

Pelican Lake First Nation
Financial Statements
March 31, 2020





Pelican Lake First Nation Contents

For the year ended March 31, 2020

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Management's Responsibility



To the Members of Pelican Lake First Nation:

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

MNP LLP is appointed by the Members to audit the consolidated financial statements and report directly to the Members; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Council and management to discuss their audit findings

November 4, 2021

(Signature on file)

Administrator

Independent Auditor's Report

To the Members of Pelican Lake First Nation:

Opinion

We have audited the consolidated financial statements of Pelican Lake First Nation (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2020, and the consolidated statements of operations, accumulated surplus, changes in net debt, cash flows and the related schedules for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2020, and the results of its consolidated operations, consolidated changes in net financial assets, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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 Consolidated Financial Statements section of our report. We are independent of the 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The consolidated financial statements of the First Nation for the year ended March 31, 2019 were audited by another firm of Chartered Professional Accountants who expressed an unqualified opinion in their independent Auditors' Report dated November 29, 2019.

Responsibilities of Management and Chief and Council for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements, management is responsible for assessing the First Nation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Chief and Council are responsible for overseeing the First Nation'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.

Independent Auditor's Report

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 First Nation'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 First Nation'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 consolidated 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 First Nation 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 First Nation 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.

Prince Albert, Saskatchewan

November 10, 2021

MNP LLP

Chartered Professional Accountants



Pelican Lake First Nation
Consolidated Statement of Financial Position
As at March 31, 2020

	2020	2019
Financial assets		
Current		
Cash	172,627	72,397
Accounts receivable (Note 3)	1,564,059	1,592,060
Inventory for resale	285,478	197,103
Restricted cash (Note 4)	827,220	645,775
	2,849,384	2,507,335
Investments (Note 5)	104,121	104,121
Funds held in trust (Note 6)	154,993	196,676
Restricted cash (Note 7)	223,112	241,483
Total financial assets	3,331,610	3,049,615
Liabilities		
Current		
Bank indebtedness (Note 8)	1,373,257	2,112,102
Accounts payable and accruals	1,582,963	750,411
Deferred revenue (Note 9)	869,280	1,632,118
Current portion of long-term debt (Note 10)	1,047,775	653,105
	4,873,275	5,147,736
Long-term debt (Note 10)	5,991,656	6,474,945
Total financial liabilities	10,864,931	11,622,681
Net debt	(7,533,321)	(8,573,066)
Contingencies (Note 12)		
Non-financial assets		
Tangible capital assets (Note 11)	21,832,100	22,410,410
Prepaid expenses	14,240	66,321
Accumulated surplus	14,313,019	13,903,665
Approved on behalf of the Chief and Council		
<u>(Signature on file)</u>	Chief	<u>(Signature on file)</u>
		Councilor



Pelican Lake First Nation Consolidated Statement of Operations

For the year ended March 31, 2020

	<i>Schedules</i>	2020 Budget Note 16	2020 Actual	<i>2019 Actual</i>
Revenue				
Indigenous Services Canada (ISC)		8,456,217	11,797,543	13,263,451
First Nations and Inuit Health Branch (FNIHB)		1,588,889	2,170,597	1,078,326
Canada Mortgage and Housing Corporation - Subsidy		294,000	336,724	400,259
		10,339,106	14,304,864	14,742,036
Pelican Lake Mall and Store - Sales Revenue		-	4,661,557	3,920,515
Other revenue		1,837,189	1,120,859	397,507
Agency Chiefs Tribal Council - Account Receivable		934,549	595,584	1,956,057
Agency Chiefs Tribal Council - Cash		-	215,976	-
Rental income		536,000	524,340	501,634
First Nations Trust		-	503,857	518,242
Forestry Income		-	370,309	553,559
Sask Rivers School		90,000	113,783	61,328
Northern Lights Community Development Corporation		-	83,287	164,289
		13,736,844	22,494,416	22,815,167
Program expenses				
Education	3	4,849,129	6,355,220	5,401,229
Social Services	4	1,810,937	2,112,664	1,934,886
Band Government	5	1,949,621	1,075,277	1,359,805
Community Infrastructure	6	1,504,673	1,174,805	1,218,720
Housing and Capital Projects	7	1,103,165	3,054,836	2,713,786
Health	8	1,663,793	1,756,808	1,147,574
Economic Development and Other Programs	9	613,601	6,693,206	4,673,893
		13,494,919	22,222,816	18,449,893
Surplus before other items		241,925	271,600	4,365,274
Other income (expense)				
Gain on disposal of capital assets		-	137,754	-
Surplus		272,037	409,354	4,365,274
Accumulated surplus, beginning of year		13,903,665	13,903,665	9,538,391
Accumulated surplus, end of year		14,175,702	14,313,019	13,903,665

