

# **Peter Ballantyne Cree Nation**

**Consolidated Financial Statements  
March 31, 2016**

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

October 27, 2016

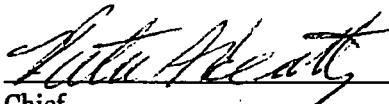
To the Members of Peter Ballantyne Cree Nation


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



November 3, 2016

## **Independent Auditor's Report**

### **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, 2016 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 Non-INAC Revenue and Non-INAC Community Support expenses and the completeness assertion of cash, accounts receivable and accounts payable. Therefore we were not able to determine whether any adjustments might be necessary to Other Non-INAC Revenue, Non-INAC Community Support expenses and surplus for the years ended March 31, 2016 and 2015, cash, accounts receivable and accounts payable as at March 31, 2016 and 2015 and accumulated surplus as at the beginning and the end of the years ended March 31, 2016 and 2015. Our audit opinion on the consolidated financial statements for the year ended March 31, 2016 was modified accordingly because of the possible effect of the limitations in scope.

**Qualified opinion**

In our opinion, except for the possible effects of the matters described in our Basis for Qualified Opinion paragraph the consolidated financial statements present fairly, in all material respects, the financial position of Peter Ballantyne Cree Nation as at March 31, 2016 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*

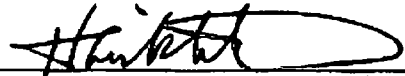
**Chartered Professional Accountants**

**Peter Ballantyne Cree Nation**  
**Consolidated Statement of Financial Position**  
**As at March 31, 2016**

	2016 \$	2015 \$
<b>Financial assets</b>		
Cash	799,630	1,678,455
Restricted investment (note 3)	5,551,219	2,500,000
Accounts receivable (note 4)	5,759,808	7,763,996
Restricted cash (note 5)	13,891,526	15,358,748
Trust funds held by federal government (note 6)	127,574	171,418
Assets held in trust (note 7)	1,622,425	-
Investments in government business enterprises (note 8)	45,476,670	40,860,641
	<u>73,228,852</u>	<u>68,333,258</u>
<b>Financial liabilities</b>		
Bank indebtedness	1,352,601	927,950
Accounts payable and accrued liabilities	8,730,576	14,996,027
Deferred revenue (note 9)	7,193,320	8,228,084
Debt (note 10)	20,426,052	5,766,278
	<u>37,702,549</u>	<u>29,918,339</u>
<b>Net financial assets</b>	<u>35,526,303</u>	<u>38,414,919</u>
<b>Non-financial assets</b>		
Prepaid expenses	1,198,635	61,970
Tangible capital assets (note 14)	67,755,207	57,657,829
	<u>68,953,842</u>	<u>57,719,799</u>
<b>Accumulated surplus</b>	<u>104,480,145</u>	<u>96,134,718</u>
<b>Contingent liabilities (note 11)</b>		

