

# **Peter Ballantyne Cree Nation**

Consolidated Financial Statements  
**March 31, 2019**

## **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

To the Members of Peter Ballantyne Cree Nation

Management of Peter Ballantyne Cree Nation has the responsibility for preparing the accompanying consolidated financial statements and ensuring that all information in the related reports is consistent with the consolidated financial 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 consolidated 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 the consolidated financial statements to the members of the First Nation lies with the Chief and Council of Peter Ballantyne Cree Nation who review the consolidated financial statements in detail with management prior to their approval for publication.

External auditors are appointed by the Chief and Council to audit the consolidated 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.

"Ben Merasty"

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Executive Director

"Donna Morin"

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Director of Finance



## Independent auditor's report

To the Chief and Council of Peter Ballantyne Cree Nation

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### Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Peter Ballantyne Cree Nation and its subsidiaries (together, the First Nation) as at March 31, 2019 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

#### What we have audited

The First Nation's consolidated financial statements comprise:

- the consolidated statement of financial position as at March 31, 2019;
- the consolidated statement of changes in net financial assets for the year then ended;
- the consolidated statement of operations for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

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

#### Independence

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

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



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## **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 First Nation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the First Nation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the First Nation's financial reporting process.

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## **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.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the First Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the First Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the 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 First Nation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*PricewaterhouseCoopers LLP*

Chartered Professional Accountants

Saskatoon, Saskatchewan  
July 30, 2021

# Peter Ballantyne Cree Nation

## Consolidated Statement of Financial Position

As at March 31, 2019

	2019 \$	2018 \$
<b>Financial assets</b>		
Cash	5,116,006	1,310,427
Short-term investments (note 2)	11,392,678	10,215,065
Accounts receivable (note 3)	19,301,943	11,255,792
Restricted cash (note 4)	14,694,542	16,048,467
Trust funds held by federal government (note 5)	259,161	137,368
Funds held in trust (note 6)	2,384,979	2,272,906
Investments in government business enterprises (note 7)	56,139,124	53,311,512
	<u>109,288,433</u>	<u>94,551,537</u>
<b>Financial liabilities</b>		
Bank indebtedness	1,687,852	257,312
Accounts payable and accrued liabilities	15,561,554	10,400,383
Deferred revenue (note 8)	13,958,210	14,282,019
Debt (note 9)	42,861,038	44,261,684
	<u>74,068,654</u>	<u>69,201,398</u>
<b>Net financial assets</b>	<u>35,219,779</u>	<u>25,350,139</u>
<b>Non-financial assets</b>		
Prepaid expenses	1,201,267	961,598
Tangible capital assets (note 13)	107,897,077	88,702,240
	<u>109,098,344</u>	<u>89,663,838</u>
<b>Accumulated surplus</b>	<u>144,318,123</u>	<u>115,013,977</u>
<b>Contingencies, commitments and contracts</b> (note 10)		
<b>Subsequent event</b> (note 17)		

### Approved by the Chief and Council

\_\_\_\_\_  
"Elizabeth Michel"

\_\_\_\_\_  
"Sarah Swan"

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, 2019

	2019 \$	2018 \$(restated)
<b>Operating surplus for the year</b>	29,304,146	6,446,220
Acquisition of tangible capital assets (note 13)	(26,709,849)	(18,396,508)
Proceeds on the sale of tangible capital assets	52,294	134,738
Loss on the sale of tangible capital assets	(8,110)	(97,997)
Amortization of tangible capital assets (note 13)	7,470,829	4,871,841
	10,109,310	(7,041,706)
Decrease (increase) in prepaid expenses	(239,669)	558,073
<b>Changes in net financial assets</b>	9,869,641	(6,483,633)
<b>Net financial assets – Beginning of year</b>	25,350,138	32,909,543
<b>Accounting adjustment</b>	-	(1,075,771)
<b>Net financial assets – Beginning of year</b>	25,350,138	31,833,772
<b>Net financial assets – End of year</b>	35,219,779	25,350,139

