



**Poundmaker Cree Nation
Consolidated Financial Statements**

March 31, 2021



Poundmaker Cree Nation Contents

For the year ended March 31, 2021

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Management's Responsibility

To the Members of Poundmaker Cree Nation:



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.

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

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

August 27, 2021

Signed by: Marvina Pete

Management

Independent Auditor's Report

To the Members of Poundmaker Cree Nation:

Opinion

We have audited the consolidated financial statements of Poundmaker Cree Nation (the "Nation"), which comprise the consolidated statement of financial position as at March 31, 2021, and the consolidated statements of operations and accumulated surplus, changes in net debt and 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 Nation as at March 31, 2021, and the results of its consolidated operations, its consolidated changes in net debt 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 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.

Emphasis of Matter

Without modifying our opinion, we draw attention to Notes 10 and 12 to the consolidated financial statements which describe that Poundmaker Cree Nation entered into a Treaty Benefit Claim against the Government of Canada for damages sustained by the Nation. The Nation has obtained a loan to fund the costs of negotiations and has taken insurance to cover the repayment of the loan if it is in excess of settlement proceeds.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the 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 unless management either intends to liquidate the Nation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the 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 (continued from previous page)

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 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 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 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 consolidated 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 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.

Saskatoon, Saskatchewan

August 27, 2021

MNP LLP

Chartered Professional Accountants

MNP



Poundmaker Cree Nation
Consolidated Statement of Financial Position
As at March 31, 2021

	2021	2020
Financial assets		
Current		
Restricted cash (Note 3)	704,442	159,576
Accounts receivable (Note 4)	308,004	118,463
Cattle inventory	169,909	-
Due from related parties (Note 5)	-	55,217
	1,182,355	333,256
Restricted cash (Note 3)	319,018	317,669
Investment in Nation business entities (Note 6)	376,270	361,377
Funds held in Ottawa Trust Fund (Note 7)	81,235	70,719
Total financial assets	1,958,878	1,083,021
Liabilities		
Current		
Bank indebtedness (Note 8)	202,079	572,829
Accounts payable and accruals	3,417,207	818,922
Deferred revenue (Note 9)	2,641,954	974,122
Due to related parties (Note 5)	140,553	72,500
Current portion of long-term debt (Note 10)	1,485,783	552,686
Current portion of capital lease obligations (Note 11)	47,260	-
	7,934,836	2,991,059
Long-term debt (Note 10)	5,980,491	5,972,919
Capital lease obligations (Note 11)	197,489	56,031
Total liabilities	14,112,816	9,020,009
Net debt	(12,153,938)	(7,936,988)
Contingent asset (Note 12)		
Contingent liability (Note 13)		
Non-financial assets		
Tangible capital assets (Note 14)	31,902,185	28,763,663
Prepaid expenses	5,000	80,000
Total non-financial assets	31,907,185	28,843,663
Accumulated surplus (Note 15)	19,753,247	20,906,675

Approved on behalf of Chief and Council

Signed by: Duane Antoine

Chief

Signed by: Darwin Kasokeo

Councillor

Signed by: Bryan Tootoosis

Councillor



Poundmaker Cree Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2021

	2021 Budget (Note 17)	2021 Actual	2020 Actual
Revenues			
Indigenous Services Canada (Note 20)	8,149,536	12,053,447	9,801,156
Miscellaneous	404,270	621,281	659,954
First Nations Trust	-	395,112	542,215
Lease	100,000	270,895	288,212
Keyanow Child and Family Centre Inc.	-	266,433	-
Retail sales - meat shop	-	188,037	107,649
Rental	-	166,140	166,485
Annual Income Poundmaker Legacy Trust	266,573	147,990	146,573
Canada Mortgage and Housing Corporation	18,086	134,798	223,616
Border Tribal Council	-	100,000	1,827
Ottawa Trust Fund	-	59,953	162,475
Battle River Treaty 6 Health Centre Inc.	16,500	36,500	15,125
Grants and proposal funding	-	26,245	5,000
Earnings (loss) from investment in Nation business entities (Note 6)	-	14,893	(67,548)
Government of Canada	14,168	9,600	23,768
	8,969,133	14,491,324	12,076,507
Program expenses			
Administration	1,007,246	1,992,251	1,342,996
Education	4,231,730	5,432,836	4,092,634
Social Development	1,694,083	2,498,669	2,225,634
Housing	296,785	1,352,694	1,043,705
Operations and Maintenance	626,374	1,169,075	1,080,484
Capital	-	194,426	108,963
Own Source	1,038,317	2,048,659	2,193,677
Other	599,304	956,142	1,308,692
Total expenses	9,493,839	15,644,752	13,396,785
Deficit before other item	(524,706)	(1,153,428)	(1,320,278)
Other item			
Gain on disposal of tangible capital assets	-	-	96,710
Deficit	(524,706)	(1,153,428)	(1,223,568)
Accumulated surplus, beginning of year	20,906,675	20,906,675	22,130,243
Accumulated surplus, end of year	20,381,969	19,753,247	20,906,675