**Approved by the Chief and Council**

 Chief

 Councillor

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, 2016

	Budget \$ (note 16)	2016 \$	2015 \$
<b>Revenue</b>			
Indigenous and Northern Affairs Canada (INAC)	63,475,364	62,761,153	71,619,218
Health Canada	16,433,292	14,480,248	14,428,896
Equity in earnings of Peter Ballantyne Developments Limited Partnership	-	5,613,098	7,740,998
Prince Albert Grand Council	4,483,256	4,348,009	4,262,817
Saskatchewan Indian Gaming Authority	3,525,853	3,525,853	3,430,428
Other revenue – Non-INAC administration	3,603,772	3,062,430	3,878,660
Provincial tax rebates	2,915,596	2,915,596	2,511,908
Recoveries	-	1,735,158	-
Brush Clearing	1,279,214	1,279,214	1,084,598
Other revenue	2,498,749	1,137,407	1,206,916
SaskPower Elder's Agreement	1,100,000	1,020,651	1,602,085
Government Canada	859,580	905,609	733,965
Northern Lights Community Development Corporation	794,521	685,075	823,101
Ministry of Social Services	576,000	683,015	482,866
Northern Lights School Division	541,074	546,978	517,062
SaskPower Training Contract	500,000	493,059	436,445
Canada Mortgage and Housing Corporation	407,676	440,978	474,489
Northern Inter-Tribal Health Authority	-	409,246	246,745
Housing rental income	565,681	304,655	252,817
Teacherage rental income	279,250	219,892	228,727
Interest income	13,410	170,103	161,379
Woodland Cree Enterprises	122,474	161,578	-
Revenue from trust held by government	125,000	136,156	124,381
Gain on sale of investment	-	119,806	1,883,430
Forgiveness of debt	-	54,980	-
User fees	177,696	44,155	102,780
Gain on sale of asset	-	43,571	44,098
Management fees	-	19,800	175,800
	<b>104,277,458</b>	<b>107,317,473</b>	<b>118,454,609</b>
<b>Expenses (note 12)</b>			
Child and Family Services	14,918,297	15,884,571	14,600,450
Health Services	16,055,184	14,152,590	13,563,963
Education	12,024,863	12,373,601	11,789,831
Basic needs	10,890,000	12,277,673	11,829,166
Non-INAC community support	9,700,000	9,789,757	-
Non-INAC administration	5,300,000	5,302,626	15,168,654
Amortization of tangible capital assets	4,540,000	4,539,353	5,022,107
Provincial tuition	6,254,640	3,884,761	3,705,366
Post-secondary education	3,424,311	3,344,805	3,333,181
School operations and maintenance	1,980,115	2,594,687	2,736,904
INAC administration	1,730,741	2,416,725	1,972,021

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, 2016

	Budget \$ (note 16)	2016 \$	2015 \$
Special education	2,036,406	2,321,816	2,415,986
Community infrastructure	2,187,558	2,048,660	1,774,623
Reinvestment	1,556,566	1,560,941	1,496,745
Special needs	1,028,500	1,038,053	956,944
Skills Link program	113,652	802,410	189,933
Social assistance	819,522	713,376	667,222
Band employee benefits	527,645	584,231	579,180
Housing	302,281	482,850	431,493
CMHC rental housing	351,351	449,220	604,257
Enhanced teachers	295,195	351,348	330,687
New Paths	308,356	342,272	295,368
In home care	762,589	308,356	308,356
First Nation Student Success	186,570	227,570	686,305
Council component	210,460	219,421	127,924
Prince Albert Office Complex	126,280	210,460	216,652
Summer work experience	136,048	174,249	102,414
Certified worker operator	100,000	136,048	150,900
Economic development	-	126,280	106,063
Lands	-	106,705	57,748
Daycare	78,723	99,521	117,944
Indian registry	-	60,805	58,164
Outreach	-	46,305	38,194
Active measures	-	-	33,533
Special projects	-	-	382,732
Professional and institutional fund	-	-	84,817
Early Childhood Intervention Program	-	-	115
	97,945,853	98,972,046	95,935,942
<b>Surplus for the year</b>	6,331,605	8,345,427	22,518,667
<b>Accumulated surplus – Beginning of year</b>		96,134,718	73,616,051
<b>Accumulated surplus – End of year</b>		104,480,145	96,134,718

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

# Peter Ballantyne Cree Nation

## Consolidated Statement of Changes in Net Financial Assets

For the year ended March 31, 2016

	<b>Budget</b> <b>\$</b> (note 16)	<b>2016</b> <b>\$</b>	<b>2015</b> <b>\$</b>
<b>Operating surplus for the year</b>	6,331,605	8,345,427	22,518,667
Acquisition of tangible capital assets	(14,700,000)	(14,698,917)	(20,131,157)
Proceeds on the sale of tangible capital assets	-	52,571	86,308
Loss (gain) on the sale of tangible capital assets	-	9,615	(59,884)
Amortization of tangible capital assets	4,540,000	4,539,353	5,022,107
	(3,828,395)	(1,751,951)	7,436,041
Increase in prepaid expenses	(1,136,665)	(1,136,665)	(45,052)
<b>Changes in net financial assets</b>	(4,965,060)	(2,888,616)	7,390,989
<b>Net financial assets – Beginning of year</b>	38,414,919	38,414,919	31,023,930
<b>Net financial assets – End of year</b>	33,449,859	35,526,303	38,414,919