The accompanying notes are an integral part of these financial statements



Pelican Lake First Nation

Consolidated Statement of Change in Net Debt

For the year ended March 31, 2020

	2020 Budget Note 16	2020 Actual	2019 Actual
Annual surplus	241,925	409,354	4,365,274
Purchases of tangible capital assets	-	(1,132,836)	(5,029,651)
Amortization of tangible capital assets	-	1,711,145	1,278,018
Gain on sale of tangible capital assets	-	(137,753)	-
Proceeds on disposal of tangible capital assets	-	137,754	-
	-	578,310	(3,751,633)
Acquisition of prepaid expenses	-	(14,240)	(66,321)
Use of prepaid expenses	-	66,321	70,605
	-	52,081	4,284
Increase in net financial assets	241,925	1,039,745	617,925
Net debt, beginning of year	(8,573,066)	(8,573,066)	(9,190,991)
Net debt, end of year	(8,331,141)	(7,533,321)	(8,573,066)

The accompanying notes are an integral part of these financial statements



Pelican Lake First Nation

Consolidated Statement of Cash Flows

For the year ended March 31, 2020

	2020	2019
Cash provided by (used for) the following activities		
Operating activities		
Surplus	409,354	4,365,274
Non-cash items		
Amortization	1,711,145	1,278,018
	2,120,499	5,643,292
Changes in working capital accounts		
Accounts receivable	28,002	(803,673)
Trust fund held by the federal government	41,683	(124,734)
Due from government	-	(576,522)
Inventories	(88,375)	26,554
Prepaid expenses	52,081	4,284
Accounts payable and accruals	832,552	285,300
Deferred revenue	(762,838)	(1,222,850)
	2,223,604	3,231,651
Financing activities		
Advances of long-term debt	890,997	-
increase (decrease) in bank indebtedness	(738,845)	258,103
Repayment of long-term debt	(979,616)	(642,491)
	(827,464)	(384,388)
Capital activities		
Purchases of tangible capital assets	(1,132,836)	(5,029,651)
Increase in cash resources	263,304	(2,182,388)
Cash resources, beginning of year	959,655	3,142,043
Cash resources, end of year	1,222,959	959,655

The accompanying notes are an integral part of these financial statements



1. Operations

The Pelican Lake First Nation (the "First Nation") is located in the province of Saskatchewan, and provides various services to its members. Pelican Lake First Nation includes the First Nation's members, government and all related entities that are accountable to and are 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 governments, businesses, and other organizations 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 and financial position 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 Pelican Lake 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:

- Pelican Lake First Nation;
- Pelican Lake First Nation CMHC Housing;
- Junor Farms Ltd.;
- Pelican Lake Business Ventures (operating as Pelican Lake Store);
- Pelican Lake Electrical & Mechanical Ltd.;
- Pelican Lake Mall;
- Pelican Lake Wild Rice Ltd (inactive);
- Spruce Creek Bison Ranch (inactive)
- Chitek Lake Indian Development Company (inactive);
- Pelican Lake Energy Corp (inactive); and
- Pelican Lake Outfitters Ltd.(inactive)

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.



Pelican Lake First Nation

Notes to the Financial Statements

For the year ended March 31, 2020

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 the Pelican Lake First Nation.

- The First Nation is a member of the Agency Chiefs Tribal Council (ACTC). The ACTC is an organization of three Nations. The ACTC is mandated to enhance the services provided to the member Nations.
- The First Nation is a member of the Agency Chiefs Child and Family Services Inc. (AC Child and Family Services). AC Child and Family Services is an organization of four Nations. The mandate of AC Child and Family Services is to provide child and family protection and prevention services on-reserve to the four member 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 and cash equivalent 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 project bank accounts for specific capital projects. Long-term restricted cash consists of funds held in the CMHC replacement and operating reserve bank accounts; the CMHC reserves are used to pay eligible expenditures of the CMHC units.

Inventory for resale

Inventory for resale are valued at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less selling costs.

Tangible capital assets

Tangible capital assets are initially recorded at cost. Contributed tangible capital 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:

	Method	Years
Infrastructure	straight-line	40 years
Buildings and improvements	straight-line	10 years
Equipment	straight-line	5 years
Computer Equipment	straight-line	5 years
Parking Lot	straight-line	40 years

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



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

Funds held in Trust Fund

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

- Capital trust moneys derived from non-renewable resource transactions on 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.