Poundmaker Cree Nation
Consolidated Statement of Changes in Net Debt
For the year ended March 31, 2021

	2021 Budget (Note 17)	2021 Actual	2020 Actual
Deficit	(524,706)	(1,153,428)	(1,223,568)
Purchases of tangible capital assets	-	(4,068,114)	(2,439,347)
Amortization of tangible capital assets	-	1,142,511	1,028,912
Assets acquired through capital lease	-	(212,919)	-
Use of prepaid expenses	-	75,000	40,000
Gain on disposal of tangible capital assets	-	-	(96,710)
Proceeds on disposal of tangible capital assets	-	-	122,550
Change in reporting entity	-	-	186,550
	-	(3,063,522)	(1,158,045)
Increase in net debt	(524,706)	(4,216,950)	(2,381,613)
Net debt, beginning of year	(7,936,988)	(7,936,988)	(5,555,375)
Net debt, end of year	(8,461,694)	(12,153,938)	(7,936,988)



Poundmaker Cree Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2021

2021

2020

Cash provided by (used for) the following activities

Operating activities

Deficit	(1,153,428)	(1,223,568)
Non-cash items		
Amortization of tangible capital assets	1,142,511	1,028,912
Gain on disposal of tangible capital assets	-	(96,710)
Loss (earnings) from investment in Nation business entities (Note 6)	(14,893)	67,548
	(25,810)	(223,818)
Changes in working capital accounts		
Accounts receivable	(189,541)	272,655
Cattle inventory	(169,909)	-
Accounts payable and accruals	2,598,285	168,019
Deferred revenue	1,667,832	(224,710)
Use of prepaid expenses	75,000	40,000
	3,955,857	32,146

Financing activities

Advances of long-term debt, capital leases and term loan due on demand	1,461,495	1,423,977
Repayment of long-term debt	(536,854)	(389,292)
Repayment of capital lease obligations	(8,173)	-
Due to related parties	68,053	67,909
	984,521	1,102,594

Capital activities

Purchases of tangible capital assets	(4,068,114)	(2,439,347)
Decrease (increase) in funds held in Ottawa Trust Fund	(10,516)	98,620
Proceeds on disposal of tangible capital assets	-	122,550
	(4,078,630)	(2,218,177)

Investing activities

Investment in Nation business entity	-	(300,000)
Decrease (Increase) in restricted cash	(546,215)	363,785
Change in reporting entity	-	(21,999)
Due from related parties	55,217	(55,217)
	(490,998)	(13,431)

Increase (decrease) in cash resources

Cash resources (deficiency), beginning of year

Cash deficiency, end of year

Supplementary cash flow information		
Interest paid	323,074	227,873



Poundmaker Cree Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2021

1. Operations

The Poundmaker Cree Nation (the "Nation") is located in Treaty 6 Territory, and provides various services to its Members. Poundmaker Cree Nation includes all related entities that are accountable to the Nation and are either owned or controlled by the 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 operations. The Nation has been impacted by office closures, travel restrictions, cancellation of events and increased costs due to restrictions put in place regarding travel, business operations and isolation/quarantine orders.

The Nation has been impacted by office closures, travel restrictions, cancellation of events and increased costs due to pandemic related expenditures and decreased First Nations Trust Funding. The Nation expects these impacts to continue until the pandemic is over. Indigenous Services Canada has provided additional funding to assist with some of the costs associated with responding to COVID-19.

2. Significant accounting policies

These consolidated 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 - consolidated

The financial statements consolidate the financial activities of all entities and departments comprising the Nation's reporting entity.

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

- Poundmaker Cree Nation
- Poundmaker Cree Nation CMHC Housing
- Poundmaker Royalty Corporation
- Poundmaker Treaty Land Entitlement Trust
- West Arrow Development Corp.

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.

The Poundmaker Legacy Trust has not been consolidated as the Chief and Council do not control the Trust.

Business entities, owned or controlled by the Nation but not dependent on the Nation for their continuing operations, are included in the consolidated 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 Nation. Thus, the Nation's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and contributions and decreased by post acquisition losses and distributions received. Entities accounted for by the modified equity basis include:

- Poundmaker Economic Development Holdings Limited Partnership
- Kanatinak Store 2 Inc.
- 101119042 Saskatchewan Ltd.

Basis of presentation

Sources of revenues 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.



Poundmaker Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

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

Cash and cash equivalents

Cash and cash equivalents 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 consists of CMHC Replacement Reserve and capital project bank accounts.

Funds held in Ottawa Trust Fund

Funds held in trust on behalf of the Nation by the Government of Canada consist of:

- Capital trust moneys derived from non-renewable resource transactions on the sale of land or other 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.

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.

Land purchased is recorded at the purchase price.

