

**Peter Ballantyne Cree  
Nation**

**Consolidated Financial Statements  
March 31, 2015**

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

December 11, 2015

To the Members of Peter Ballantyne Cree Nation


Management of Peter Ballantyne Cree Nation has the responsibility for preparing the accompanying financial statements and ensuring that all information in the related reports is consistent with the statements. This responsibility includes selecting appropriate accounting principles and making objective judgments and estimates in accordance with Canadian public sector accounting standards.

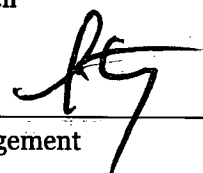
In discharging its responsibilities for the integrity and fairness of the financial statements and for the accounting systems from which they are derived, management maintains the necessary systems of internal controls designed to provide assurance that transactions are authorized, assets are safeguarded and proper records maintained.

Ultimate responsibility for financial statements to the members of the First Nation lies with the Chief and Council of Peter Ballantyne Cree Nation who review the financial statements in detail with management prior to their approval for publication.

External auditors are appointed by the Chief and Council to audit the financial statements and are available to meet separately with both the Chief and Council and management to review their findings. The external auditors have full and free access to discuss their audit and their findings as to the integrity of the financial reporting and the adequacy of the system of internal controls.

  
Chief

  
Council

  
Management



December 11, 2015

## **Independent Auditor's Report**

**To the Chief and Council of  
Peter Ballantyne Cree Nation**

We have audited the accompanying consolidated financial statements of Peter Ballantyne Cree Nation, which comprise the consolidated statement of financial position as at March 31, 2015 and the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

### **Management's responsibility for the consolidated financial statements**

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

### **Auditor's responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

**Basis for qualified opinion**

As a result of deficiencies in the accounting records of Peter Ballantyne Cree Nation we were unable to obtain sufficient and appropriate audit evidence to support the accuracy, completeness and occurrence assertions of other revenue and Non-AANDC Administration expenses and the completeness assertion of accounts payable. Therefore we were not able to determine whether any adjustments might be necessary to other revenue, Non-AANDC Administration expenses and excess of revenue over expenses for the years ended March 31, 2015 and 2014, accounts payable as at March 31, 2015 and 2014 and accumulated surplus as at the beginning and the end of the years ended March 31, 2015 and 2014. Our audit opinion on the consolidated financial statements for the year ended March 31, 2014 was modified accordingly because of the possible effect of the limitations in scope.

The accompanying consolidated financial statements do not include a comparison of budget and actual results required by PS 1201, "Consolidated financial statement Presentation".

**Qualified opinion**

In our opinion, except for the possible effects of the matters described in our Basis for Qualified Opinion paragraphs the consolidated financial statements present fairly, in all material respects, the financial position of Peter Ballantyne Cree Nation as at March 31, 2015 and the results of its operations, changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*PricewaterhouseCoopers LLP*

**Chartered Professional Accountants**

# Peter Ballantyne Cree Nation

## Consolidated Statement of Financial Position

As at March 31, 2015

	2015 \$	2014 \$
<b>Financial assets</b>		
Cash	1,678,455	1,124,196
Short-term investment (note 4)	2,500,000	-
Accounts receivable (note 5)	7,763,996	6,299,139
Restricted cash (note 6)	15,358,748	19,742,891
Trust funds held by federal government (note 7)	171,418	104,185
Investments in government business enterprises (note 8)	40,860,641	35,882,117
	<u>68,333,258</u>	<u>63,152,528</u>
<b>Financial liabilities</b>		
Bank indebtedness	927,950	-
Accounts payable and accrued liabilities	14,996,027	11,765,193
Deferred revenue (note 9)	8,228,084	13,715,833
Debt (note 10)	5,766,278	6,647,572
	<u>29,918,339</u>	<u>32,128,598</u>
<b>Net financial assets</b>	<u>38,414,919</u>	<u>31,023,930</u>
<b>Non-financial assets</b>		
Prepaid expenses	61,970	16,918
Tangible capital assets (note 14)	57,657,829	42,575,203
	<u>57,719,799</u>	<u>42,592,121</u>
<b>Accumulated surplus</b>	<u>96,134,718</u>	<u>73,616,051</u>
<b>Contingent liabilities</b> (note 11)		

Approved by the Board of Directors

Director

Director

The accompanying notes are an integral part of these consolidated financial statements.