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 debt

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

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.

Non-government funding

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

Other revenue

Rental and lease revenue is recognized over the rental/lease term. Other revenues are earned from other services provided by the First Nation and are recognized when the service has been provided.

Funds held in Trust Fund

Revenue is recognized when amounts can be reasonably estimated and collectability is known. Due to measurement uncertainty, revenue related to the receipt of funds held in the Trust Fund are recognized when it is received in either capital or revenue account.

Retail sales

Revenue from retail sales are recognized upon completion of the sale transaction and is earned, measurable, and collectible.

Rebates on retail sales

Fuel and tobacco rebates received from Saskatchewan Finance are recorded as a reduction of cost of sales in the period in which the related sales to individuals with Treaty numbers occurred. Rebates to individuals are provided at the time of sale.



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

Measurement uncertainty

The preparation of consolidated 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 consolidated 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.

Liabilities for contaminated sites are estimated based on the best information available regarding potentially contaminated sites that the First Nation is responsible for.

Legal provisions are recognized if its probable that an outflow of cash or other economic resources will be required to settle the provision.

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 costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2020.

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.

No provision for contaminated sites has been reported in these consolidated financial statements.

Segments

The First Nation conducts its business through 7 of reportable segments: Education, Social Services, Band Government, Community Infrastructure, Housing and Capital Projects, Health, and Economic Development 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. Inter-segment transfers are recorded at their exchange amount.

Retirement benefits

The First Nation has a defined contribution pension plan covering substantially all full-time employees who have completed one year of service. Contributions are discretionary, and are based on participants' contributions. The First Nation follows the policy of funding retirement plan contributions as accrued. The First Nation contributions in the current year totaled \$239,395 (2019 - \$221,223).



Pelican Lake First Nation
Notes to the Financial Statements
For the year ended March 31, 2020

3. Accounts receivable

	2020	2019
Agency Chiefs Tribal Council	1,222,204	782,839
Other	472,451	326,175
CMHC subsidy assistance receivable	165,875	76,522
Indigenous Services Canada	6,075	500,000
	1,866,605	1,685,536
Less: Allowance for doubtful accounts	302,546	93,476
	1,564,059	1,592,060

4. Restricted cash

	2020	2019
WTP Expansion and Upgrade	827,220	645,775

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

5. Investment

	2020	2019
Measured at cost: Investment - Cost	104,121	104,121

The First Nation owns 49.95% of Horizon Interiors Limited Partnership, 33% of A.C. Forestry Ltd., and 33% of A.C. Realty Ltd. These investments are impaired and have a carrying value of \$104,121 as at March 31, 2020 (2019 - \$104,121).



Pelican Lake First Nation **Notes to the Financial Statements** *For the year ended March 31, 2020*

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 Department of Indigenous Services Canada.

	2020	2019
Capital Trust		
Balance, beginning of year	17,358	17,359
Revenue Trust		
Balance, beginning of year	179,318	54,583
Interest	3,076	-
Land leases	99,430	124,734
	281,824	179,317
Less: Transfers to Nation	193,575	-
Balance, end of year	88,249	179,317
Railway Claim		
Deposits	12,050	-
Disbursements	(11,950)	-
Balance, end of year	100	-
Treaty Benefits		
Deposits	49,286	-
	154,993	196,676

7. Restricted cash - long-term

	2020	2019
CMHC replacement reserve	177,761	229,788
CMHC operating reserve	45,351	11,695
	223,112	241,483

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

8. Bank indebtedness

As at March 31, 2020, the First Nation had lines of credit totaling \$750,000 and \$300,000 (2019 - \$750,000 and \$300,000) available by way of business operating account overdrafts and are to be used for day to day cash flow requirements of the First Nation and the CMHC Phase 5 & 6 Construction, respectively. Interest is calculated at an average rate ranging from prime plus 1.25% to 2.00%. Security is in the form of Band Council Resolutions. The First Nation's total available bank overdrafts are \$2,600,000.