Amortization

Tangible capital assets are amortized annually using the following methods at rates intended to amortize the cost of the assets over their estimated useful lives:

	Method	Rate
Land improvements	straight-line	30 years
Buildings	straight-line	25 years
CMHC housing	straight-line	25 years
Vehicles and equipment	straight-line	7-10 years
Computer equipment	straight-line	5 years
Roads	straight-line	40 years
Infrastructure	straight-line	40 years

Assets under construction are not amortized until they are put into use. Land is not amortized. In the year of acquisition assets are amortized at 50% of the normal rate.

The Nation holds original reserve land and mineral rights on the land. The land and mineral rights are not recognized in the Nation's consolidated financial statements.

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 Nation's consolidated financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt of the Nation is determined by its financial assets less its liabilities. Net debt combined with non-financial assets comprise a second indicator of financial position, accumulated surplus.



Poundmaker Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

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

Revenue recognition

Funding

Revenue 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.

Government Transfers

The 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 Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Other revenues

Rental and lease revenue is recognized over the rental term. Miscellaneous and retail sales are recognized as they become receivable or when the goods or services have been provided. Annual Income from the Poundmaker Legacy Trust is recognized when it becomes payable to the Nation under the terms of the Poundmaker Legacy Trust Agreement.

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 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, 2021.

There are no known liabilities at March 31, 2021.

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 revenues and expenses during the reporting period. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the records in the periods in which they become known.

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. Deferred revenue is recorded based on management's best estimate of costs to be spent.

Segments

The Nation conducts its business through 8 reportable segments (Note 18). These operating segments are established by senior management to facilitate the achievement of the Nation's long-term objectives to aid in resource allocation decisions and to assess operational performance.

For each reported segment, revenues 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.

Other economic interests

The Nation is a member of several other entities. The Nation does not share in the profit or loss of these entities. As a result these entities have not been included in these consolidated financial statements.



Poundmaker Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

3. Restricted cash

	2021	2020
Current:		
Capital projects	704,442	159,576
Long-term:		
CMHC Replacement Reserve	319,018	317,669
	1,023,460	477,245

4. Accounts receivable

	2021	2020
Indigenous Services Canada	220,817	14,820
Other	68,980	21,511
Members	43,863	106,743
CMHC	11,230	11,266
	344,890	154,340
Less: Allowance for doubtful accounts	36,886	35,877
	308,004	118,463

5. Due to (from) related parties

	2021	2020
Due to (from) Kanatinak Store 2 Inc.	68,053	(55,217)
Due to 101119042 Saskatchewan Ltd.	72,500	72,500
	140,553	17,283

The amounts due to (from) related parties are non-interest bearing, unsecured, and have no terms of repayment. Kanatinak Store 2 Inc. and 101119042 Saskatchewan Ltd. are owned by the Nation.



Poundmaker Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

6. Investment in Nation business entities

The Nation has investments in the following entities:

	<i>March 31, 2020</i>	<i>Net income (loss)</i>	<i>March 31, 2021</i>
Kanatinak Store 2 Inc.	328,797	116,396	445,193
101119042 Saskatchewan Ltd.	32,480	(101,503)	(69,023)
Poundmaker Economic Development Holdings Limited Partnership	100	-	100
	361,377	14,893	376,270

Summary financial information for each Nation business entity, accounted for using the modified equity method, is as follows:

	<i>Kanatinak Store 2 Inc.</i>	<i>101119042 Saskatchewan Ltd.</i>	<i>Poundmaker Economic Development Holdings Limited Partnership</i>
	<i>As at March 31, 2021</i>	<i>As at March 31, 2021</i>	<i>As at March 31, 2021</i>
Assets			
Current	223,464	126,208	100
Long-term	361,789	1,310,400	-
Total assets	585,253	1,436,608	100
Liabilities			
Current	140,060	384,198	-
Long-term	-	1,121,433	-
Total liabilities	140,060	1,505,631	-
Net assets	445,193	(69,023)	100
Total revenues	2,805,021	281,101	-
Total expenses	2,688,625	382,604	-
Net income (loss)	116,396	(101,503)	-

Principal repayments on long-term debt of the Nation's business in each of the next five years assuming long-term debt subject to refinancing is renewed at same or similar term, are estimated as follows:

	<i>2022</i>	<i>2023</i>	<i>2024</i>	<i>2025</i>	<i>2026</i>	<i>Thereafter</i>	<i>Total</i>
101119042 Saskatchewan Ltd.	129,586	135,031	124,437	122,221	112,504	497,654	1,121,433

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

101119042 Saskatchewan Ltd. has the following long-term debt which the Nation has issued a guarantee for repayment:

- Innovation Credit Union loan of \$1,003,224 bearing interest at 5.50% per annum, repayable in blended annual payments of \$197,049, due for renewal in September 2030. In addition, there are 2 capital leases with equipment as security.

Poundmaker Economic Development Holdings Limited Partnership was formed with a partnership agreement dated March 1, 2017. Poundmaker obtained 100% ownership with an initial capital investment of \$100. There was no activity in the Partnership for the period ending March 31, 2021.