# Peter Ballantyne Cree Nation

## Consolidated Statement of Operations

For the year ended March 31, 2015

	2015 \$	2014 \$
<b>Revenue</b>		
Aboriginal Affairs and Northern Development Canada (AANDC)	71,619,218	66,610,939
Health Canada	14,428,896	13,922,390
Equity in earnings of Peter Ballantyne Developments Limited Partnership	7,740,998	5,574,823
Other revenue	6,294,555	1,230,001
Prince Albert Grand Council	4,262,817	5,514,727
Saskatchewan Indian Gaming Authority	3,430,428	3,511,590
Provincial tax rebates	2,511,908	2,335,957
Gain on sale of investment	1,883,430	-
SaskPower Elder's Agreement	1,602,085	-
Northern Lights Community Development Corporation	823,101	1,159,483
Government Canada	733,965	969,858
Northern Lights school Division	517,062	493,742
Ministry of Social Services	482,866	301,745
Canada Mortgage and housing Corporation	474,489	408,788
SaskPower Training Contract	436,445	-
Housing rental income	252,817	678,780
Northern Inter-Tribal Health Authority	246,745	183,543
Teacherage rental income	228,727	231,898
Management fees	175,800	257,585
Interest income	161,379	132,710
User fees	102,780	76,566
Gain on sale of asset	44,098	-
	<u>118,454,609</u>	<u>103,595,125</u>
<b>Expenses (note 10)</b>		
Non-AANDC administration	15,168,654	11,935,429
Child and Family Services	14,600,450	14,930,954
Health services	13,563,963	12,845,669
Basic needs	11,829,166	12,202,267
Education	11,789,831	11,013,574
Amortization of tangible capital assets	5,022,107	4,290,498
Provincial tuition	3,705,366	3,662,286
Post-secondary education	3,333,181	3,157,942
School operations and maintenance	2,736,904	2,290,095
Special education	2,415,986	2,143,001
AANDC administration	1,972,021	1,875,259
Community infrastructure	1,774,623	2,064,783
Reinvestment	1,496,745	1,780,826
Special needs	956,944	1,210,965
First Nation Student Success	686,305	916,602
Social assistance	667,222	609,120
Band employee benefits	579,180	632,685

The accompanying notes are an integral part of these consolidated financial statements.

# Peter Ballantyne Cree Nation

## Consolidated Statement of Operations ...continued

For the year ended March 31, 2015

	2015 \$	2014 \$
<b>Expenses (continued)</b>		
Housing	431,493	117,565
CMHC rental housing	604,257	426,412
Special projects	382,732	42,200
Enhanced teachers	330,687	331,473
In home care	308,356	-
New Paths	295,368	-
Prince Albert Office Complex	216,652	359,591
Skills Link program	189,933	142,150
Certified worker operator	150,900	225,885
Council component	127,924	308,686
Daycare	117,944	-
Economic development	106,063	-
Summer work experience	102,414	96,000
Professional and institutional fund	84,817	-
Indian registry	58,164	53,644
Lands	57,748	-
Outreach	38,194	-
Active measures	33,533	118,488
Early Childhood Intervention Program	115	-
ASKI Resource Management & Environnemental Services LP	-	125,880
	<u>95,935,942</u>	<u>89,909,929</u>
<b>Surplus for the year</b>	22,518,667	13,685,196
<b>Accumulated surplus – Beginning of year</b>	<u>73,616,051</u>	<u>59,930,855</u>
<b>Accumulated surplus – End of year</b>	<u>96,134,718</u>	<u>73,616,051</u>

# **Peter Ballantyne Cree Nation**

## **Consolidated Statement of Changes in Net Financial Assets**

**For the year ended March 31, 2015**

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	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>Operating surplus for the year</b>	22,518,667	13,685,196
Acquisition of tangible capital assets	(20,131,157)	(13,703,828)
Proceeds on the sale of tangible capital assets	86,308	-
Loss on the sale of tangible capital assets	-	-
Gain on the sale of tangible capital assets	(59,884)	-
Amortization of tangible capital assets	5,022,107	4,290,498
	<hr/>	<hr/>
	7,436,041	4,271,866
Decrease in prepaid expenses	(45,052)	10,817
	<hr/>	<hr/>
<b>Changes in net financial assets</b>	7,390,989	4,282,683
<b>Net financial assets – Beginning of year</b>	31,023,930	26,741,247
	<hr/>	<hr/>
<b>Net financial assets – End of year</b>	38,414,919	31,023,930
	<hr/>	<hr/>

The accompanying notes are an integral part of these consolidated financial statements.