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, 2019

	Budget \$ (note 15)	2019 \$	2018 \$
<b>Revenue</b>			
Indigenous Services Canada (ISC)	63,654,033	97,890,480	73,234,412
Health Canada	16,877,389	18,575,559	16,271,308
Prince Albert Grand Council (PAGC)	7,515,196	7,918,703	8,509,087
Equity in earnings of PBCN Group of Companies	4,500,000	4,501,684	5,047,851
Saskatchewan Indian Gaming Authority (SIGA)	3,150,000	3,151,558	3,332,390
Provincial tax rebates	3,000,000	2,926,172	3,000,084
Miscellaneous	3,507,729	3,430,098	3,019,445
SaskPower Elder's Agreement	1,666,000	1,666,666	406,702
Government of Canada	892,600	1,183,943	897,599
Northern Lights School Division	632,948	981,377	835,837
Northern Lights Community Development Corporation	980,000	980,684	983,693
Sask Indian Training Assessment Group (SITAG)	800,000	884,097	552,858
Canada Mortgage and Housing Corporation (CMHC)	475,000	624,827	677,890
Interest income	219,500	586,999	294,800
Housing rental income	560,000	561,413	569,679
Ministry of Justice	411,000	415,048	351,755
Ministry of Social Services	294,849	293,884	358,464
Woodland Cree Enterprises	60,000	238,263	283,810
Revenue from trust held by government	138,000	217,118	135,190
Northern Inter-Tribal Health Authority	87,000	173,582	112,720
	109,421,244	147,202,155	118,875,574
<b>Expenses (note 11)</b>			
Child and Family Services	23,885,853	19,147,984	16,204,439
Health Services	17,475,191	17,204,813	15,781,297
Education	13,458,982	14,583,343	13,795,716
Basic needs	11,460,771	11,773,689	11,560,892
Non-funded	11,900,000	11,518,725	12,730,182
Amortization of tangible capital assets	5,287,000	7,470,829	4,871,841
Member support	4,500,000	4,849,512	4,481,106
Provincial tuition	3,239,740	4,824,425	4,349,559
Post-secondary education	3,970,740	4,154,217	4,143,713
Special education	3,247,620	3,330,819	3,713,543
School operations and maintenance	2,473,287	3,266,219	3,075,710
Administration	2,281,408	2,569,466	2,416,715
Community infrastructure	2,150,885	2,281,425	2,507,848
First Nation Student Success	1,408,892	1,406,481	1,646,089
Reinvestment	1,093,374	1,303,996	1,512,274
Housing	2,542,373	1,271,822	1,475,699
Social assistance	1,136,435	1,113,809	1,106,893
New Paths	1,188,684	1,086,180	1,498,331
Special needs	914,503	907,848	1,012,675
Education Partnership Program	337,811	483,391	-
Day care	-	457,521	416,204
Council	217,940	419,747	466,891
Summer students (work experience)	29,074	334,526	135,208
In home care	308,356	308,356	308,356
CMHC rental housing	-	300,290	386,488
Prince Albert Office Complex	496,000	214,789	204,053
Council Action Plan	178,651	175,151	-
Lands	69,109	184,500	217,349
Band employee benefits	-	180,870	627,308
Certified water operator	177,900	177,900	149,550
Northeast Prevention Program	211,000	166,715	188,534
Economic development	100,000	116,405	117,460

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, 2019

	<b>Budget</b> <b>\$</b> (note 15)	<b>2019</b> <b>\$</b>	<b>2018</b> <b>\$</b>
Special projects	-	107,852	47,160
Indian registry	77,938	63,612	66,619
Housing – Capacity & Innovation	80,000	46,751	-
Miscellaneous	216,698	94,031	385,955
Early childhood intervention program	-	-	335,991
Enhanced teachers	-	-	329,247
Skills Link program	-	-	162,458
	<u>116,116,215</u>	<u>117,898,009</u>	<u>112,429,353</u>
<b>Surplus for the year</b>	<u>(6,694,971)</u>	29,304,146	6,446,221
<b>Accumulated surplus – Beginning of year</b>		<u>115,013,977</u>	<u>108,567,756</u>
<b>Accumulated surplus – End of year</b>		<u>144,318,123</u>	<u>115,013,977</u>