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, 2016

	2016 \$	2015 \$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Operating surplus for the year	8,345,427	22,518,667
Items not affecting cash		
Equity in earnings of Peter Ballantyne Developments Limited Partnership	(5,613,098)	(7,740,998)
Gain from sale of investment	(119,806)	(1,883,430)
Loss (gain) on sale of asset	9,615	(59,884)
Amortization of tangible capital assets	4,539,353	5,022,107
Net change in financial assets and liabilities (note 13)	(8,011,273)	(3,834,057)
	(849,782)	14,022,405
<b>Investing activities</b>		
Distributions of investments	997,069	1,118,492
Distribution of dividends	-	1,300,000
Purchase of short-term investments	(3,051,219)	(2,500,000)
Sale of shares held in jointly owned entity	119,806	2,227,412
	(1,934,344)	2,145,904
<b>Capital activities</b>		
Proceeds on disposal of capital assets	52,571	86,308
Acquisition of tangible capital assets	(14,698,917)	(20,131,157)
	(14,646,346)	(20,044,849)
<b>Financing activities</b>		
Debt issuances	17,529,640	-
Debt retirement	(2,814,886)	(881,294)
Forgiveness of debt	(54,980)	-
	14,659,774	(881,294)
<b>Net increase in cash</b>	(2,770,698)	(4,757,834)
<b>Net cash – Beginning of year</b>	16,109,253	20,867,087
<b>Net cash – End of year</b>	13,338,555	16,109,253
<b>Net cash is comprised of</b>		
Cash	799,630	1,678,455
Bank indebtedness	(1,352,601)	(927,950)
Restricted cash	13,891,526	15,358,748
	13,338,555	16,109,253
<b>Supplemental disclosure of cash flow information</b>		
<b>Cash paid during the year for</b>		
Interest	344,952	200,940

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

# Peter Ballantyne Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2016

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### 1 Operations

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, administration and all related entities that are accountable to the First Nation and are either owned or controlled by the First Nation.

### 2 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, Deschambault Lake, Sandy Bay, Denare Beach, Sturgeon Landing and Kinoosao. 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.

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

- Peter Ballantyne Band #355 Indigenous and Northern Affairs Canada ("INAC") Funded Programs (Pelican Narrows Administration, Kiskaciwan Administration, Southend Administration, Deschambault Lake Administration, Sandy Bay Administration, Bandwide Administration, Denare Beach Administration, Sturgeon Landing Administration and Kinoosao Administration).
- Non-INAC Administration operations of Peter Ballantyne Cree Nation (Pelican Narrows Non-INAC Administration, Prince Albert Administration Non-INAC Administration, Southend Non-INAC Administration, Deschambault Lake Non-INAC Administration, Sandy Bay Non-INAC Administration, Denare Beach Non-INAC Administration, Sturgeon Landing Non-Inac Administration Bandwide Non-INAC Administration and Kinoosao Non-INAC Administration).

# Peter Ballantyne Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2016

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- Peter Ballantyne Child and Family Services Inc., Peter Ballantyne Cree Nation Health Services Incorporated, Peter Ballantyne Cree Nation CMHC Housing Program 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 monies 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
- 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 declining basis over the estimated useful lives of the assets as follows:

# Peter Ballantyne Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2016

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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.

### 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, 2016.

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.

# Peter Ballantyne Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2016

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### k) Segments

The First Nation conducts its business through five reportable segments: INAC Administration, Non-INAC 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.

### 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.

In September 2015, the effective date for governments was extended by three years. PS 3450 is effective for fiscal years beginning on or after April 1, 2019. In the period that a public sector entity applies PS 3450, it also applies PS 1201, PS 2601, and PS 3041. Early adoption is permitted.

#### *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*.

# Peter Ballantyne Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2016

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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.

### *Assets, Contingent Assets and Contractual Rights*

In June 2015, new PS 3210 *Assets*, PS 3320 *Contingent Assets*, and PS 3380 *Contractual Rights* were included in the CPA Canada Public Sector Accounting Handbooks (PSA HB).