Pelican Lake First Nation **Notes to the Financial Statements** *For the year ended March 31, 2020*

9. 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>Amount of funding received</i>	<i>Amount recognized as revenue</i>	<i>Balance, end of year</i>
Capital Projects	1,185,688	370,000	795,055	760,633
Other - Federal Government	346,251	-	337,783	8,468
Agency Chiefs Tribal Council	100,179	-	-	100,179
	1,632,118	370,000	1,132,838	869,280

10. 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>	2020	2019
I	1,683	2.39%	March 1, 2023	147,282	163,791
II	1,293	1.87%	May 1, 2024	126,469	139,514
III	2,670	1.30%	December 1, 2020	175,160	204,752
IV	7,016	2.48%	August 1, 2023	623,479	691,518
V	8,906	1.35%	May 1, 2022	1,192,572	1,282,813
VI	6,237	1.86%	August 1, 2022	1,115,096	1,168,808
CMHC Loans				3,380,058	3,651,196
Loan with Innovation Credit Union; operating loan.				-	450,000
Loan with Bank of Montreal; consolidation loan.				-	11,467
Loan with First Nations Bank of Canada; term loan to repay operating line of credit used for various economic development activities. Repayable with quarterly principal payments of \$18,000, plus interest charged monthly at 4.55%. Loan is due in 2022.				90,000	162,000
Loan with First Nations Bank of Canada; term loan to finance renovation costs of 8-plex teacherage. Repayable with monthly principal and interest payments of \$1,906, with interest charged at 4.20%. Loan renews 2022 and is due in 2032.				207,522	220,812
Loan with First Nations Bank of Canada; interim demand loan for railway settlement, repayable interest only of prime rate plus 1.25%. Total available loan approved is \$373,520 and is available to draw down to pay Maurice Law invoices and insurance and/or surety bond premiums. Loan is due as a lump sum payment 7 days after the funding of the settlement claim or September 2023 and is secured by insurance policy and surety bond naming the First Nations Bank as a loss payee.				296,287	201,369



Pelican Lake First Nation **Notes to the Financial Statements** *For the year ended March 31, 2020*

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

Loan with First Nations Bank of Canada; treaty annuities settlement claim loan, repayable interest only of prime rate plus 1.25%. Total available loan approved is \$1,867,600 and is available to draw down to pay Maurice Law invoices and insurance policy and/or surety bond premiums. Loan is due September 2024 and is secured by insurance policy and surety bond naming the First Nations Bank as a loss payee.	549,328	-
Loan with Bank of Montreal; equipment loan. Repayable with monthly principal and interest payments of \$2,911, with interest charged at 4.81%. Loan is due April 30, 2023 and secured by general security agreement and assignment of ISC revenues.	93,137	139,705
Loan with Bank of Montreal; demand loan. Repayable with monthly principal and interest payments of \$1,028, with interest charged at prime plus 1.50%. Loan is due December 31, 2022.	32,889	-
Loan with Bank of Montreal; operating loan. Repayable with monthly principal and interest payments of \$1,555.56. Loan is due September 2034.	273,779	-
Loan with Bank of Montreal; demand loan to finance youth lodge renovation (group home). Repayable with monthly principal and interest payments of \$3,023, with interest charged at prime plus 2%. Loan is due in July 2021 and secured by general security agreement and assignment of ISC revenues.	10,180	44,738
Loan with Bank of Montreal; term loan to purchase equipment (excavator). Repayable with monthly principal and interest payments of \$3,565 with interest charged at 3.36%. Loan is due October 31, 2021 and secured by general security agreement.	65,845	105,684
Loan with Bank of Montreal; Mortgage for RCMP housing. Repayable with monthly principal and interest payments of \$1,240, with interest charged at 6.29%. Loan renews 2023, is due in 2028 and is secured by general security agreement and assignment of ISC revenues.	91,178	99,142
First Nations Bank economic development loan, repayable with quarterly principal payments of \$7,000, plus interest charged monthly at 4.55%. Loan is due April 1, 2021.	35,000	-
First Nations Bank of Canada store loan, repayable with monthly principal and interest payments of \$13,753 over 20 years, interest charged at prime plus 1.90%. Loan is due in renews in 2022 and is due in 2037. Loan is secured by general security agreement, assignment of FNT distributions, fire insurance on the on-reserve gas station/grocery store building.	1,914,229	2,041,937
	7,039,432	7,128,050
Less: current portion	1,047,776	653,105
	5,991,656	6,474,945



Pelican Lake First Nation
Notes to the Financial Statements
For the year ended March 31, 2020

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

2021	1,047,776
2022	532,857
2023	543,752
2024	529,112
2025	452,034
	<hr/>
	3,105,531

11. Tangible capital assets

The tangible capital assets reconciliation is included in Schedule 1.

Included in tangible capital assets are assets under construction of \$4,232,627 (2019 - \$3,437,572) for which no amortization has been taken.

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.