Poundmaker Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

7. Funds held in Ottawa Trust Fund

Capital and revenue trust monies are transferred to the Nation on the authorization of Chief and Council, and with the consent of the Minister of Indian Affairs.

	2021	2020
Capital Trust		
Balance, beginning of year	50,635	162,764
Royalties	14,131	107,871
Withdrawals	-	(220,000)
<hr/>		
Balance, end of year	64,766	50,635
Revenue Trust		
Balance, beginning of year	20,084	6,575
Lease and interest revenues	45,822	54,604
Withdrawals	(49,437)	(41,095)
<hr/>		
Balance, end of year	16,469	20,084
<hr/>		
	81,235	70,719

8. Bank indebtedness

The Nation has an operating line of credit of \$325,000 with interest at Royal Bank Prime plus 4.05%. At March 31, 2021, \$71,599 (2020 - \$325,000) has been drawn. The operating line is secured by a general security agreement and a Band Council Resolution. The difference between bank indebtedness and the line of credit is the result of outstanding cheques.



Poundmaker Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

9. Deferred revenue

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

	<i>Balance 2020</i>	<i>Contributions received</i>	<i>Contributions utilized</i>	<i>Balance 2021</i>
Land leases	408,541	282,492	231,372	459,661
ISC - Flood Recovery	71,527	13	44,249	27,291
ISC - Transfer Station	236,087	17	54,794	181,310
ISC - School Assessment	54,967	100,000	-	154,967
ISC - A&C Water	200,000	630,737	398,281	432,456
ISC - Awareness Raising	3,000	-	-	3,000
ISC - Governance Capacity Development	-	42,500	2,282	40,218
ISC - Indigenous Community Business Fund	-	140,237	35,287	104,950
ISC - Covid-19 Band Office and Buildings	-	18,249	-	18,249
ISC - Covid-19 Reopening Firehall	-	18,277	-	18,277
ISC - Covid-19 Reopening Daycare	-	18,277	-	18,277
ISC - JP Service Coordination	-	66,000	57,779	8,221
ISC - JP Initiative - Music and Holistic Wellness	-	141,884	92,483	49,401
ISC - Regional Implementation	-	175,200	15,000	160,200
ISC - JP Initiative - Mental Wellness Other	-	70,514	-	70,514
ISC - Education Covid-19	-	112,345	100,313	12,032
ISC - JP Initiative - Education	-	11,290	-	11,290
ISC - JP Initiative - Education Partnership Program	-	42,300	6,536	35,764
ISC - Client Support - Pre-employment	-	152,750	101,538	51,212
ISC - Case Management Capacity	-	114,124	73,208	40,916
ISC - Basic Needs	-	1,560,707	1,125,401	435,306
ISC - Covid-19 Pandemic Health	-	184,500	63,226	121,274
ISC - Covid-19 Pandemic Support Funding	-	157,168	-	157,168
ISC - Information Management & Technology	-	30,000	-	30,000
	974,122	4,069,581	2,401,749	2,641,954



Poundmaker Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

10. Long-term debt

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

<u>Phase</u>	<u>Monthly payment including interest</u>	<u>Interest rate</u>	<u>Renewal Date</u>	<u>2021</u>	<u>2020</u>
I	1,622	1.11%	1-Apr-21	96,172	114,465
II	2,826	1.97%	1-Dec-22	179,488	209,530
III	1,244	1.86%	1-Apr-24	111,964	124,691
IV	1,243	0.79%	1-Jan-26	131,835	145,592
V	6,078	1.87%	1-May-24	504,891	567,807
				1,024,350	1,162,085
RBC consolidation term loan, repayable in quarterly instalments of \$109,154 including interest at Royal Bank prime plus 2.5%, maturing February 1, 2029, secured by preferred security interest in property and First Nations Trust and ISC funding.				2,747,364	3,028,592
RBC Treaty Benefit term loan, with interest at Royal Bank prime plus 0.25%, repayable the earlier of: receipt of funds pursuant to a settlement, judgment or order relating to the Claim and January 16, 2023, secured by AmTrust Europe Limited insurance policy, surety bond and assignment of all proceeds payable under the insurance policy (see Note 12).				1,008,289	985,579
RBC term loan, repayable in monthly instalments of \$3,152 plus interest at 1.5%, maturing July 18, 2021, secured by a Poundmaker Legacy Trust guarantee and a general security agreement.				882,571	940,000
RBC loan advance. Repayable in monthly interest only payments at RBC Prime plus 1.75%. Amount due upon completion of the water upgrade project or May 1, 2021. Draws approved up to \$2,030,000.				850,000	-
Canada Mortgage and Housing Corporation Phase VI loan advances payable upon completion of Phase VI housing.				307,100	88,100
RBC term loan, repayable in monthly instalments of \$1,452 including interest at 2.78%. Maturing March 1, 2022.				213,423	-
RBC term loan, repayable in annual instalments of \$14,372 including interest at 4.5%, maturing April 2, 2044, secured by a Poundmaker Legacy Trust guarantee and a general security agreement.				209,206	220,000
RBC Term Loan, repayable in annual instalments of \$45,151 including interest at 4.18%. Maturing May 26, 2022.				156,362	-
RBC loan, repayable in monthly instalments of \$1,196 including interest at 6.99%, maturing February 2, 2024, secured by a vehicle with a net book value of \$55,198.				37,759	49,040
RBC loan, repayable in monthly instalments of \$1,158 including interest at 6.99%, maturing July 23, 2023, secured by a vehicle with a net book value of \$41,123.				29,850	41,222