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, 2019

	2019 \$	2018 \$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Surplus for the year	29,304,146	6,446,221
Items not affecting cash		
Equity in earnings of PBCN Group of Companies (note 7)	(4,501,684)	(5,048,917)
Loss on sale of asset	(8,110)	(97,997)
Amortization of tangible capital assets (note 13)	7,470,829	4,871,841
Net change in financial assets and liabilities (note 12)	(3,682,324)	(582,461)
	<u>28,582,857</u>	<u>5,588,687</u>
<b>Investing activities</b>		
Distributions received from PBCN Group of Companies (note 7)	1,612,713	1,298,080
Sale of short-term investments	10,346,425	7,094,497
Purchase of short-term investments	(11,462,678)	(10,215,065)
	<u>496,460</u>	<u>(1,822,488)</u>
<b>Capital activities</b>		
Proceeds on disposal of capital assets	52,292	134,738
Acquisition of tangible capital assets	(26,709,849)	(18,396,508)
	<u>(26,657,557)</u>	<u>(18,261,770)</u>
<b>Financing activities</b>		
Debt issuances	2,022,238	18,765,000
Debt retirement	(3,422,884)	(1,644,603)
	<u>(1,400,646)</u>	<u>17,120,397</u>
<b>Net increase in cash</b>	<u>1,021,114</u>	<u>2,624,826</u>
<b>Net cash – Beginning of year</b>	<u>17,101,582</u>	<u>14,476,756</u>
<b>Net cash – End of year</b>	<u>18,122,696</u>	<u>17,101,582</u>
<b>Net cash is comprised of</b>		
Cash	5,116,006	1,310,427
Bank indebtedness	(1,687,852)	(257,312)
Restricted cash	14,694,542	16,048,467
	<u>18,122,696</u>	<u>17,101,582</u>
<b>Supplemental disclosure of cash flow information</b>		
Cash paid during the year for		
Interest	1,721,705	1,333,656

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

# Peter Ballantyne Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2019

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### 1 Summary of significant accounting policies

#### Description of organization

Peter Ballantyne Cree Nation (the First Nation) is in the province of Saskatchewan and provides government and related 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.

#### Basis of presentation

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 Accountants of Canada.

#### 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.

#### Principles of consolidation

All controlled entities are fully consolidated on a line-by-line basis except for the commercial enterprises that 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 ISC 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);
- Community Administration operations of Peter Ballantyne Cree Nation (Pelican Narrows Non-ISC Administration, Kiskaciwan Administration Non-ISC Administration, Southend Non-ISC Administration, Deschambault Lake Non-ISC Administration, Sandy Bay Non-ISC Administration, Denare Beach Non-ISC Administration, Sturgeon Landing Non-ISC Administration, Bandwide Non-ISC Administration and Kinoosao Non-ISC Administration);

# **Peter Ballantyne Cree Nation**

## **Notes to Consolidated Financial Statements**

**March 31, 2019**

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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.

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

### **Classification**

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

### **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.

### **Short-term investments**

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

### **Restricted cash**

Restricted cash consists of monies that are either internally or externally restricted for specific purposes including tangible capital asset expenditures.

### **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 monies consist of:

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

# Peter Ballantyne Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2019

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### 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:

Buildings and housing	8%
Capital infrastructure	8%
Equipment and vehicles	20%

The First Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying value of an asset, or group of assets, may not be recoverable. Impairment losses are recognized when assets are no longer in use and disposal amounts are less than the asset's carrying amount. Impairment is measured as the amount by which the asset's carrying value exceeds its fair value. Any impairment is included in surplus for the year.

### 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 consolidated 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 purposes.

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

### 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 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.

The First Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

# **Peter Ballantyne Cree Nation**

## **Notes to Consolidated Financial Statements**

**March 31, 2019**

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### **Landfill liability**

The First Nation maintains waste disposal sites. The liability for estimated costs to close and maintain solid waste landfill sites is based on estimated future expenses in current dollars, discounted, adjusted for estimated inflation. Estimated costs are charged to expense as the landfill sites capacity is used.

### **Liability for contaminated sites**

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all of the following criteria are met:

- i) an environmental standard exists;
- ii) contamination exceeds the environmental standards;
- iii) the First Nation:
  - is directly responsible; and
  - accepts responsibility.
- iv) it is expected that future economic benefits will be given up; and
- v) a reasonable estimate of the amount can be made.

### **Segments**

The First Nation conducts its business through five reportable segments: Funded programs, Education, Community Administrations, Child and Family Services, Health and Social Housing. 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.

### **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, 2019

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### Recent accounting pronouncements

#### *Financial instruments*

In June 2011, the Public Sector Accounting Board (PSAB) issued PS 3450, Financial Instruments (PS 3450) 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, 2021. Earlier adoption is permitted. 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.