# Peter Ballantyne Cree Nation

## Consolidated Statement of Cash Flows

For the year ended March 31, 2015

	2015 \$	2014 \$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Operating surplus for the year	22,518,667	13,685,196
Items not affecting cash		
Equity in earnings of Peter Ballantyne Developments Limited Partnership	(7,740,998)	(5,689,669)
Gain from sale of investment	(1,883,430)	-
Gain on sale of asset	(59,884)	-
Amortization of tangible capital assets	5,022,107	4,290,498
Net change in financial assets and liabilities (note 10)	(3,834,057)	7,981,918
	14,022,405	20,267,943
<b>Investing activities</b>		
Distributions of investments	1,118,492	1,126,502
Distribution of dividends	1,300,000	-
Purchase of short-term investments	(2,500,000)	-
Sale of shares held in jointly owned entity	2,227,412	-
Distributions of trust funds held by federal government	-	245,000
	2,145,904	1,371,502
<b>Capital activities</b>		
Proceeds on disposal of capital assets	86,308	-
Acquisition of tangible capital assets	(20,131,157)	(13,703,828)
	(20,044,849)	(13,703,828)
<b>Financing activities</b>		
Debt issuances	-	2,685,000
Debt retirement	(881,294)	(683,046)
	(881,294)	2,001,954
<b>Net increase in cash</b>	(4,757,834)	7,935,617
<b>Net cash – Beginning of year</b>	20,867,087	10,929,516
<b>Net cash – End of year</b>	16,109,253	18,865,133
<b>Net cash is comprised of</b>		
Cash	1,678,455	1,124,196
Bank indebtedness	(927,950)	-
Restricted cash	15,358,748	19,742,891
	16,109,253	20,867,087
<b>Supplemental disclosure of cash flow information</b>		
<b>Cash paid during the year for</b>		
Interest	200,948	240,936

The accompanying notes are an integral part of these consolidated financial statements.

# Peter Ballantyne Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2015

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### 1 Operations

The Peter Ballantyne Cree Nation (the "First Nation") is located in the province of Saskatchewan, and provides various services to its members. The First Nation includes its members, government and all related entities that are accountable to the First Nation and are either owned or controlled by the First Nation.

### 2 Change in accounting policy

Effective April 1, 2014, the First Nation adopted the recommendations relating to PS 3260, *Liability for Contaminated Sites*, as set out in the Canadian public sector accounting standards. Pursuant to the recommendations, the change was applied prospectively, and prior periods have not been restated.

Previously, no accounting policy existed to account for contaminated sites. Under the new recommendations, the First Nation is required to recognize a liability for contaminated sites when economic benefits will be given up, as described in Note 3, *Summary of Significant Accounting Policies*.

There was no effect on the First Nation's financial statements from adopting the above-noted change in accounting policy.

### 3 Summary of significant accounting policies

#### a) Basis of accounting

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board of Chartered Professional Accounts Canada

#### b) Reporting entity

The First Nation is located in northeast Saskatchewan and has administration offices at Pelican Narrows, Prince Albert (Kiskaciwan), Southend-Reindeer Lake, Deschambault Lake, Sandy Bay, Denare Beach and Sturgeon Landing. The First Nation's reporting entity includes the First Nation's government and all related entities that are controlled by the First Nation.

#### c) Principles of consolidation

All controlled entities are fully consolidated on a line-by-line basis except for the commercial enterprises which meet the definition of a government business enterprise, which are included in the consolidated financial statements on a modified equity basis. Inter-organizational balances and transactions are eliminated upon consolidation.

Under the modified equity method of accounting, only the First Nation's investment in the government business enterprise and the enterprise's net income (or net loss) and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprise that are different from those of the First Nation.

# Peter Ballantyne Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2015

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Organizations consolidated in the First Nation's financial statements include:

- Peter Ballantyne Band #355 Aboriginal Affairs and Northern Development Canada ("AANDC") funded operations (Pelican Narrows Administration, Kiskaciwan Administration, Southend-Reindeer Lake Administration, Deschambault Lake Administration, Sandy Bay Administration, Band Wide Administration, Denare Beach Administration and Sturgeon Landing Administration).
- Non-AANDC administrative operations of Peter Ballantyne Cree Nation (Pelican Narrows Non-AANDC Administration, Prince Albert Administration Non-AANDC Administration, Southend-Reindeer Lake Non-AANDC Administration, Deschambault Lake Non-AANDC Administration, Sandy Bay Non-AANDC Administration, Denare Beach Non-AANDC Administration and Bandwide Non-AANDC Administration).
- Peter Ballantyne Child and Family Services Inc., Peter Ballantyne Cree Nation Health Services Incorporated, Peter Ballantyne Housing Management Inc. and Prince Albert Office Complex.

