



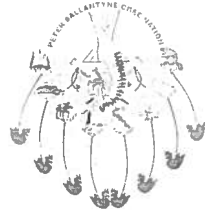
PETER BALLANTYNE CREE NATION

Chief Joseph Custer Reserve #201

2300 - 10th Avenue West

P.O. Box 2320, Prince Albert, Saskatchewan, Canada S6V 6Z1

Phone: (306) 953-4400 • Fax: (306) 953-4420



April 2, 2012

AANDC
110-3601 5th Ave East
Prince Albert, SK
S6W 0A2

Dear Ms Tammy Ahenakew

Please find attached the 2010-2011 audited report from Peter Ballantyne Cree Nation. We are submitting the following reports:

1. Audited Financial Statements for March 31, 2011
2. Schedule of Federal Government Funding for March 31, 2011
3. Statement of Receipt and Expenditure of Indian Moneys at March 31, 2011
4. Schedule of Salaries, Honoraria, Travel Expenses and Other Remuneration at March 31, 2011
5. Report to Chief and Council ore the year ending March 31, 2011

If you have any questions please contact me at 953-4400.

Sincerely

Ben Merasty
Executive Director

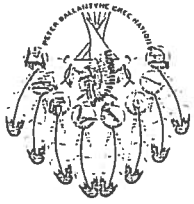
CC: Carl Ninine, Director of Finance
PBCN Chief and Council

AANDC PA SASK 2012 APR 2

	Amisk Lake	Deschambault Lake	Kinoosao	Pelican Narrows	Prince Albert	Sandy Bay	Southend	Sturgeon Lar
Phone: (306)	362-2490	632-4608	758-3030	632-2125	953-4400	754-2213	758-2144	688-2170
Fax: (306)	362-2490	632-4488	758-3030	632-2275	953-4420	754-2255	758-2188	688-4640

Peter Ballantyne Cree Nation

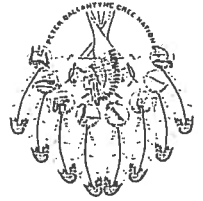
Financial Statements
March 31, 2011



PETER BALLANTYNE CREE NATION

Chief Joseph Custer Reserve #201
2300 - 10th Avenue West

P.O. Box 2320, Prince Albert, Saskatchewan, Canada S6V 6Z1
Phone: (306) 953-4400 • Fax: (306) 953-4420



MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

March 7, 2012

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 generally accepted accounting principles.

In discharging its responsibilities for the integrity and fairness of the financial statements and for 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 the Peter Ballantyne Cree Nation who reviews 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 Chief and Council and management to review their findings. The external auditors have full and free access to discuss their findings as to the integrity of the financial reporting and the adequacy of the system of internal controls.

Chief

Council

Management

Phone: (306)	Amisk Lake 362-2490	Deschambault Lake 632-4608	Kinoosao 758-3030	Pelican Narrows 632-2125	Prince Albert 953-4400	Sandy Bay 754-2213	Southend 758-2144	Sturgeon Landing 688-2170
Fax: (306)	362-2490	632-4488	758-3030	632-2275	953-4420	754-2255	758-2188	688-4646

March 7, 2012

Independent Auditor's Report

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

We have audited the accompanying financial statements of Peter Ballantyne Cree Nation, which comprise the statement of financial position as at March 31, 2011 and the statements of operations and accumulated surplus, cash flows, changes in net financial assets and tangible capital assets 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 financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements.

*PricewaterhouseCoopers LLP, Chartered Accountants
The Princeton Tower, 123 2nd Avenue South, Suite 200, Saskatoon, Saskatchewan, Canada S7K 7E6
T: +1 (306) 668 5900, F: +1 (306) 652 1315*

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

Basis for qualified opinion

As a result of deficiencies in the accounting records and internal controls of Peter Ballantyne Cree Nation Non-AANDC administrations with respect to recording and classifying revenue and with respect to proprietary, classification, and cut-off of expenses, we were unable to examine supporting documentation, or verify by alternative means, the propriety and classification of other revenues and Non-AANDC administration expenses reported during the year ended March 31, 2011 and the completeness of accounts payable balances at March 31, 2010 and March 31, 2011. Accordingly, we were unable to determine whether any adjustments might be necessary to other revenue and Non-AANDC administration expenses for the year ended March 31, 2011 and accounts payable and surplus as at March 31, 2010 and March 31, 2011.

As a result of not having access to the records of Peter Ballantyne Cree Nation Band Development Ltd., Peter Ballantyne Cree Nation Land Holdings Inc. and other entities as described in Note 1, we were unable to determine whether any adjustments might be necessary to revenues and expenses for the years ended March 31, 2010 and 2011 and assets, liabilities and accumulated surplus as at March 31, 2010 and 2011.

There are not complete budget comparative figures provided in the financial statements. This is not in accordance with Canadian generally accepted accounting principles.

Qualified opinion

In our opinion, except for not providing complete budget comparative figures and except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves with respect to the items described in the preceding paragraphs, the financial statements present fairly, in all material respects, the financial position of Peter Ballantyne Cree Nation as at March 31, 2011 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Other matters

The supplementary information contained in the accompanying schedules is presented for purposes of additional information to the membership and Aboriginal Affairs and Northern Development Canada and does not form part of the financial statements. The schedules have not been audited other than in the course of our audit of the financial statements to the extent necessary to allow us to render an opinion thereon.