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.

## 2 Short-term investments

Restricted investments are held for Peter Ballantyne Cree Nation Health Services Incorporated and Peter Ballantyne Child and Family Services and consist of:

	2019 \$	2018 \$
1.85% non-redeemable term deposit, matured March 23, 2019	-	2,638,604
1.7% non-redeemable term deposit, matured December 17, 2018	-	3,050,995
1.7% non-redeemable term deposit, matured July 6, 2018	-	1,525,466
1.7% non-redeemable term deposit, matured June 30, 2018	-	3,000,000
1.7% non-redeemable term deposit, maturing November 27, 2019	1,000,000	-
2.75% non-redeemable term deposit, maturing March 22, 2020	2,687,418	-
2.75% non-redeemable term deposit, maturing December 17, 2019	3,102,861	-
2.35% non-redeemable term deposit, maturing July 6, 2019	1,551,399	-
2.35% non-redeemable term deposit, maturing June 30, 2019	3,051,000	-
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	11,392,678	10,215,065

# Peter Ballantyne Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2019

### 3 Accounts receivable

	2019 \$	2018 \$
ISC	16,534,374	8,301,079
Other	1,497,582	1,176,492
Northern Lights School Division (NLSLD)	670,704	669,731
Ministry of Social Services	291,424	286,154
CMHC	210,126	456,574
PAGC	76,933	345,901
Health Canada	20,800	19,861
	<u>19,301,943</u>	<u>11,255,792</u>

### 4 Restricted cash

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

	2019 \$	2018 \$
Peter Ballantyne Cree Nation Administration Capital Projects	11,459,095	7,646,469
Peter Ballantyne Child & Family Services Inc.	1,186,545	59,801
Peter Ballantyne Cree Nation Health Services Inc.	821,238	4,307,540
Peter Ballantyne Cree Nation CMHC Housing Program	815,634	156,645
Prince Albert Office Complex	350,000	350,000
Peter Ballantyne Cree Nation Self Insurance	60,686	50,904
Other community capital projects	1,344	3,477,108
	<u>14,694,542</u>	<u>16,048,467</u>

### 5 Trust funds held by federal government

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

	2019		
	Balance – Beginning of year \$	Revenue \$	Balance – End of year \$
Revenue	57,092	133,721	93,813
Capital	80,276	85,072	165,348
	<u>57,092</u>	<u>133,721</u>	<u>93,813</u>



# Peter Ballantyne Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2019

	<b>2018</b>		
	<b>Balance – Beginning of year \$</b>	<b>Revenue \$</b>	<b>Eligible expenditures \$</b>
Revenue	69,842	135,250	(148,000)
Capital	80,276	-	-
	69,842	135,250	(148,000)
			57,092
			80,276

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.

The addition for the trust fund revenue is comprised of \$132,045 (2018 – \$132,045) of leased income and \$1,676 (2018 – \$3,205) of government interest. The addition for the trust fund capital is comprised of \$85,072 (2018 – \$nil) of a legal settlement.

## 6 Funds held in trust

The First Nation obtained long-term loan financing 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 Nation 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 the First Nation.

	<b>2019 \$</b>	<b>2018 \$</b>
Trust balance, beginning of year	2,272,906	1,292,949
Trust additions	-	938,250
Interest earned	112,723	41,707
Trust withdrawals	(650)	-
Trust balance, end of year	2,384,979	2,272,906

# Peter Ballantyne Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2019

### 7 Investments in government business enterprises

	2019 \$	2018 \$
Investments held directly by Peter Ballantyne Cree Nation Health Services Inc.	-	61,359
Investments held directly by Peter Ballantyne Developments Limited Partnership (PBCN Group of Companies)	56,139,124	53,250,153
	<u>56,139,124</u>	<u>53,311,512</u>

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

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

	2019 \$	2018 \$
Assets	59,208,260	56,897,949
Liabilities	3,069,136	3,525,078
Partner's Equity	56,139,124	53,372,871
Revenue	56,051,084	52,706,551
Expenses	51,549,400	47,656,568
Excess of revenue over expenses	4,501,684	5,049,983
Cash from operating activities	3,225,686	2,832,884
Cash used in investing activities	(2,299,128)	(813,485)
Cash used in financing activities	(1,612,713)	(1,298,080)