Poundmaker Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

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

	2021	2020
Peace Hills Trust mortgage, repaid October 1, 2020.	-	10,987
	7,466,274	6,525,605
Less: current portion	1,485,783	552,686
	5,980,491	5,972,919

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

2022	1,485,783
2023	1,593,371
2024	632,973
2025	558,734
2026	579,931

Included in current portion is \$850,000 related to bridge financing for the water upgrade project. This loan was repaid after year-end with revenues provided by Indigenous Services Canada. The Treaty Benefit term loan is recorded as part of the current portion for 2023 (Note 12).

Long-term debt is subject to certain financial covenants with respect to timely submission of financial statements as well as various other restrictions and general covenants.



Poundmaker Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

11. Capital lease obligations

	2021	2020
CWB National Leasing lease payable in monthly instalments of \$2,655 including interest at 7.75% per annum. Due October 1, 2026, with vehicles having a net book value of \$151,891 pledged as collateral.	145,129	-
Boundary Ford lease payable in monthly instalments of \$1,018 including interest at 6.24% per annum. Due January 1, 2027, with a vehicle having a net book value of \$57,976 pledged as collateral.	59,617	-
John Deere lease, repayable in monthly instalments of \$1,697 including interest at 8.89%, maturing May 25, 2023, secured by equipment with a net book value of \$61,425.	<u>40,003</u>	56,031
	244,749	56,031
Less: current portion	47,260	-
	<u>197,489</u>	56,031

Minimum lease payments related to the obligations under capital lease are as follows:

2022	64,446
2023	64,446
2024	47,474
2025	44,080
2026	44,080
Thereafter, to 2027	<u>30,459</u>
	294,985
Less: imputed interest	<u>50,236</u>
	Balance of obligation
	<u>244,749</u>

12. Contingent asset

In 2018, the Nation initiated a Treaty Benefits Claim against the Government of Canada. The Nation has obtained a loan to finance the costs of negotiating this Claim. Insurance has been obtained to mitigate the risk that settlement proceeds may be less than the related loan outstanding at such time the Claim is resolved.

As of March 31, 2021, total expenses incurred for the Treaty Benefit Claim of \$1,008,289 (2020 - \$985,579) have been incurred and available financing drawn (Note 10). The Nation anticipates the loan will be paid from settlement proceeds. When the Claim is finalized or the insurance proceeds are paid the amounts will be recognized in revenue.

13. Contingent liability

Funding

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

Loan Guarantee

The Nation has guaranteed the long-term debt of 101119042 Saskatchewan Ltd. (Note 6).



Poundmaker Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

14. Tangible capital assets

For the year ended March 31, 2021

	Cost					Accumulated Amortization					2021 Net book value
	Opening balance	Additions	Disposals	Reclass of assets	Ending balance	Opening balance	Current amortization	Amortization on disposals	Reporting change	Ending balance	
Land	6,526,781	90,000	-	-	6,616,781	-	-	-	-	-	6,616,781
Land Improvements	832,545	125,961	-	-	958,506	219,619	29,821	-	-	249,440	709,066
Buildings	15,459,523	1,489,667	-	1,340,589	18,289,779	11,421,474	473,795	-	-	11,895,269	6,394,510
CMHC Housing	4,418,476	-	-	-	4,418,476	2,623,914	176,739	-	-	2,800,653	1,617,823
Vehicles and Equipment	1,117,023	263,162	-	-	1,380,185	667,136	97,106	-	-	764,242	615,943
Computer Equipment	136,601	-	-	-	136,601	132,343	4,258	-	-	136,601	-
Roads	3,348,643	44,249	-	-	3,392,892	1,283,747	84,269	-	-	1,368,016	2,024,876
Infrastructure	12,195,509	1,892,768	-	1,368,419	15,456,696	1,979,018	276,523	-	-	2,255,541	13,201,155
Assets Under Construction	3,055,813	375,226	-	(2,709,008)	722,031	-	-	-	-	-	722,031
	47,090,914	4,281,033	-	-	51,371,947	18,327,251	1,142,511	-	-	19,469,762	31,902,185

