,000	90,120
Basic needs	18,572	11,805
Office supplies and expenses	18,035	7,459
Telephone	17,579	8,638
Honourarium	14,860	-
Training	12,657	7,318
Property tax	11,778	57,885
Bad debts	11,376	-
Fuel	5,085	4,909
Student expenses	3,850	5,380
Insurance	2,493	1,916
Rent	2,060	-
	4,084,137	2,632,111
Surplus (deficit)	(468,180)	133,246



Little Pine First Nation Other Programs

Schedule 9 - Schedule of Revenue and Expenses and Surplus (Deficit)

For the year ended March 31, 2019

	2019 Actual	2018 Actual
Revenue		
Indigenous and Northern Affairs Canada	550,000	-
Canada Mortgage and Housing Corporation	453,451	392,741
Retail gas and convenience store sales	2,585,146	2,440,887
Other revenue	167,799	52,248
Rental income	143,865	86,250
Interest income	2,358	7,998
Earnings (loss) from investment in Nation business entities	(522,641)	(291,862)
	3,379,978	2,688,262
Expenses		
Cost of sales	2,212,993	2,041,055
Amortization	467,077	497,600
Salaries and benefits	288,617	329,039
Repairs and maintenance	115,347	195,505
Interest on long-term debt	81,095	51,646
Travel	32,068	87,074
Program expense	23,773	7,328
Office equipment lease	18,111	19,706
Honourarium	13,700	15,672
Bank charges and interest	12,405	9,421
Office supplies and expenses	12,350	10,436
Contracted services	10,922	7,743
Utilities	6,507	7,921
Professional fees	5,617	22,037
Community donations	5,050	19,427
Advertising and promotion	3,972	6,123
Meeting	3,699	20,196
Supplies	2,975	33,016
Telephone	1,125	3,485
Miscellaneous	750	6,283
Chief and council per diems	-	10,012
Training	-	1,863
Community events	-	1,344
Band member assistance	-	1,500
Bad debts	-	11,564
Property tax	-	17,082
Insurance	-	190,877
	3,318,153	3,624,955
Surplus (deficit)	61,825	(1,039,054)