The First Nation has an ownership interest of 33.33% in A.C. Forestry Ltd. As at March 31, 2020, A.C. Forestry had a total available debt of \$1,685,000, in the form of a demand loan. The First Nation has provided a guarantee and postponement of claim to the lender in support of the financing to A.C. Forestry Ltd. for the full amount of the financing. The demand loan bears interest at prime plus 3.55% and is repayable in bi-weekly principal and interest installments of \$16,536. As at March 31, 2020 there has been no portion of this debt accrued by the First Nation (2019 - \$nil).



Pelican Lake First Nation
Notes to the Financial Statements
For the year ended March 31, 2020

13. Accumulated surplus

Accumulated surplus consists of the following:

	2020	2019
Equity in Trust Funds		
Balance, beginning of year	196,676	71,942
Interest earned	3,076	-
Lease revenue earned	99,430	124,734
Treaty benefits	49,386	-
Withdrawals	(193,575)	-
	154,993	196,676
Equity in CMHC operating reserve		
Balance, beginning of year	447,032	483,382
Contributions	39,280	-
Withdrawals	-	(36,350)
	486,312	447,032
Equity in tangible capital assets		
Balance, beginning of year	16,170,196	11,553,672
Acquisition of tangible capital assets	1,132,836	5,029,651
Amortization	(1,711,146)	(1,278,018)
Advances of long-term debt	(306,668)	-
Repayment of long-term debt	478,065	864,891
	15,763,283	16,170,196
Equity in Survey Error & Roadway Claim and Treaty Benefits Claim		
Balance, beginning of year	(201,369)	-
Withdrawals	(644,246)	(201,369)
	(845,615)	(201,369)
Unrestricted surplus		
Balance, beginning of year	(2,708,870)	(2,570,607)
Current year surplus (deficit)	409,354	4,365,276
Transfer to trust	41,683	(124,734)
Transfer to capital assets	406,913	(4,616,524)
Transfer to CMHC reserve	(39,280)	36,350
Transfer to Equity in Survey Error & Roadway Claim and Treaty Benefits Claim	644,246	201,369
	(1,245,954)	(2,708,870)
	14,313,019	13,903,665



Pelican Lake First Nation
Notes to the Financial Statements
For the year ended March 31, 2020

14. Indigenous Services Canada

ISC funding per confirmation	13,244,538
Add:	
Prior year deferred revenue	1,492,703
Deduct:	
Deferred revenue - Capital Projects	769,101
Total reconciled funding per consolidated financial statements	13,968,140
Total ISC funding per consolidated financial statements	11,797,543
Total FNIHB funding per consolidated financial statements	2,170,597
Total funding per consolidated financial statements	13,968,140

15. Budget information

The disclosed budget information has been approved by the Chief and Council of the Pelican Lake First Nation at the council meeting held on April 8, 2019.

The budget process followed by management only includes activities managed directly by the First Nation. Management does not prepare a budget for capital projects administered through third party project managers. As such no amounts have been included in the annual budget of the First Nation capital project ongoing during the year. The project revenues and expenditures are not included in management's disclosed budget figures for the Capital Projects segment.

Management does not budget for amortization expenses and as such, no amounts have been included in the annual budget of the First Nation for amortization.

16. Economic dependence

Pelican Lake First Nation receives a significant portion of its revenue from Indigenous Services Canada (ISC) as a result of Treaties entered into with the Government of Canada. These Treaties are administered by ISC 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. Segments

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

Education - provides a variety of services for students from nursery school to a complete grade 12 that meets all provincial criteria with a cultural influence that reflects the First Nation's identity. The department includes operation and maintenance of education buildings, special education, student transportation, and post-secondary.

Social Services - includes the operations and delivery of social programs. The department provides daycare, social assistance, homecare, headstart and membership support.

Community Infrastructure - includes activities for the maintenance of the First Nation's buildings and infrastructure. The department is responsible for roads, electrical services, sewer, water, fire protection and maintenance of community buildings.

Housing and capital projects - responsible for the construction and maintenance of housing, including CMHC, as well as larger maintenance projects that are non-recurring in nature and require capital funding.

Band Government - handles the finances and administration of the First Nation including support to Chief and Council and all other departments. The department provides internal support and central services to ensure the efficient and effective operations of the First Nation.

Health - responsible for the delivery of health programs and services. The department provides health education, prevention programs, addictions, mental health, community health and early childhood programs.

Economic development and other programs - includes the Pelican Lake Mall and Store, Pelican Lake Electrical and Mechanical, community economic development, capacity development management, First Nations Trust and youth work experience.

For each segment separately reported, the segment revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis.