Organizations accounted for on a modified equity basis include Peter Ballantyne Developments Limited Partnership (a government business enterprise).

d) Cash

Cash includes cash on hand and balances with banks and short-term investments without maturities of three months or less. Bank overdrafts are presented as a liability on the consolidated statement of financial position and are considered a component of net cash for purposes of the consolidated statement of cash flows.

e) Temporary investments

Temporary investments are valued at the lower of cost and market value, which for the First Nation's temporary investments, market value approximates the cost due to the short-term nature of the investments.

f) Restricted cash

Restricted cash consists of funding surpluses that are either internally or externally restricted for specific purposes including physical asset expenditures, Canada Mortgage and Housing Corporation ("CMHC") replacement reserve expenditures, Health Services expenditures, and Child and Family Services expenditures.

g) Funds held in Ottawa Trust Funds

Ottawa Trust Funds consist of funds held in trust on behalf of First Nation members by the Government of Canada. Trust moneys consist of:

- Capital trust moneys derived from non-renewable resource transactions on the sale of land or other First Nation capital assets; and

# Peter Ballantyne Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2015

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- Revenue trust moneys generated primarily through land leasing transactions or interest earned on deposits held in trust.

### h) Tangible capital assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset. Amortization is provided for on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings and housing	5 to 25 years
Capital infrastructure	25 years
Equipment and vehicles	5 years

### i) Revenue recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for specific purpose.

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

# **Peter Ballantyne Cree Nation**

## **Notes to Consolidated Financial Statements**

**March 31, 2015**

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**j) Measurement uncertainty**

The preparation of the 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 the disclosure of contingent assets and liabilities, at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the year. Items requiring the use of significant estimates include the recoverability of accounts receivable and the useful lives of tangible capital assets. Actual amounts could differ from these estimates.

A liability for remediation of a contaminated site is recognized at the best estimate for the amount required to remediate the contaminated site when contamination exceeding an environmental standards 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, 2015.

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 revision are made. The 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.

**k) Segments**

The First Nation conducts its business through five reportable segments: AANDC Administration, Non-AANDC Administration, Child & Family, Health and Facilities. 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, revenues and expenditures 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.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements. Inter-segment transfers are recorded at their exchange amount.

**l) Income taxes**

No provision for income taxes is included in these consolidated financial statements on the basis that the First Nation is exempt from income taxes under Section 149 of the Income Tax Act and Section 87 of the Indian Act.

# Peter Ballantyne Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2015

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### m) Recent accounting pronouncements

#### Financial instruments

In June 2011, the Public Sector Accounting Board (PSAB) issued PS 3450 *Financial Instruments* to establish standards for recognition, measurement, presentation and disclosure of financial assets, financial liabilities and non-financial derivatives. As a result of issuance of PS 3450, there have been numerous consequential amendments made to other Sections. PS 3450 is effective for fiscal years beginning on or after April 1, 2018. Earlier adoption is permitted.

PS 3450 is applied prospectively in the fiscal year of initial adoption; therefore, financial statements of prior periods, including comparative information, are not restated. The First Nation has not yet determined the effect of these new standards on its consolidated financial statements.

#### Related party disclosures

In March 2015, as part of the CPA Canada Public Sector Accounting Handbook Revision Release No. 42, the Public Sector Accounting Board (PSAB) issued a new standard, PS 2200 *Related Party Disclosures*.

This new Section defines related party and established disclosures required for related party transactions. Disclosure of information about related party transactions and the relationships underlying them is required when they have occurred at a value different from that which would have been arrived at if the parties were unrelated, and they have, or could have, a material financial effect on the financial statements.

This section is effective for fiscal years beginning on or after April 1, 2017. Early adoption is permitted.

#### Inter-entity transactions

The Public Section Accounting Board (PSAB) issued in March 2015 CPA Canada Public Sector Accounting Handbook Revision Release No. 42, containing a new standard, PS 3420 *Inter-entity Transactions*.

The new Section establishes standard on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective.