### 8 Deferred revenue

	Balance at March 31, 2018 \$	Funding received \$	Revenue recognized \$	Balance at March 31, 2019 \$
Federal government	13,989,839	25,965,454	26,368,069	13,587,224
Provincial government	39,593	-	31,249	8,344
Other	252,587	110,055	-	362,642
	<u>14,282,019</u>	<u>26,075,509</u>	<u>26,399,318</u>	<u>13,958,210</u>

# Peter Ballantyne Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2019

	Balance at March 31, 2017 \$	Funding received \$	Revenue recognized \$	Balance at March 31, 2018 \$
Federal government	10,672,983	26,389,237	23,072,381	13,989,839
Provincial government	-	39,593	-	39,593
Other	853,181	-	600,594	252,587
	11,526,164	26,428,830	23,672,975	14,282,019

## 9 Debt

	2019 \$	2018 \$
<b>Section 95 Housing</b>		
Phase 2, mortgage loan payable to CIBC at \$19,050.83 per month including interest at 7.25%, with a renewal date of April 1, 2018 and maturing October 1, 2018. Loan is guaranteed by the Government of Canada.	-	112,160
Phase 3, mortgage loan payable to CIBC at \$1,756 per month including interest at 7.25%, with a renewal date of August 1, 2018 and maturing May 1, 2019. Loan is guaranteed by the Government of Canada.	1,775	22,471
Phase 4, mortgage loan payable to CMHC at \$574 per month including interest at 3.89%, maturing November 1, 2020. Loan is guaranteed by the Government of Canada.	11,622	17,415
Phase 5, mortgage loan payable to CMHC at \$1,105 per month including interest at 3.61%, maturing January 1, 2020. Loan is guaranteed by the Government of Canada.	10,873	23,540
Phase 6, mortgage loan payable to CMHC at \$1,465 per month including interest at 1.92%, maturing April 1, 2019. Loan is guaranteed by the Government of Canada.	1,463	18,834
Phase 7, mortgage loan payable to CMHC at \$7,165 per month including interest at 2.01%, with a renewal date of October 1, 2019 and maturing June 1, 2024. Loan is guaranteed by the Government of Canada.	427,845	504,662
Phase 8, mortgage loan payable to CMHC at \$5,030 per month including interest at 0.94%, with a renewal date in September 2020 and maturing February 1, 2025. Loan is guaranteed by the Government of Canada.	346,967	404,056
<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.	807,689	881,130
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.	12,957	26,616

# Peter Ballantyne Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2019

	2019 \$	2018 \$
First Nations Bank of Canada, term loan, interest at prime plus 1.75%, repayable in monthly principal instalments of \$2,514, maturing August 2023. Loan is secured by a general security agreement over all assets.	119,729	-
<b>Community Administrations</b>		
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.	-	7,901
Due on demand, First Nations Finance Authority, loan bearing interest at 3.35% per annum, monthly payable interest only. Principal repayable at maturity, maturing the earlier of (a) five years from the first principal 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.	527,000	-
First Nations Finance Authority, loan bearing interest at 3.65% 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.	6,295,243	6,476,000
First Nations Finance Authority bearing interest at 2.985% per annum, repayable in monthly principal payments of \$17,057 and interest payment of \$13,681 maturing June 26, 2024, secured by PBCN Group of Companies income allocation and authorized Federal transfers.	4,699,585	4,921,623
First Nations Finance Authority bearing interest at 2.90% per annum, repayable in monthly principal payments of \$62,119 and interest payment of \$48,406 maturing June 26, 2024, secured by PBCN Group of Companies income allocation and authorized Federal transfers.	17,923,655	18,708,724
First Nations Finance Authority bearing interest at 3.41% per annum, repayable in monthly principal payments of \$38,112 and interest payment of \$34,921 maturing December 1, 2027, secured by PBCN Group of Companies income allocation and authorized Federal transfers.	11,674,635	12,136,552
<b>Total debt</b>	<b>42,861,038</b>	<b>44,261,684</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, 2019.