For the year ended March 31, 2020

	Cost					Accumulated Amortization					2020 Net book value
	Opening balance	Additions	Disposals	Reclass Change	Ending balance	Opening balance	Current amortization	Amortization on disposals	Reporting change	Ending balance	
Land	6,526,781	-	-	-	6,526,781	-	-	-	-	-	6,526,781
Land Improvements	832,545	-	-	-	832,545	191,895	27,724	-	-	219,619	612,926
Buildings	15,289,523	170,000	-	-	15,459,523	11,006,589	414,885	-	-	11,421,474	4,038,049
CMHC Housing	4,499,233	-	(80,757)	-	4,418,476	2,502,092	176,739	(54,917)	-	2,623,914	1,794,562
Vehicles and Equipment	1,071,706	281,317	-	(236,000)	1,117,023	642,454	74,132	-	(49,450)	667,136	449,887
Computer Equipment	136,601	-	-	-	136,601	123,826	8,517	-	-	132,343	4,258
Roads	3,291,783	33,710	-	23,150	3,348,643	1,200,742	83,005	-	-	1,283,747	2,064,896
Infrastructure	12,195,509	-	-	-	12,195,509	1,735,108	243,910	-	-	1,979,018	10,216,491
Assets Under Construction	1,124,643	1,954,320	-	(23,150)	3,055,813	-	-	-	-	-	3,055,813
	44,968,324	2,439,347	(80,757)	(236,000)	47,090,914	17,402,706	1,028,912	(54,917)	(49,450)	18,327,251	28,763,663

Tangible capital assets includes equipment under capital lease with a gross cost of \$302,813 (2020 - \$81,900) and accumulated amortization of \$31,521 (2020 - \$12,285).

Included in additions in the current year is \$212,919 (2020 - \$nil) under capital lease.

In the prior year, the removal of the assets of 101119042 Saskatchewan Ltd. with a net book value of \$186,550 was shown as a reporting change.



Poundmaker Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

15. Accumulated surplus

Accumulated surplus consists of the following:

	2021	2020
Operating	(8,342,870)	(5,351,132)
Capital assets	27,017,439	25,171,688
Investments	376,270	361,377
CMHC operating reserve	(65,522)	(1,371)
CMHC replacement reserve	686,695	655,394
Ottawa Trust Fund	81,235	70,719
	19,753,247	20,906,675

At March 31, 2021, a cumulative \$1,008,289 (2020 - \$985,579) of costs incurred for the Treaty Benefits Claim has increased the operating deficit as disclosed in Note 12.

16. Funds and reserves

The Poundmaker Cree Nation maintains the following funds and reserves as part of its operations:

- Operating Fund reports on the general activities of the Nation's administration.
- Capital Asset Fund reports on the capital assets and projects of the Nation.
- Investment Fund reports on investments of the Nation.
- CMHC Operating Reserve is required as part of the Nation's CMHC Housing Program, which receives funds pursuant to the Post 1997 - Fixed Subsidy Program. Any surpluses are externally restricted and reserved for future operating losses that relate to the operation of houses under the Program.
- CMHC Replacement Reserve is required as part of the Nation's CMHC Housing Program. It has been established for replacement of capital equipment and for major repairs to the houses.
- Ottawa Trust Funds reports on trust moneys owned by the Nation and held by the Government of Canada.



Poundmaker Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

17. Budget information

The budget information was prepared for individual programs and has been consolidated in accordance with Canadian public sector accounting standards. In preparation of the budget, the Nation budgeted for net transfers in of \$268,367 which was eliminated as transfers should net to \$nil in a consolidated budget.

	Approved fiscal plan	Adjustments	Fiscal plan per consolidated financial statements
Consolidated Statement of Operations and Accumulated Surplus			
Revenues	8,969,133	-	8,969,133
Expenses	9,762,206	(268,367)	9,493,839
Surplus (deficit)	(793,073)	268,367	(524,706)
Consolidated Statement of Changes in Net Debt			
Annual surplus (deficit)	(793,073)	268,367	(524,706)
Change in net debt	(793,073)	268,367	(524,706)
Net debt, beginning of year	(7,936,988)	-	(7,936,988)
Adjusted net debt	(8,730,061)	268,367	(8,461,694)

18. Segments

The Nation has 8 reportable segments. These segments are differentiated by the major activities or services they provide. The Nation's segments are as follows:

- Administration - includes administration and governance activities.
- Education - includes the operations of education programs.
- Social Development - includes operations and delivery of social programs.
- Housing - includes the operations of housing.
- Operations and maintenance - includes operations for the maintenance of the Nation's buildings and infrastructure.
- Capital - reports on capital projects.
- Own Source - reports on operations related to economic development and other revenue generated by the Nation.
- Other - reports on operations of other band programs.

19. Economic dependence

Poundmaker Cree Nation receives a significant portion of its revenues from Indigenous Services Canada (ISC) as a result of Treaties entered into with Her Majesty the Queen. These Treaties are administered by ISC under the terms and conditions of the Indian Act. The ability of the Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these Treaties.