The main features of the new Section are:

- Under a policy of cost allocation, revenue and expenses are recognised on a gross basis.
- Transactions are measured at the carrying amount, except in specific circumstances.
- A recipient may choose to recognize unallocated costs for the provision of goods and services and measure them at the carrying amount, fair value or other amounts dictated by policy, accountability structure or budget practice.
- The transfer of and asset of liability for nominal or no consideration is measured by the provider at the carrying amount and by the recipient at the carrying amount or fair value.
- Inter-entity transactions are considered in conjunction with PS 2200 *Related Party Disclosures*.

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted.

# Peter Ballantyne Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2015

### 4 Short-term investments

Short-term investments consist of a redeemable investment with an interest rate of 2.05% and a maturity date of March 23, 2016.

### 5 Accounts receivable

	2015 \$	2014 \$
Aboriginal Affairs and Northern Development Canada	2,578,919	4,203,499
Proceeds from sale of First Pharmacy Plus Ltd. (note 4)	2,263,642	-
Other	1,159,442	594,671
Northern Lights School Division	851,881	334,819
Ministry of Social Services	557,864	446,336
Prince Albert Grand Council	280,942	363,557
Health Canada	40,599	225,242
Canada Mortgage and Housing Corporation	30,707	131,015
	<u>7,763,996</u>	<u>6,299,139</u>

### 6 Restricted cash

Surplus funding has been appropriated to provide for future expenditures as follows:

	2015 \$	2014 \$
Peter Ballantyne Cree Nation Health Services Inc.	7,808,094	8,257,441
Peter Ballantyne Cree Nation Administration Capital Projects	5,669,720	7,384,949
Peter Ballantyne Cree Nation CMHC Housing Program	896,453	1,838,812
Peter Ballantyne Child & Family Services Inc.	633,760	1,730,745
Prince Albert Office Complex	350,000	350,000
Peter Ballantyne Cree Nation Self Insurance	721	180,944
	<u>15,358,748</u>	<u>19,742,891</u>

# Peter Ballantyne Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2015

### 7 Trust funds held by federal government

The following is a summary of current year activity in the First Nation funds held in trust by AANDC. The payments under Section 66 relate to Band Council Resolutions.

	Capital \$	Revenue \$	Total \$
Balance – March 31, 2014	80,276	23,909	104,185
Add			
Interest	-	6,852	6,852
Lease	-	124,381	124,381
	80,276	155,142	235,418
Deduct			
Payments under Section 66	-	64,000	64,000
Balance – March 31, 2015	80,276	91,142	171,418

### 8 Investments in government business enterprises

	2015 \$	2014 \$
Investments held directly by Peter Ballantyne Cree Nation		
Health Services Inc.	55,654	1,446,185
Investments held directly by Peter Ballantyne Developments		
Limited Partnership	40,804,987	34,435,932
	40,860,641	35,882,117

The First Nation owns 100% of Peter Ballantyne Developments Limited Partnership and Peter Ballantyne Cree Nation Ambulance Services. Peter Ballantyne Developments Limited Partnership's investment portfolio includes investments in forestry, hospitality, insurance, real estate and retail operations.

On March 31, 2015, the entity sold its ownership of the issued shares of First Pharmacy Plus Ltd. for proceeds of \$2,263,642, recorded as accounts receivable at March 31, 2015

The following table presents condensed financial information for these commercial enterprises:

	2015 \$	2014 \$
Assets	44,690,343	40,460,766
Liabilities	3,830,607	4,559,568
Shareholders' Equity	40,859,736	35,901,198
Revenue	51,401,439	52,184,999
Expenses	45,427,094	46,380,484
Excess of revenue over expenses	5,974,345	5,804,515



# Peter Ballantyne Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2015

	2015 \$	2014 \$
Cash from operating activities	1,971,041	4,350,534
Cash used in investing activities	1,917,046	(2,291,738)
Cash used in financing activities	(1,581,843)	(1,578,539)

### 9 Deferred revenue

	Balance at March 31, 2014 \$	Funding received \$	Revenue recognized \$	Balance at March 31, 2015 \$
Federal government	12,544,958	2,601,604	8,402,516	6,744,046
Provincial government	276,403	96,870	-	373,273
Other	894,472	216,293	-	1,110,765
	<u>13,715,833</u>	<u>2,914,767</u>	<u>8,402,516</u>	<u>8,228,084</u>

	Balance at March 31, 2013 \$	Funding received \$	Revenue recognized \$	Balance at March 31, 2014 \$
Federal government	6,587,880	17,577,962	11,620,884	12,544,958
Provincial government	207,775	68,628	-	276,403
Other	180,723	713,749	-	894,472
	<u>6,976,378</u>	<u>18,360,339</u>	<u>11,620,884</u>	<u>13,715,833</u>