**Peter Ballantyne Cree Nation**  
Notes to Consolidated Financial Statements  
**March 31, 2019**

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

	\$
2020	2,015,267
2021	1,992,270
2022	1,994,085
2023	2,000,717
2024	2,007,719

**10 Contingencies, commitments and contracts**

- a) The First Nation has obligations under operating leases for office furniture and equipment. Future minimum lease payments are approximately \$500,000 per year for the next five years.
- b) Security for the CMHC housing loans has been provided by a ministerial guarantee of future ISC funding.
- c) The First Nation has a liability for solid waste closure and post closure care requirements. No amount has been recorded as a liability in these consolidated financial statements as the First Nation is in the process of assessing sites and estimating costs.
- d) The First Nation has entered into contribution agreements with various federal and provincial government departments. Funding received under these contribution agreements is subject to repayment if the First Nation fails to comply with the terms and conditions of the agreements.
- e) A claim relating to the development of forestry operations in Deschambault Lake alleges outstanding amounts owing in excess of \$730,000. While the potential outcome 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.
- f) A claim relating to wrongful termination of housing contracts is seeking compensation in excess of approximately \$688,000. The parties have proceeded to mediation and the potential outcome of this claim is not determinable at this time, however management estimates that the eventual settlement of this claim will not result in significant impact to the First Nation's financial position or operations.
- g) A variety of claims have been filed against the First Nation in excess of approximately \$943,000 in aggregate. 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.
- h) The First Nation has outstanding claims for damages, interest and costs against the Province of Saskatchewan and Saskatchewan Power Corporation. The Government of Saskatchewan has an outstanding claim against the First Nation in the same court action. The First Nation has a claim against Canada for breach of fiduciary duty. These claims arise from flooding of approximately 600 acres of Reserve #200 beginning in 1942 – 1943.

# Peter Ballantyne Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2019

- i) In the normal course of its operations, the First Nation becomes involved in legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded on the First Nation's consolidated financial statements.

### 11 Expenses by type

	Budget \$ (note 15)	2019 \$	2018 \$
Salaries, wages and benefits	42,415,656	43,750,959	41,637,203
Basic and special needs	13,266,274	13,560,846	13,488,687
Student support	6,539,506	8,330,911	7,903,494
Amortization of tangible capital assets	5,287,000	7,470,829	4,871,840
Child maintenance	4,948,210	5,243,750	4,716,030
Member support	4,500,000	4,855,271	4,851,492
Services	6,059,000	4,325,744	5,049,708
Travel	3,725,092	4,208,601	4,335,051
Supplies	3,349,357	3,409,599	2,996,490
Designated projects	4,673,952	3,177,078	3,245,441
Utilities	1,706,380	2,479,075	2,255,661
Cultural activities	3,930,315	2,289,208	2,035,232
Administration and governance	2,185,918	2,064,187	1,848,995
Repairs and maintenance	3,398,933	1,874,306	1,654,275
Bank charges and interest	1,507,750	1,721,705	1,414,718
Miscellaneous	3,306,463	2,186,780	3,254,706
Health support	1,100,100	1,612,981	1,104,357
Training	1,182,527	1,049,512	1,448,201
SaskPower Elder's Agreement	1,000,000	910,806	763,278
Nursing	660,000	716,386	555,007
Program development and support	267,985	1,330,414	1,666,092
Donations	500,000	519,547	570,395
Insurance	334,997	424,331	398,656
Professional fees	270,800	385,183	364,344
	<u>116,116,215</u>	<u>117,898,009</u>	<u>112,429,353</u>

### 12 Net change in financial assets and liabilities

	2019 \$	2018 \$
Increase in accounts receivable	(8,046,151)	(4,460,115)
Decrease (increase) in trust funds held by federal government	(121,793)	12,750
Increase in assets held in trust	(112,073)	(979,957)
Increase in related parties	1,641	-
Increase in accounts payable and accrued liabilities	5,159,530	1,530,934
Increase (decrease) in deferred revenue	(323,809)	2,755,855
Decrease (increase) in prepaid expenses	(239,669)	558,072
	<u>(3,682,324)</u>	<u>(582,461)</u>