18. Comparative figures

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



Pelican Lake First Nation

Schedule 1 - Schedule of Tangible Capital Assets

For the year ended March 31, 2020

	Land	Infrastructure	Buildings and improvements	Equipment	Construction-in-progress	2020	2019
Cost							
Balance, beginning of year	17,809	29,730,388	8,975,387	3,247,294	3,437,572	45,408,450	40,378,799
Acquisition of tangible capital assets	-	-	-	337,781	795,055	1,132,836	1,592,079
Construction-in-progress	-	-	-	-	-	-	3,437,572
Balance, end of year	17,809	29,730,388	8,975,387	3,585,075	4,232,627	46,541,286	45,408,450
Accumulated amortization							
Balance, beginning of year	-	16,996,582	3,385,510	2,615,948	-	22,998,040	21,720,022
Annual amortization	-	739,706	663,691	307,749	-	1,711,146	1,278,018
Balance, end of year	-	17,736,288	4,049,201	2,923,697	-	24,709,186	22,998,040
Net book value of tangible capital assets	17,809	11,994,100	4,926,186	661,378	4,232,627	21,832,100	22,410,410
2019							
Net book value of tangible capital assets	17,809	12,733,806	5,589,877	631,346	3,437,572	22,410,410	



Pelican Lake First Nation **Schedule 2 - Consolidated Expenses by Object** *For the year ended March 31, 2020*

	2020 Budget Note 16	2020 Actual	2019 Actual
Consolidated expenses by object			
Salaries and benefits	5,178,088	5,665,999	4,903,746
Operating and COGS - Mall/Store/Electrical	-	5,370,200	4,243,833
Contracted services	1,700,455	1,877,423	1,369,940
Amortization	-	1,711,145	1,278,018
Basic Needs	1,303,010	1,501,404	1,399,991
Repairs and maintenance	664,154	715,170	676,181
Insurance	251,830	664,938	319,208
Student expenses	514,936	589,799	498,910
Honouraria	535,000	549,697	731,814
Professional fees	180,000	519,382	225,407
Supplies	334,103	518,048	969,543
Travel	445,242	466,057	402,011
Bad debts	-	332,714	1,080
Utilities	265,204	285,769	232,144
Interest on long-term debt	85,293	234,442	192,364
Vehicle	140,523	215,269	192,138
Rent	57,600	149,387	102,042
Elders fees	135,500	122,279	174,834
Administration	816,323	117,102	(103,103)
Community events	412,936	108,210	82,932
Office supplies	52,572	97,210	62,893
Special Needs	110,756	96,979	114,123
Telephone	22,220	66,893	56,092
Bank charges and interest	135,000	48,900	17,293
Program expense	-	48,731	31,823
Cell Phone	-	45,464	23,244
Meeting	-	32,323	21,031
Forfeited funding	-	20,000	-
Property tax	12,585	19,687	17,413
Member Assistance	94,200	8,112	94,652
Training	2,576	7,616	12,277
Consulting	-	6,180	-
Miscellaneous	44,813	5,187	86,247
Furniture and equipment	-	5,000	931
Advertising	-	100	800
Funeral	-	-	18,041
	13,494,919	22,222,816	18,449,893



Pelican Lake First Nation Education

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

For the year ended March 31, 2020

	2020 Budget	2020 (Unaudited)	2019 (Unaudited)
Revenue			
Indigenous Services Canada	4,653,641	6,645,372	5,162,960
Sask Rivers School - Follow their Voices	90,000	113,783	61,328
Rental income	36,760	36,745	42,357
Agency Chiefs Tribal Council - Account Receivable	83,737	24,844	1,261,962
Agency Chiefs Tribal Council - Cash Received	-	17,499	-
	4,864,138	6,838,243	6,528,607
Expenses			
Salaries and benefits	2,962,095	3,405,980	3,052,147
Administration	464,714	1,112,755	664,666
Contracted services	643,893	674,858	414,584
Student expenses	514,936	589,799	498,910
Supplies	130,582	202,203	535,205
Rent	24,000	69,250	62,912
Repairs and maintenance	11,000	61,898	19,168
Community events	-	57,264	43,550
Vehicle	9,855	37,625	30,995
Travel	28,830	36,404	25,821
Program expense	-	29,841	5,814
Office supplies	20,000	20,105	21,581
Telephone	16,000	16,307	17,961
Insurance	11,000	15,550	12,821
Utilities	2,000	14,883	(8,585)
Member Assistance	4,200	7,937	3,679
Honouraria	-	1,647	-
Training	-	460	-
Interest on long-term debt	6,024	354	-
Elders fees	-	100	-
	4,849,129	6,355,220	5,401,229
Surplus before transfers	15,009	483,023	1,127,378
Transfers between programs	-	(180,000)	-
Surplus	15,009	303,023	1,127,378