### 10 Debt

	2015 \$	2014 \$
<b>Section 95 Housing</b>		
Phase 1, mortgage loan payable to the Bank of Nova Scotia at \$7,700 per month including interest at 3.29%, maturing August 2015. Loan is guaranteed by the Government of Canada.	38,523	128,380
Phase 2, mortgage loan payable to the CIBC at \$19,094 per month including interest at 5.19%, with a renewal date October 2016 and maturing September 2018. Loan is guaranteed by the Government of Canada.	732,570	918,861
Phase 3, mortgage loan payable to the CIBC at \$1,818 per month including interest at 5.39%, with a renewal date August 2016 and maturing April 2019. Loan is guaranteed by the Government of Canada.	80,782	96,960

# Peter Ballantyne Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2015

	2015 \$	2014 \$
Phase 4, mortgage loan payable to CMHC at \$1,043 per month including interest at 5.19%, with a renewal date of November 2015 and maturing November 2020. Loan is guaranteed by the Government of Canada.	61,341	70,444
Phase 5, mortgage loan payable to CMHC at \$1,126 per month including interest at 5.24%, maturing January 2018. Loan is guaranteed by the Government of Canada.	57,615	67,852
Phase 6, mortgage loan payable to CMHC at \$1,465 per month including interest at 1.92%, maturing April 2019. Loan is guaranteed by the Government of Canada.	69,008	85,104
Phase 7, mortgage loan payable to CMHC at \$7,164 per month including interest at 2.01%, with a renewal date of October 2019 and maturing in June 2024. Loan is guaranteed by the Government of Canada.	725,222	794,638
Phase 8, mortgage loan payable to CMHC at \$5,485 per month including interest at 2.84%, with a renewal date of April 2015 and maturing in February 2025. Loan is guaranteed by the Government of Canada.	568,640	617,654
<b>Rural and Native Housing</b>		
Phase 5, mortgage loan payable to CMHC at \$11,923 per month including interest at 11.75%. Loan is guaranteed by the Government of Canada.	54,980	78,826
<b>Child and Family Services</b>		
First Nations Bank of Canada, term loan, interest at prime plus 4.75%, repayable in monthly blended payments of \$9,764, secured by a general security agreement over all assets.	1,078,351	1,137,265
First Nations Bank of Canada, term loan, interest at prime plus 3.94%, repayable in monthly principal instalments of \$1,205 secured by a general security agreement over all assets.	64,344	-
First Nations Bank of Canada, term loan, interest at prime plus 2.10%, repayable in monthly principal instalments of \$1,819.	-	18,193
<b>Total capital debt</b>	<b>3,531,376</b>	<b>4,014,177</b>
<b>Operating debt</b>		
First Nations Bank of Canada, term loan, interest at a fixed rate of 4.87%, repayable in quarterly payments of principal of \$143,250 with interest payments due monthly, maturing October 2018.	2,148,750	2,633,395
Bank of Montreal, term loan, interest at a fixed rate of 6.50%, repayable in monthly payments of principal of \$2,408 with interest payments due monthly, maturing March 2019.	86,152	-
<b>Total operating debt</b>	<b>2,234,902</b>	<b>2,633,395</b>
<b>Total debt</b>	<b>5,766,278</b>	<b>6,647,572</b>

# Peter Ballantyne Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2015

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The First Nation has a \$250,000 operating loan credit facility available through the First Nations Bank of Canada, bearing annual interest at prime rate plus 1.25%, on which no amounts were drawn as of March 31, 2015. The First Nation also has a commercial term facility available through the First Nations Bank of Canada, on which \$2,633,395 was drawn at March 31, 2015 as noted in the "Operating debt" section of the table above.

The commercial term facility is secured by a general security agreement, a guarantee of advances of \$2,865,000 executed by Peter Ballantyne Developments LP, Band Council Resolution issued by the First Nation authorizing an assignment of term deposit and/or credit balances registered in the name of the First Nation in the amount of \$760,000.