Poundmaker Cree Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2021

20. Indigenous Services Canada Reconciliation

ISC funding per confirmation	13,462,432
Add: Additional revenue and receivable for provincial school tuition not yet reimbursed	207,727
Add: Deferred revenue, beginning	565,581
<u>Deduct: Deferred revenue, ending</u>	<u>(2,182,293)</u>
	<hr/> <u>12,053,447</u>

21. Comparative figures

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



Poundmaker Cree Nation
- Schedule of Consolidated Expenses by Object
For the year ended March 31, 2021

	2021	2020
Salaries and benefits	4,572,011	3,761,632
Contracted services	1,647,369	1,340,186
Social assistance	1,364,292	1,259,884
Student	1,195,154	557,558
Amortization of tangible capital assets	1,142,511	1,028,912
Program	1,025,696	1,693,917
Professional fees	906,825	478,093
Supplies	805,088	440,442
Repairs and maintenance	634,831	675,423
Membership assistance	614,949	453,751
Meetings and travel	382,587	552,752
Utilities and telephone	301,079	255,933
Per capita distribution	266,850	249,400
Interest on long-term debt	241,384	322,808
Insurance	138,195	73,825
Equipment	120,038	106,829
Retail cost of sales - meat shop	109,943	47,403
Rent	54,598	25,250
Bank charges and interest	41,596	48,024
Service fees	35,931	45,123
Contributions to economic development	35,000	-
Training	12,805	119,692
Administration	3,515	6,036
Bad debts	-	12,534
Gravel production costs	-	(11,096)
Reimbursements	(7,495)	(147,526)
	15,644,752	13,396,785



**Poundmaker Cree Nation
Administration**
Schedule of Segment Revenues and Expenses
For the year ended March 31, 2021

	2021	2020
Revenues		
Indigenous Services Canada	1,714,967	911,706
Miscellaneous	48,034	1,948
	1,763,001	913,654
Expenses		
Salaries and benefits	832,486	782,145
Professional fees	429,979	265,307
Membership assistance	201,478	-
Meetings and travel	166,088	258,447
Program	137,486	3,779
Supplies	136,359	26,753
Repairs and maintenance	70,890	84,195
Contracted services	68,842	62,778
Insurance	63,308	15,701
Amortization of tangible capital assets	49,580	56,450
Utilities and telephone	47,600	54,388
Contributions to economic development	35,000	-
Equipment	26,038	46,312
Bank charges and interest	17,228	29,731
Interest on long-term debt	5,844	8,844
Training	2,095	36,848
Bad debts	-	12,534
Service fees	-	4,175
Reimbursements	(432)	(135,300)
Administration	(297,618)	(270,091)
	1,992,251	1,342,996
Deficit	(229,250)	(429,342)



Poundmaker Cree Nation
Education
Schedule of Segment Revenues and Expenses
For the year ended March 31, 2021

	2021	2020
Revenues		
Indigenous Services Canada	5,372,644	4,176,612
Miscellaneous	14,388	8,808
	5,387,032	4,185,420
 Expenses		
Salaries and benefits	2,505,232	2,081,733
Student	1,194,654	557,058
Contracted services	720,618	570,197
Administration	190,194	183,169
Supplies	186,510	59,615
Professional fees	168,476	39,329
Program	146,714	352,494
Meetings and travel	119,172	66,310
Utilities and telephone	79,738	46,840
Amortization of tangible capital assets	59,953	62,138
Equipment	24,986	52,156
Repairs and maintenance	22,107	6,979
Insurance	6,887	5,667
Training	4,940	12,457
Bank charges and interest	3,451	1,850
Membership assistance	1,500	-
Reimbursements	(2,296)	(5,358)
	5,432,836	4,092,634
 Surplus (deficit)	(45,804)	92,786



Poundmaker Cree Nation
Social Development
Schedule of Segment Revenues and Expenses
For the year ended March 31, 2021

	2021	2020
Revenues		
Indigenous Services Canada	2,334,892	1,944,305
Battle River Treaty 6 Health Centre Inc.	36,500	15,125
Miscellaneous	-	1,375
	2,371,392	1,960,805
Expenses		
Social assistance	1,364,292	1,259,884
Salaries and benefits	593,412	296,182
Program	162,135	447,440
Contracted services	105,193	19,858
Supplies	78,133	46,707
Administration	41,195	9,066
Meetings and travel	36,537	29,232
Service fees	35,931	35,931
Utilities and telephone	28,719	28,802
Membership assistance	21,251	37,270
Repairs and maintenance	11,960	-
Equipment	9,198	2,724
Bank charges and interest	6,345	9,191
Training	4,320	3,347
Insurance	48	-
	2,498,669	2,225,634
Deficit	(127,277)	(264,829)



Poundmaker Cree Nation
Housing
Schedule of Segment Revenues and Expenses
For the year ended March 31, 2021