# Peter Ballantyne Cree Nation

Notes to Consolidated Financial Statements

March 31, 2019

## 13 Tangible capital assets

	2019				2018	
	Rental housing \$	Buildings and housing \$	Construction -in-progress \$	Equipment and vehicles \$	Capital infrastructure \$	Total \$
<b>Cost</b>						
Opening costs	10,291,053	58,305,944	16,704,316	14,065,802	150,456,148	232,141,766
Additions	-	6,091,847	17,159,502	2,014,389	1,444,111	18,396,508
Transfers	(2,601,917)	7,588,335	(18,541,057)	-	13,554,639	-
Disposals	(75,428)	-	(93,652)	(164,860)	-	(715,011)
	7,613,708	71,986,126	15,229,109	15,915,331	165,454,898	249,823,263
<b>Accumulated amortization</b>						
Opening accumulated amortization	8,494,925	29,810,884	-	8,726,759	114,088,455	156,927,452
Disposals	(66,002)	(87,745)	-	(136,010)	-	(678,270)
Transfers	(2,883,648)	2,883,648	-	-	-	-
Amortization expense	108,421	2,054,447	-	1,272,495	4,035,466	7,470,829
	5,653,696	34,661,234	-	9,863,244	118,123,921	161,121,023
<b>Net book value</b>	1,960,012	37,324,892	15,229,109	6,052,087	47,330,977	88,702,240

# Peter Ballantyne Cree Nation

Notes to Consolidated Financial Statements

March 31, 2019

						2018
	Rental housing \$	Buildings and housing \$	Construction -in-progress \$	Equipment and vehicles \$	Capital infrastructure \$	Total \$
<b>Cost</b>						
Opening costs	10,428,998	48,671,409	10,930,967	11,807,373	150,303,019	232,141,766
Additions	-	3,987,474	11,420,410	2,835,495	153,129	18,396,508
Disposals	-	5,647,061	(5,647,061)	-	-	-
Transfers	(137,945)	-	-	(577,066)	-	(715,011)
	10,291,053	58,305,944	16,704,316	14,065,802	150,456,148	249,823,263
<b>Accumulated amortization</b>						
Opening accumulated amortization	8,129,416	27,702,524	-	8,396,122	112,699,390	156,927,452
Disposals	(128,592)	-	-	(549,678)	-	(678,270)
Amortization expense	494,101	2,108,360	-	880,315	1,389,065	4,871,841
	8,494,925	29,810,884	-	8,726,759	114,088,455	161,121,023
<b>Net book value</b>	1,796,128	28,495,060	16,704,316	5,339,043	36,367,693	88,702,240



# Peter Ballantyne Cree Nation

## Notes to Consolidated Financial Statements

March 31, 2019

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### 14 Segment disclosure

The First Nation provides a range of services to its members. For management reporting purposes, operations and activities are organized and reported by department. The segments of the First Nation and all the services provided by each are as follows:

- Funded programs – provides federal government funded services to its members. Operation and activities are organized by departments and include social programs, community infrastructure, band governance, economic development, capital/housing and other programs.
- Education – provides educational services to its members including traditional pursuits, post-secondary, or the trades and technologies.
- Community Administrations – represents a variety of own source funded community and social programs delivered to First Nation members.
- Child and Family Services – responsible for providing services to children, youth, and families within the First Nation's communities. Services include protection, prevention, foster care, therapeutic group homes, wellness centers and community development.
- Health – offers community-based programming aimed toward the well-being and health of the First Nation's residents. Emphasis on health education, prevention programs, and community health.
- Social Housing – responsible for construction and maintenance of CMHC Section 95 Social Housing, as well as operations of rental facilities.

For each segment separately reported, the segment revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The presentation by segment is based on the same accounting policies as described in note 1.