Principal payments due over the next five years are as follows:

	\$
2016	1,143,175
2017	1,069,068
2018	1,088,865
2019	822,741
2020	251,068

### 11 Contingencies, commitments and contracts

- a) A variety of claims have been filed against the First Nation, the Chief and Council, specific band members and employees that relate to various issues, including personnel matters, economic development, wrongful dismissal matters, and the signing of Treaty Land Entitlement or other Band Specific Agreements. One claim relating to economic development activity alleges losses exceeding \$10.5 million, and while the potential outcomes of these claims are not determinable at this time, management estimates that the eventual settlement of these claims will not result in significant impact to the First Nation's financial position or operations.
- b) In prior years, payments were made to Peter Ballantyne Cree Nation Band Development Ltd., a First Nation controlled entity whose balances and activities have been reported in these consolidated financial statements. These payments originated from the Peter Ballantyne Cree Nation Treaty Land Entitlement Trust, a separate entity whose operations and balances are not reported in these consolidated financial statements. Certain of these payments and their ultimate expenditure are under investigation by the First Nation, the Trust, and legal authorities. The First Nation has been in discussions with the Peter Ballantyne Cree Nation Treaty Land Entitlement Trust for potential repayment of these monies. The potential outcome of the investigation and discussions, and their impact on these consolidated financial statements, is not determinable at this time.
- c) The First Nation has obligations under operating leases for office furniture and equipment. Future minimum lease payments are approximately \$250,000 per year for the next 5 years.
- d) Security for the CMHC housing loans has been provided by a ministerial guarantee of future AANDC funding.

# Peter Ballantyne Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2015

### 12 Expenses by type

	2015 \$	2014 \$
Salaries, wages and benefits	36,120,136	33,178,144
Social assistance	10,078,992	13,413,232
Child and family services	6,697,927	6,685,339
Student support	6,439,568	6,203,539
Member support	5,993,880	4,946,731
Amortization of tangible capital assets	5,022,108	4,290,498
Utilities	4,823,130	1,963,519
Travel	3,079,559	2,894,135
Repairs and maintenance	2,896,122	1,738,380
Designated projects	2,753,481	2,112,081
Supplies	2,147,681	2,166,632
Other	1,927,087	1,969,962
SaskPower Elder's Agreement	1,602,085	-
Administration and governance	1,379,150	1,271,232
Training	1,028,242	1,356,027
Cultural activities	857,760	537,469
Services	691,781	2,747,034
Insurance	517,799	396,203
Donations and grants	497,907	650,113
Bank charges and interest	424,771	387,682
Nursing	378,805	372,380
Professional fees	287,950	196,498
Vehicles	168,853	245,332
Program development	115,586	140,706
Contracts	5,582	47,061
	<u>95,935,942</u>	<u>89,909,929</u>

### 13 Net change in financial assets and liabilities

	2015 \$	2014 \$
Accounts receivable	(1,464,857)	(1,173,211)
Trust funds held by federal government	(67,233)	(127,580)
Prepaid expenses	(45,052)	10,817
Accounts payable and accrued liabilities	3,230,834	2,532,437
Deferred revenue	(5,487,749)	6,739,455
	<u>(3,834,057)</u>	<u>7,981,918</u>

**Peter Ballantyne Cree Nation**  
Notes to Consolidated Financial Statements  
March 31, 2015

**14 Tangible capital assets**

					2015	2014
	Rental housing \$	Buildings and housing \$	Equipment and vehicles \$	Capital infrastructure \$	Total \$	Total \$
<b>Cost</b>						
Opening costs	10,733,874	35,964,977	10,140,462	129,740,276	186,579,589	172,875,761
Additions	-	3,349,980	1,550,069	15,231,108	20,131,157	13,703,828
Disposals	-	-	428,539	-	428,539	-
	10,733,874	39,314,957	11,261,992	144,971,384	206,282,207	186,579,589
<b>Accumulated amortization</b>						
Opening accumulated amortization	6,908,280	22,904,941	7,253,440	106,937,725	144,004,386	139,713,888
Disposals	-	-	402,115	-	402,115	-
Amortization expense	551,351	1,781,970	430,059	2,258,726	5,022,107	4,290,498
	7,459,631	24,686,911	7,281,384	109,196,451	148,624,378	144,004,386
<b>Net book value</b>	3,274,243	14,628,046	3,980,608	35,774,933	57,657,829	42,575,203