PS 3210 *Assets* provides additional guidance to clarify the definition of assets set out in PS 1000 *Financial Statement Concepts*.

PS 3320 *Contingent Assets* establishes disclosure standards on contingent assets. Under previous standards contingent assets could not be disclosed.

# Peter Ballantyne Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2016

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PS 3380 *Contractual Rights* establishes disclosure standards on contractual rights, and does not include contractual rights to exchange assets where revenue does not arise. The main features of the standard are as follows:

- Contractual rights are rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future.
- Until a transaction or event occurs under a contract or agreement, an entity only has a contractual right to an economic resource. Once the entity has received an asset, it no longer has a contractual right.
- Contractual rights are distinct from contingent assets as there is no uncertainty related to the existence of the contractual right.

These standards are effective for fiscal years beginning on or after April 1, 2017.

### 3 Short-term investments

Restricted investments are held for Peter Ballantyne Cree Nation Health Services Incorporated and consists of two non-redeemable term deposits with interest rates of 2.05% and 1.07% with maturity dates of December 17, 2016 and March 23, 2017 respectively.

### 4 Accounts receivable

	2016 \$	2015 \$
Indigenous and Northern Affairs Canada	2,356,321	2,578,919
Other	1,362,707	1,131,692
Ministry of Social Services	724,538	557,864
Northern Lights School Division	559,073	851,881
Prince Albert Grand Council	357,299	280,942
Proceeds from sale of First Pharmacy Plus Ltd.	218,416	2,263,642
SIIT	149,773	27,750
Canada Mortgage and Housing Corporation	30,707	30,707
Health Canada	974	40,599
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	5,759,808	7,763,996

# Peter Ballantyne Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2016

### 5 Restricted cash

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

	2016 \$	2015 \$
Peter Ballantyne Cree Nation Health Services Inc.	7,477,455	7,808,094
Peter Ballantyne Cree Nation Administration Capital Projects	3,170,468	5,669,720
Peter Ballantyne Cree Nation Waskahikan Project	1,569,119	-
Peter Ballantyne Cree Nation CMHC Housing Program	1,003,642	896,453
Peter Ballantyne Child & Family Services Inc.	140,394	633,760
Prince Albert Office Complex	350,000	350,000
Peter Ballantyne Cree Nation Self Insurance	180,448	721
	<u>13,891,526</u>	<u>15,358,748</u>

### 6 Funds held in trust

The following is a summary of current year activity in the First Nation funds held in trust by INAC.

	Balance – Beginning of year \$	Revenue \$	Eligible expenditures \$	2016 Balance – End of Year \$
Revenue	91,142	136,156	(180,000)	47,298
Capital	80,276	-	-	80,276
	<u>171,418</u>	<u>136,156</u>	<u>(180,000)</u>	<u>127,574</u>

	Balance – Beginning of year \$	Revenue \$	Eligible expenditures \$	2015 Balance – End of Year \$
Revenue	23,909	131,233	(64,000)	91,142
Capital	80,276	-	-	80,276
	<u>104,185</u>	<u>131,233</u>	<u>(64,000)</u>	<u>171,418</u>

The trust funds arise from monies derived from capital or revenue resources as outlined in Section 66 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.



# Peter Ballantyne Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2016

The additions for the trust fund is comprised of \$132,046 (2015 - \$124,381) of Leased income and \$4,110 (2015 - \$6,852) of government interest.

The withdrawals of these funds relate to Band Council Resolutions.

### 7 Assets held in trust

The First Nation obtained long term loan financial from the First Nations Finance Authority ("the Authority"). As a condition of these borrowings, 5% of the loan proceeds are withheld by the Authority and maintained in a Debt Reserve Fund Investment. The Debt Reserve Fund amount will be credited to the First Nation and invested on its behalf. The Debt Reserve Fund can be accessed by the Authority to cover loan defaults of any First Nations borrowing member of the Authority. Upon extinguishment of the loan, the Debt Reserve Fund contributed by the First Nation and earnings on the investment of the funds will be repaid to First Nation.