	2021	2020
Revenues		
Indigenous Services Canada	496,970	646,970
Rental	166,140	166,485
Canada Mortgage and Housing Corporation	134,798	223,616
Miscellaneous	23,732	18,955
	821,640	1,056,026
Expenses		
Amortization of tangible capital assets	513,275	454,670
Repairs and maintenance	239,448	301,808
Contracted services	232,856	66,550
Supplies	174,821	57,071
Utilities and telephone	39,768	-
Insurance	49,585	38,510
Professional fees	31,699	62,865
Salaries and benefits	29,661	14,502
Administration	22,080	22,120
Interest on long-term debt	18,456	22,560
Bank charges and interest	3,571	2,246
Meetings and travel	66	803
Reimbursements	(2,592)	-
	1,352,694	1,043,705
Surplus (deficit) before other item	(531,054)	12,321
Other item		
Gain on disposal of tangible capital assets	-	96,710
Surplus (deficit)	(531,054)	109,031



Poundmaker Cree Nation
Operations and Maintenance
Schedule of Segment Revenues and Expenses

For the year ended March 31, 2021

	2021	2020
Revenues		
Indigenous Services Canada	965,851	522,708
Miscellaneous	-	11,113
	965,851	533,821
 Expenses		
Amortization of tangible capital assets	416,977	385,540
Repairs and maintenance	221,850	160,857
Contracted services	210,751	240,931
Salaries and benefits	184,623	136,019
Utilities and telephone	86,791	107,255
Supplies	17,496	27,033
Meetings and travel	12,152	12,691
Insurance	11,562	6,121
Interest on long-term debt	6,861	-
Equipment	12	2,830
Training	-	1,187
Program	-	12
Bank charges and interest	-	8
	1,169,075	1,080,484
 Deficit	(203,224)	(546,663)



Poundmaker Cree Nation
Capital
Schedule of Segment Revenues and Expenses
For the year ended March 31, 2021

	2021	2020
Revenues		
Indigenous Services Canada	497,057	465,060
Miscellaneous	267	3,176
	497,324	468,236
 Expenses		
Amortization of tangible capital assets	95,111	62,499
Contracted services	68,154	33,112
Salaries and benefits	28,542	10,759
Repairs and maintenance	1,175	-
Insurance	893	-
Supplies	551	318
Meetings and travel	-	2,275
	194,426	108,963
 Surplus	302,898	359,273



Poundmaker Cree Nation
Own Source
Schedule of Segment Revenues and Expenses
For the year ended March 31, 2021

	2021	2020
Revenues		
Indigenous Services Canada	51,520	-
Miscellaneous	534,860	560,907
First Nations Trust	395,112	542,215
Lease	270,895	288,212
Keyanow Child and Family Centre Inc.	266,433	-
Retail sales - meat shop	188,037	107,649
Annual Income Poundmaker Legacy Trust	147,990	146,573
Border Tribal Council	100,000	1,827
Earnings (loss) from investment in Nation business entities	14,893	(67,548)
Government of Canada	-	14,168
	1,969,740	1,594,003
Expenses		
Salaries and benefits	394,387	390,711
Per capita distribution	266,850	249,400
Professional fees	251,089	101,986
Interest on long-term debt	210,223	291,404
Contracted services	190,155	147,095
Program	176,076	435,161
Supplies	124,363	65,889
Membership assistance	111,277	262,352
Retail cost of sales - meat shop	109,943	47,403
Rent	54,598	25,250
Equipment	47,504	1,003
Meetings and travel	46,105	130,429
Repairs and maintenance	37,800	17,374
Utilities and telephone	14,348	15,516
Bank charges and interest	11,001	4,998
Insurance	4,965	7,151
Student	500	500
Service fees	-	5,017
Training	(350)	1,906
Reimbursements	(2,175)	(6,868)
	2,048,659	2,193,677
Deficit	(78,919)	(599,674)



Poundmaker Cree Nation
Other
Schedule of Segment Revenues and Expenses
For the year ended March 31, 2021

	2021	2020
Revenues		
Indigenous Services Canada	619,546	1,133,795
Ottawa Trust Fund	59,953	162,475
Grants and proposal funding	26,245	5,000
Government of Canada	9,600	9,600
Miscellaneous	-	53,672
	715,344	1,364,542
Expenses		
Program	403,285	455,031
Membership assistance	279,443	154,129
Supplies	86,855	157,056
Contracted services	50,800	199,665
Administration	47,664	61,772
Repairs and maintenance	29,601	104,210
Professional fees	25,582	8,606
Equipment	12,300	1,804
Amortization of tangible capital assets	7,615	7,615
Utilities and telephone	4,115	3,132
Salaries and benefits	3,668	49,581
Meetings and travel	2,467	52,565
Training	1,800	63,947
Insurance	947	675
Gravel production costs (royalty recovery)	-	(11,096)
	956,142	1,308,692
Surplus (deficit)	(240,798)	55,850