**Peter Ballantyne Cree Nation****Notes to Consolidated Financial Statements****March 31, 2015**

	2014				2013	
	Rental housing \$	Buildings and housing \$	Equipment and vehicles \$	Capital infrastructure \$	Total \$	Total \$
<b>Cost</b>						
Opening costs	10,733,874	32,797,165	9,521,485	119,823,237	172,875,761	169,786,850
Additions	-	3,167,812	618,977	9,917,039	13,703,828	3,753,098
Disposals	-	-	-	-	-	664,187
	10,733,874	35,964,977	10,140,462	129,740,276	186,579,589	172,875,761
<b>Accumulated amortization</b>						
Opening accumulated amortization	6,351,739	21,176,307	6,809,560	105,376,282	139,713,888	136,506,907
Disposals	-	-	-	-	-	618,302
Amortization expense	556,541	1,728,634	443,880	1,561,443	4,290,498	3,825,283
	6,908,280	22,904,941	7,253,440	106,937,725	144,004,386	139,713,888
<b>Net book value</b>	3,825,594	13,060,036	2,887,022	22,802,551	42,575,203	33,161,873

**Peter Ballantyne Cree Nation**  
Notes to Consolidated Financial Statements  
March 31, 2015

**15 Segment disclosure**

	<u>AANDC Administration</u>		<u>Non-AANDC Administration</u>		<u>Child and Family Services</u>	
	2015 \$	2014 \$	2015 \$	2014 \$	2015 \$	2014 \$
<b>Revenues</b>						
Federal government transfers	57,414,725	51,626,612	112,293	403,891	14,662,717	15,229,019
Provincial government transfers	-	-	2,511,908	2,335,957	482,866	301,745
Other	4,898,614	4,638,874	19,798,958	12,594,958	109,328	62,439
	<u>62,313,339</u>	<u>56,265,486</u>	<u>22,423,159</u>	<u>15,334,806</u>	<u>15,254,911</u>	<u>15,593,203</u>
<b>Expenses</b>						
Salaries, wages and benefits	17,030,305	15,893,035	3,287,383	3,288,493	5,550,666	4,859,859
Amortization	3,202,732	2,562,249	7,883	69,984	678,281	506,801
Programs	29,620,427	29,765,678	11,769,678	8,744,238	9,049,784	10,071,094
	<u>49,853,464</u>	<u>48,220,962</u>	<u>15,064,944</u>	<u>12,102,715</u>	<u>15,278,731</u>	<u>15,437,754</u>
<b>Surplus (deficit) for the year</b>	<u>12,459,875</u>	<u>8,044,524</u>	<u>7,358,215</u>	<u>3,232,091</u>	<u>(23,820)</u>	<u>155,449</u>

**Peter Ballantyne Cree Nation**  
**Notes to Consolidated Financial Statements**  
**March 31, 2015**

	<b>Health</b>		<b>Facilities</b>		<b>Total</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
(continued)						
<b>Revenues</b>						
Federal government transfers	14,737,252	14,327,746	329,581	324,357	87,256,568	81,911,625
Provincial government transfers	-	-	-	-	2,994,774	2,637,702
Other	2,760,493	589,826	635,874	1,159,702	28,203,267	19,045,799
	<b>17,497,745</b>	<b>14,917,572</b>	<b>965,455</b>	<b>1,484,059</b>	<b>118,454,609</b>	<b>103,595,126</b>
<b>Expenses</b>						
Salaries, wages and benefits	10,205,040	9,085,396	46,742	51,361	36,120,137	33,178,144
Amortization	570,842	571,744	562,370	579,720	5,022,108	4,290,498
Programs	3,659,681	3,288,237	694,127	572,041	54,793,697	52,441,288
	<b>14,435,563</b>	<b>12,945,377</b>	<b>1,303,239</b>	<b>1,203,122</b>	<b>95,935,942</b>	<b>89,909,930</b>
<b>Surplus (deficit) for the year</b>	<b>3,062,182</b>	<b>1,972,195</b>	<b>(337,784)</b>	<b>280,937</b>	<b>22,518,667</b>	<b>13,685,196</b>



# **Peter Ballantyne Cree Nation**

## **Notes to Consolidated Financial Statements**

**March 31, 2015**

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### **16 Subsequent event**

Prior to year-end, the First Nation negotiated a \$17,530,000 operating loan with the First Nation Finance Authority. The loan bears annual interest at 2.85%. This loan was entered into through the Borrowing Law as of March 23, 2015, however no amounts were drawn down as of year-end.

Subsequent to year-end, the First Nation has drawn \$17,530,000 on this facility for operations and housing construction.

### **17 Budgeted Figures**

Unaudited budgeted figures have been provided for comparison purposes and have been derived from the estimates approved by the Board of Directors.

### **18 Classification**

Certain expenses and revenues for the prior year have been reclassified to conform with current year presentation.