The First nation has commenced a housing project, Waskahikan. As part of agreements held with contractors, certain monies have been transferred to be held in a trust account.

	Authority \$	Waskahikan \$	2016 \$	2015 \$
Trust balance, beginning of year	-	-	-	-
Trust additions	876,500	740,439	1,616,939	-
Interest earned	5,486	-	5,486	-
Trust balance, end of year	881,986	740,439	1,622,425	-

### 8 Investments in government business enterprises

	2016 \$	2015 \$
Investments held directly by Peter Ballantyne Cree Nation Health Services Inc.	38,462	55,654
Investments held directly by Peter Ballantyne Developments Limited Partnership	45,438,208	40,804,987
	45,476,670	40,860,641

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.

# Peter Ballantyne Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2016

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

	2016 \$	2015 \$
Assets	48,815,891	44,690,343
Liabilities	3,300,759	3,830,607
Shareholders' Equity	45,515,132	40,859,736
Revenue	49,435,006	51,401,439
Expenses	43,839,099	45,427,094
Excess of revenue over expenses	5,595,907	5,974,345
Cash from operating activities	2,251,587	1,971,041
Cash used in investing activities	(708,379)	1,917,046
Cash used in financing activities	(1,884,203)	(1,581,843)

### 9 Deferred revenue

	Balance at March 31, 2015 \$	Funding received \$	Revenue recognized \$	Balance at March 31, 2016 \$
Federal government	6,744,046	2,216,819	3,633,652	5,327,213
Provincial government	373,273	-	99,977	273,296
Other	1,110,765	482,046	-	1,592,811
	<u>8,228,084</u>	<u>2,698,865</u>	<u>3,733,629</u>	<u>7,193,320</u>
	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>

# Peter Ballantyne Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2016

### 10 Debt

	2016 \$	2015 \$
<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
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.	536,912	732,570
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.	61,907	80,782
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.	51,817	61,341
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.	46,898	57,615
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.	52,593	69,008
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.	653,316	725,222
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.	516,057	568,640
<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
<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.	1,016,097	1,078,351
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.	52,365	64,344
<b>Total capital debt</b>	<b>2,987,962</b>	<b>3,531,376</b>

# Peter Ballantyne Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2016

	2016 \$	2015 \$
<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
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.	61,605	86,152
First Nation Finance Authority, loan bearing interest at 2.60% per annum, monthly payable interest only. Principal repayable at maturity, maturing the earlier of (a) five years from the first principle amount drawdown, (b) the date of completion of the purpose of borrowing, and (c) the date upon which the Authority issues debt securities to replace the interim long-term financing loan.	12,030,000	-
First Nation Finance Authority bearing interest at 2.985% per annum, repayable in monthly principal payments of \$17,057 and interest payment so \$13,681 maturing at June 26, 2024, secured by Peter Ballantyne Group of Companies income allocation and authorized Federal transfers.	5,346,485	-
<b>Total operating debt</b>	<b>17,438,090</b>	<b>2,234,902</b>
<b>Total debt</b>	<b>20,426,052</b>	<b>5,766,278</b>

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.

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

	\$
2017	723,788
2018	727,808
2019	617,473
2020	467,722
2021	359,406

# Peter Ballantyne Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2016

### 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 and wrongful dismissal matters. One claim relating to the development of a graphite mine in Southend, 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) 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.
- c) Security for the CMHC housing loans has been provided by a ministerial guarantee of future INAC funding.