Pelican Lake First Nation **Social Services**

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

For the year ended March 31, 2020

	2020 Budget	2020 (Unaudited)	2019 (Unaudited)
Revenue			
Indigenous Services Canada	1,620,029	2,167,943	1,635,295
Agency Chiefs Tribal Council - Cash Received	-	148,573	-
Agency Chiefs Tribal Council - Account Receivable	183,908	45,654	238,258
Other revenue	7,000	30,471	22,761
	1,810,937	2,392,641	1,896,314
Expenses			
Basic Needs	1,303,010	1,501,404	1,399,991
Salaries and benefits	241,189	218,160	326,909
Special Needs	110,756	96,979	114,123
Supplies	6,206	80,892	19,743
Administration	13,776	75,259	47,040
Rent	33,600	45,600	33,600
Contracted services	50,000	20,505	49,944
Bank charges and interest	15,000	15,106	1,600
Office supplies	13,000	13,927	9,593
Program expense	-	12,125	19,759
Travel	10,000	10,207	12,115
Insurance	3,400	7,545	1,977
Utilities	8,000	7,281	5,028
Telephone	1,000	6,026	5,294
Repairs and maintenance	2,000	1,522	796
Vehicle	-	126	-
Training	-	-	7,574
Mall Elect Cost of Sales and operating expenses	-	-	(120,200)
	1,810,937	2,112,664	1,934,886
Surplus (deficit)	-	279,977	(38,572)



Pelican Lake First Nation
Band Government
Schedule 5 - Schedule of Revenue and Expenses Surplus (Deficit)
For the year ended March 31, 2020

	2020 Budget	2020 (Unaudited)	2019 (Unaudited)
Revenue			
Indigenous Services Canada	864,572	913,338	966,578
Other revenue	1,200,215	796,645	540,058
Northern Lights Community Development Corporation	-	15,000	62,999
	2,064,787	1,724,983	1,569,635
Expenses			
Honouraria	535,000	548,050	731,814
Salaries and benefits	441,387	488,366	493,184
Bad debts	-	332,714	1,080
Travel	276,774	277,991	260,848
Contracted services	130,684	225,857	184,069
Professional fees	180,000	171,586	225,407
Interest on long-term debt	-	101,532	79,211
Cell Phone	-	45,464	23,244
Insurance	-	36,500	44,152
Rent	-	34,537	5,530
Meeting	-	32,323	21,031
Bank charges and interest	120,000	31,531	13,044
Office supplies	11,195	27,038	24,522
Repairs and maintenance	-	24,631	14,504
Forfeited funding	-	20,000	-
Property tax	12,585	19,687	17,413
Telephone	1,220	14,448	13,614
Vehicle	3,436	10,520	11,235
Utilities	-	8,946	237
Program expense	-	6,765	6,250
Supplies	-	6,719	315
Consulting	-	6,180	-
Training	-	1,000	3,703
Elders fees	125,000	500	-
Community events	-	141	1,300
Advertising	-	100	800
Member Assistance	90,000	-	90,823
Funeral	-	-	18,041
Miscellaneous	12,340	(137)	3,431
Administration	10,000	(1,397,712)	(928,997)
	1,949,621	1,075,277	1,359,805
Surplus before transfers	115,166	649,706	209,830
Transfers between programs	(115,164)	-	-
Surplus	2	649,706	209,830

Pelican Lake First Nation
Community Infrastructure
Schedule 6 - Schedule of Revenue and Expenses Surplus (Deficit)
For the year ended March 31, 2020

	2020 Budget	2020 (Unaudited)	2019 (Unaudited)
Revenue			
Indigenous Services Canada	523,720	695,596	668,125
Other revenue	130,000	-	-
Rental income	245,240	232,892	193,558
Agency Chiefs Tribal Council - Account Receivable	77,000	163,989	99,539
Other revenue	344,525	76,902	85,429
	1,320,485	1,169,379	1,046,651
Expenses			
Salaries and benefits	731,642	489,174	470,724
Contracted services	87,839	157,483	186,399
Repairs and maintenance	248,721	152,878	165,722
Utilities	136,204	138,564	101,559
Vehicle	97,232	93,999	119,654
Insurance	53,430	62,189	56,236
Supplies	-	18,239	15,992
Travel	20,200	16,972	26,092
Office supplies	8,377	16,919	-
Interest on long-term debt	21,269	10,605	15,871
Telephone	-	8,113	7,591
Training	2,576	5,755	-
Miscellaneous	22,473	3,795	52,760
Bank charges and interest	-	120	120
Administration	74,710	-	-
	1,504,673	1,174,805	1,218,720
Deficit before transfers	(184,188)	(5,426)	(172,069)
Transfers between programs	71,675	180,000	-
Surplus (deficit)	(112,513)	174,574	(172,069)