**Peter Ballantyne Cree Nation**  
Notes to Consolidated Financial Statements  
**March 31, 2019**

	Funded programs			Education			Community Administrative			Child and Family Services		
	Budget \$	2019 \$	2018 \$	Budget \$	2019 \$	2018 \$	Budget \$	2019 \$	2018 \$	Budget \$	2019 \$	2018 \$
<b>Revenue</b>												
Federal government transfers	21,518,075	35,487,673	54,074,333	22,914,242	24,847,344	-	280,000	275,495	278,451	19,525,960	38,698,543	19,916,137
Provincial government transfers	211,000	211,547	-	-	-	-	3,200,000	3,129,673	3,000,084	294,849	293,884	358,464
Miscellaneous	788,840	834,686	9,576,509	7,110,014	8,351,448	-	9,526,000	14,478,537	12,961,682	89,500	99,743	147,753
	22,517,915	36,533,906	63,650,842	30,024,256	33,198,792	-	13,006,000	17,883,705	16,240,227	19,910,309	39,092,170	20,422,354
<b>Expenses</b>												
Salaries, wages and benefits	3,494,292	3,516,628	20,607,216	16,216,866	16,471,531	-	2,800,000	2,873,910	2,448,632	7,358,618	9,112,802	7,293,253
Amortization	2,800,000	4,600,013	2,677,482	-	9,886,	-	600,000	965,248	344,238	877,000	876,639	676,847
Program activities	18,715,267	19,006,255	37,162,731	13,837,390	17,888,295	-	13,600,000	13,474,366	14,762,652	16,527,235	10,035,182	8,911,186
	25,009,559	27,122,896	60,447,429	30,054,256	34,369,712	-	17,000,000	17,313,524	17,555,522	24,762,853	20,024,623	16,881,286
<b>Surplus (deficit) for the year</b>	(2,491,644)	9,411,010	3,203,413	(30,000)	(1,170,920)	-	(3,994,000)	570,181	(1,315,295)	(4,852,544)	19,067,547	3,541,068

**Peter Ballantyne Cree Nation**  
Notes to Consolidated Financial Statements  
**March 31, 2019**

	Health			Social Housing			Total	
	Budget	2019	2018	Budget	2019	2018	2019	2018
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenues</b>								
Federal government transfers	17,185,745	18,883,915	16,579,664	475,000	390,195	273,824	118,583,165	91,122,409
Provincial government transfers	-	-	-	-	-	-	3,635,104	3,358,548
Miscellaneous	304,019	713,863	719,348	560,000	505,609	989,316	24,983,886	24,394,618
	17,489,764	19,597,778	17,299,012	1,035,000	895,804	1,263,140	147,202,155	118,875,575
<b>Expenses</b>								
Salaries, wages and benefits	12,485,880	11,716,350	11,241,234	60,000	59,738	46,868	43,750,959	41,637,203
Amortization	600,000	620,736	570,793	410,000	398,307	602,480	7,470,829	4,871,840
Program activities	5,297,667	5,796,819	4,540,063	436,000	475,304	543,679	66,676,221	65,920,311
	18,383,547	18,133,905	16,352,090	906,000	933,349	1,193,027	117,898,009	112,429,354
<b>Surplus (deficit) for the year</b>	(893,783)	1,463,873	946,922	129,000	(37,545)	70,113	29,304,146	6,446,221

# **Peter Ballantyne Cree Nation**

## **Notes to Consolidated Financial Statements**

**March 31, 2019**

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### **15 Budgeted figures**

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

### **16 Risk management**

The First Nation is exposed to credit risk, liquidity risk and interest rate risk from its financial instruments.

The First Nation's accounts receivable is exposed to credit risk. The First Nation manages its exposure to credit risk by accruing accounts receivable as per the terms of funding agreements with other levels of government and by limiting the amount of wage and travel advances and other receivables outstanding. The maximum exposure to credit risk as at March 31, 2019 is \$19,301,943 (2018 – \$11,255,792) as outlined in note 3.

The First Nation is exposed to liquidity risk as a result of being economically dependent on restricted funding and its debt position at March 31, 2019. The First Nation's approach to managing liquidity risk is to ensure that it will have sufficient cash flows to fund its operations and to meet its obligations when due, under both normal and stressed conditions.

The First Nation is exposed to interest rate risk on its debt, which bears interest at floating rates.

### **17 COVID-19 pandemic**

On March 11, 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a global pandemic, resulting in significant public health measures and restrictions being put in place.

Restrictions such as travel bans, closure of non-essential businesses and physical distancing have caused disruption to businesses and a significant decline in global capital markets resulting in an economic slowdown.

Management has assessed the financial impact of COVID-19 as at March 31, 2019, including the collectibility of receivables, assessment of provisions and contingent liabilities, and timing of revenue recognition.

Management did not identify any impact to the consolidated financial statements as at March 31, 2019.

The First Nation administrations and communities have been closed to the public in an effort to help mitigate risks to the public related to the spread of COVID-19. The long-term impact of the pandemic on the First Nation and the economy is not yet known and information surrounding the global economic impact of COVID-19 and the estimated length of the pandemic continues to evolve. Future impacts of the pandemic may continue to have a financial effect on future revenues and operating results, the full impact of which is not possible to estimate.