### 12. Expenses by type

	Budget \$ (note 16)	2016 \$	2015 \$
Salaries, wages and benefits	38,289,142	38,646,212	36,120,136
Social assistance	9,784,700	11,176,204	10,078,992
Member support	7,210,911	6,694,191	5,993,880
Student support	8,988,132	6,618,942	6,439,568
Child and family services	6,308,726	6,500,190	6,697,927
Amortization of tangible capital assets	3,903,882	4,539,353	5,022,108
Utilities	3,646,334	4,035,376	4,823,130
Travel	2,924,221	3,475,389	3,079,559
Services	2,455,475	2,631,123	691,781
Supplies	2,530,533	2,146,893	2,147,681
Designated projects	2,139,611	2,098,416	2,753,481
Repairs and maintenance	1,660,911	1,538,349	2,896,122
Administration and governance	1,458,069	1,410,223	1,379,150
Other	1,192,520	1,212,745	1,927,087
Cultural activities	947,881	1,134,135	857,760
Training	943,699	1,111,211	1,028,242
SaskPower Elder's Agreement	821,652	821,652	1,602,085
Bank charges and interest	611,970	675,426	424,771
Donations and grants	586,838	586,838	497,907
Professional fees	231,640	491,498	287,950
Insurance	416,279	443,441	517,799
Program development	225,000	394,897	115,586
Nursing	435,950	351,467	378,805
Vehicles	228,777	231,687	168,853
Contracts	3,000	6,188	5,582
	<u>97,945,853</u>	<u>98,972,046</u>	<u>95,935,942</u>

# Peter Ballantyne Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2016

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### 13 Net change in financial assets and liabilities

	2016 \$	2015 \$
Accounts receivable	2,004,188	(1,464,857)
Trust funds held by federal government	43,844	(67,233)
Assets held in trust	(1,622,425)	-
Accounts payable and accrued liabilities	(6,265,451)	3,230,834
Deferred revenue	(1,034,764)	(5,487,749)
Prepaid expenses	(1,136,665)	(45,052)
	<u>(8,011,273)</u>	<u>(3,834,057)</u>

# Peter Ballantyne Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2016

### 14 Tangible capital assets

						2016	2015
	Rental housing \$	Buildings and housing \$	Buildings and housing – In progress \$	Equipment and vehicles \$	Capital infrastructure \$	Total \$	Total \$
<b>Cost</b>							
Opening costs	10,733,874	39,314,957	-	11,261,992	144,971,384	206,282,207	186,579,589
Additions	-	2,210,954	6,207,906	716,452	5,563,605	14,698,917	20,131,157
Disposals	-	-	-	458,321	-	458,321	428,539
	10,733,874	41,525,911	6,207,906	11,520,123	150,534,989	220,522,803	206,282,207
<b>Accumulated amortization</b>							
Opening accumulated amortization	7,459,631	24,686,911	-	7,281,385	109,196,451	148,624,378	144,004,386
Disposals	-	-	-	396,135	-	396,135	402,115
Amortization expense	414,201	1,102,853	-	977,139	2,045,160	4,539,353	5,022,107
	7,873,832	25,789,764	-	7,862,389	111,241,611	152,767,596	148,624,378
<b>Net book value</b>	2,860,042	15,736,147	6,207,906	3,657,734	39,293,378	67,755,207	57,657,829

# Peter Ballantyne Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2016

	2015				2014
	Rental housing \$	Buildings and housing \$	Equipment and vehicles \$	Capital infrastructure \$	Total \$
<b>Cost</b>					
Opening costs	10,733,874	35,964,977	10,140,462	129,740,276	186,579,589
Additions	-	3,349,980	1,550,069	15,231,108	20,131,157
Disposals	-	-	428,539	-	428,539
	10,733,874	39,314,957	11,261,992	144,971,384	206,282,207
<b>Accumulated amortization</b>					
Opening accumulated amortization	6,908,280	22,904,941	7,253,440	106,937,725	144,004,386
Disposals	-	-	402,115	-	402,115
Amortization expense	551,351	1,781,970	430,060	2,258,726	5,022,107
	7,459,631	24,686,911	7,281,385	109,196,451	148,624,378
<b>Net book value</b>	3,274,243	14,628,046	3,980,607	35,774,933	57,657,829