Pelican Lake First Nation
Housing and Capital Projects
Schedule 7 - Schedule of Revenue and Expenses Surplus (Deficit)
For the year ended March 31, 2020

	2020 Budget	2020 (Unaudited)	2019 (Unaudited)
Revenue			
Indigenous Services Canada	794,255	1,288,344	4,830,493
Canada Mortgage and Housing Corporation	294,000	336,724	400,259
Rental income	254,000	254,704	265,719
Other revenue	100,337	1,313	63,800
	1,442,592	1,881,085	5,560,271
Expenses			
Amortization	-	1,711,145	1,278,018
Repairs and maintenance	388,326	401,390	493,042
Insurance	178,000	223,205	200,709
Contracted services	42,039	219,985	214,327
Salaries and benefits	257,400	219,483	235,040
Utilities	119,000	116,095	133,905
Interest on long-term debt	58,000	104,449	97,282
Administration	50,000	37,200	36,000
Travel	10,400	11,248	14,942
Furniture and equipment	-	5,000	931
Bank charges and interest	-	2,141	2,529
Telephone	-	1,850	2,114
Vehicle	-	1,243	3,616
Training	-	402	-
Office supplies	-	-	1,331
	1,103,165	3,054,836	2,713,786
Surplus (deficit) before other items	339,427	(1,173,751)	2,846,485
Other income (expense)			
Gain (loss) on disposal of capital assets	-	137,754	-
Surplus (deficit)	339,427	(1,035,997)	2,846,485



Pelican Lake First Nation Health

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

For the year ended March 31, 2020

	2020 Budget	2020 (Unaudited)	2019 (Unaudited)
Revenue			
First Nations and Inuit Health Branch	1,588,889	2,170,597	1,078,326
Other revenue	25,000	133,312	19,674
Agency Chiefs Tribal Council - Account Receivable	49,904	116,097	123,373
Agency Chiefs Tribal Council - Cash Received	-	49,904	-
	1,663,793	2,469,910	1,221,373
Expenses			
Salaries and benefits	488,112	539,258	325,742
Contracted services	260,000	449,541	182,291
Administration	149,123	281,972	78,188
Supplies	194,815	209,996	398,288
Travel	85,200	113,235	62,193
Community events	412,936	50,805	28,082
Vehicle	30,000	31,756	26,638
Repairs and maintenance	14,107	29,136	(17,051)
Telephone	3,000	20,148	9,518
Office supplies	-	19,220	5,866
Insurance	6,000	6,637	3,313
Elders fees	10,500	3,400	13,300
Miscellaneous	10,000	1,529	30,056
Member Assistance	-	175	150
Training	-	-	1,000
	1,663,793	1,756,808	1,147,574
Surplus	-	713,102	73,799



Pelican Lake First Nation
Economic Development and Other Programs
Schedule 9 - Schedule of Revenue and Expenses Surplus (Deficit)
For the year ended March 31, 2020

	2020 Budget	2020 (Unaudited)	2019 (Unaudited)
Revenue			
Government funding	-	86,950	-
Indigenous Services Canada	-	4,661,557	3,920,515
Pelican Lake Mall and Store - Sales Revenue	-	503,857	518,242
First Nations Trust	-	370,309	553,559
Forestry Income	540,000	245,000	232,925
Agency Chiefs Tribal Council - Account Receivable	-	82,216	(334,215)
Other revenue	-	68,287	101,290
Northern Lights Community Development Corporation	-	-	-
	540,000	6,018,176	4,992,316
Expenses			
Pelican Lake Mall, Store and Mechanical COS and operating	-	5,370,200	4,364,033
Professional fees	-	347,796	-
Insurance	-	313,312	-
Salaries and benefits	56,263	305,578	-
Elders fees	-	118,279	161,534
Contracted services	486,000	129,194	138,326
Repairs and maintenance	-	43,715	-
Vehicle	-	40,000	-
Interest on long-term debt	-	17,503	-
Administration	54,000	7,629	-
Community events	-	-	10,000
Telephone	1,000	-	-
Supplies	2,500	-	-
Travel	13,838	-	-
	613,601	6,693,206	4,673,893
Surplus (deficit) before transfers	(73,601)	(675,030)	318,423
Transfers between programs	73,601	-	-
Surplus (deficit)	-	(675,030)	318,423