# Peter Ballantyne Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2016

### 15 Segment disclosure

	INAC Administration			Non-INAC Administration			Child and Family Services		
	Budget \$ (note 16)	2016 \$	2015 \$	Budget \$ (note 16)	2016 \$	2015 \$	Budget \$ (note 16)	2016 \$	2015 \$
<b>Revenues</b>									
Federal government transfers	49,029,324	47,694,726	57,414,725	313,421	214,580	112,293	14,038,843	15,491,735	14,662,717
Provincial government transfers	-	-	-	2,915,596	2,915,326	2,511,908	576,000	683,015	482,866
Other	6,460,049	6,504,903	4,898,614	12,210,065	17,157,346	19,798,958	706,000	76,567	109,328
	<u>55,489,373</u>	<u>54,199,629</u>	<u>62,313,339</u>	<u>15,439,082</u>	<u>20,287,252</u>	<u>22,423,159</u>	<u>15,320,843</u>	<u>16,251,317</u>	<u>15,254,911</u>
<b>Expenses</b>									
Salaries, wages and benefits	16,954,386	17,616,121	17,030,305	3,580,857	3,580,857	3,287,383	6,000,878	6,539,876	5,550,666
Amortization	2,738,000	2,677,859	3,202,732	27,060	27,060	7,883	632,289	757,173	678,281
Programs	30,267,536	30,719,457	29,620,427	11,566,354	11,488,425	11,769,679	9,026,181	9,327,654	9,049,784
	<u>49,959,922</u>	<u>51,013,437</u>	<u>49,853,464</u>	<u>15,174,271</u>	<u>15,096,342</u>	<u>15,064,945</u>	<u>15,659,348</u>	<u>16,624,703</u>	<u>15,278,731</u>
<b>Surplus (deficit) for the year</b>	<u>5,529,451</u>	<u>3,186,192</u>	<u>12,459,875</u>	<u>264,811</u>	<u>5,190,910</u>	<u>7,358,214</u>	<u>(338,505)</u>	<u>(373,386)</u>	<u>(23,820)</u>

**Peter Ballantyne Cree Nation**  
Notes to Consolidated Financial Statements  
**March 31, 2016**

	Health			Facilities			Total		
	Budget \$ (note 16)	2016 \$	2015 \$	Budget \$ (note 16)	2016 \$	2015 \$	Budget \$ (note 16)	2016 \$	2015 \$
(continued)									
<b>Revenues</b>									
Federal government transfers	16,741,648	14,788,604	14,737,252	645,000	299,502	329,581	80,768,236	78,489,147	87,256,568
Provincial government transfers	-	-	-	-	-	-	3,491,596	3,598,341	2,994,774
Other	-	596,435	2,760,493	641,512	894,734	635,874	20,017,626	25,229,985	28,203,267
	<u>16,741,648</u>	<u>15,385,039</u>	<u>17,497,745</u>	<u>1,286,512</u>	<u>1,194,236</u>	<u>965,455</u>	<u>104,277,458</u>	<u>107,317,473</u>	<u>118,454,609</u>
<b>Expenses</b>									
Salaries, wages and benefits	11,627,505	10,860,842	10,205,040	125,516	48,516	46,742	38,289,142	38,646,212	36,120,137
Amortization	-	570,728	570,842	506,533	506,533	562,370	3,903,882	4,539,353	5,022,108
Programs	4,427,679	3,600,104	3,659,681	465,079	650,841	694,127	55,752,829	55,786,481	54,793,697
	<u>16,055,184</u>	<u>15,031,674</u>	<u>14,435,563</u>	<u>1,097,128</u>	<u>1,205,890</u>	<u>1,303,239</u>	<u>97,945,853</u>	<u>98,972,046</u>	<u>95,935,942</u>
<b>Surplus (deficit) for the year</b>	<u>686,464</u>	<u>353,365</u>	<u>3,062,182</u>	<u>189,384</u>	<u>(11,654)</u>	<u>(337,784)</u>	<u>6,331,605</u>	<u>8,345,427</u>	<u>22,518,667</u>

# **Peter Ballantyne Cree Nation**

## **Notes to Consolidated Financial Statements**

**March 31, 2016**

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### **16 Budgeted figures**

Unaudited budgeted figures have been provided for comparison purposes and have been derived from the estimates approved by the Chief and Council.

### **17 Classification**

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

### **18 Subsequent Events**

The First nation negotiated a \$20,030,000 operating loan with the First Nation Finance Authority. The loan was entered into through the Borrowing Law as of march 23, 2015.

Subsequent to year end, the First Nation has drawn \$8,000,000 (2015 – \$17,530,000) on this facility for operation and housing construction.