PricewaterhouseCoopers LLP

Chartered Accountants

Peter Ballantyne Cree Nation
Statement of Financial Position
As at March 31, 2011

	2011	2010
	\$	\$
Assets		
Financial Assets		
Cash and short-term deposits	-	1,141,838
Accounts receivable (note 4)	4,082,197	4,128,297
Restricted cash (note 5)	12,048,538	9,796,598
Funds in Trust (note 6)	304,693	235,858
Investments (note 7)	23,793,688	20,151,970
	<u>40,229,116</u>	<u>35,454,561</u>
Liabilities		
Financial Liabilities		
Bank indebtedness	520,853	-
Accounts payable and accrued liabilities	8,569,994	7,830,046
Deferred revenue (note 9)	8,260,650	6,036,475
Debt (note 10)	5,764,342	6,748,626
	<u>23,115,839</u>	<u>20,615,147</u>
Net Financial Assets	<u>17,113,277</u>	<u>14,839,414</u>
Non-Financial Assets		
Prepaid expenses	173,111	383,283
Tangible capital assets	33,396,245	31,238,563
	<u>33,569,356</u>	<u>31,621,846</u>
Accumulated Surplus	<u>50,682,633</u>	<u>46,461,260</u>

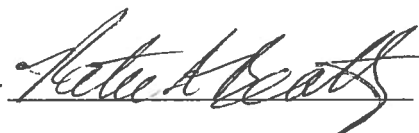
Contingent liabilities (note 11)

Approved by Chief and Council

Chief



Councillor



Peter Ballantyne Cree Nation
Statement of Operations and Accumulated Surplus
For the year ended March 31, 2011

	2011	2010
	\$	\$
Revenue		
Canada Mortgage and Housing Corporation	1,267,389	1,699,859
Government of Canada	313,843	433,196
Rebates - Government of Saskatchewan	2,071,335	2,363,988
Health and Welfare Canada	11,378,750	11,523,794
Province of Saskatchewan	238,772	2,149,631
Aboriginal Affairs and Northern Development Canada (note 8)	63,963,151	62,370,543
Aboriginal Affairs and Northern Development Canada - MTA (note 8)	221,630	276,448
Interest	66,234	15,918
Management fees	171,600	171,600
Northern Inter-Tribal Health Authority	112,124	313,937
Northern Lights School Division	566,447	245,698
Other	4,123,629	5,086,447
Prince Albert Grand Council	3,744,893	3,522,802
CMHC Housing rental	687,080	668,265
Saskatchewan Indian Gaming Authority	2,529,269	3,211,795
Saskatchewan Indian Training Assessment Group Inc.	34,974	17,275
Teacherage rental	232,326	218,072
Woodland Cree Enterprises	32,100	132,772
Equity in earnings of Peter Ballantyne Developments Limited Partnership	4,397,391	3,538,565
User fees	92,961	81,870
	<u>96,245,898</u>	<u>98,042,475</u>
Expenses		
Administration	1,502,044	2,771,581
Council Component (recovery)	145,426	11,784
Indian Registry	88,594	72,997
Band Employee Benefits	708,987	694,920
Special Projects	73,080	-
Community Infrastructure	1,917,012	1,870,767
Certified Water Operator	146,850	147,375
Operations and maintenance - Schools	1,878,683	2,139,164
Education	11,679,972	11,336,396
Post Secondary Education	3,336,687	3,501,939
Provincial Tuition	2,818,981	2,336,973

Peter Ballantyne Cree Nation
Statement of Operations and Accumulated Surplus - cont'd.
For the year ended March 31, 2011

	2011	2010
	\$	\$
Expenses (continued)		
Enhanced Teachers Salaries	354,898	346,077
Special Education	2,455,448	2,431,046
Housing	1,893,864	2,381,082
Social Assistance	510,295	465,191
Basic Needs	12,276,063	11,756,286
In Home Care	308,356	308,366
Special Needs	1,276,837	1,116,852
Reinvestment	2,081,836	2,111,454
Early Childhood Intervention Program	236,336	152,301
Summer Work Experience	92,200	85,100
Skills Link Program	136,510	138,500
Research and Advocacy	-	53,600
Non-AANDC Administrations	10,092,033	11,608,237
Prince Albert Office Complex	280,292	236,141
Health Services Incorporated	11,408,578	11,111,708
Child and Family Services Inc.	12,535,732	12,944,994
CMHC Rental Housing	1,101,305	1,394,110
Other Capital Projects	332,580	-
Provincial Social Assistance	494,624	2,183,617
Amortization	9,860,422	8,878,725
	<u>92,024,525</u>	<u>94,587,283</u>
Excess of revenue over expenses for the year	<u>4,221,373</u>	<u>3,455,192</u>
Accumulated surplus - Beginning of year (as previously stated)	46,461,260	41,720,522
Prior period restatement (note 3)	-	<u>1,285,546</u>
Accumulated surplus - Beginning of year (as restated)	<u>46,461,260</u>	<u>43,006,068</u>
Accumulated surplus - End of year	<u>50,682,633</u>	<u>46,461,260</u>

Peter Ballantyne Cree Nation
Statement of Cash Flows
For the year ended March 31, 2011

	2011	2010
	\$	\$
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenses for the year	4,221,373	3,455,192
Items not affecting cash		
Funds in Trust revenues	(188,327)	(131,605)
Equity in earnings of investments	(4,463,061)	(3,723,725)
Amortization of tangible capital assets	9,860,422	8,878,725
Net change in non-cash working capital items (note 13)	3,220,395	7,513,357
	<u>12,650,802</u>	<u>15,991,944</u>
Investing activities		
Distributions of investments	821,343	799,336
Distributions of Funds in Trust	119,492	827,597
	<u>940,835</u>	<u>1,626,933</u>
Capital activities		
Investment in tangible capital assets	<u>(12,018,104)</u>	<u>(11,250,061)</u>
Financing activities		
Net debt repayments	<u>(984,284)</u>	<u>(1,251,006)</u>
Increase in cash and short-term deposits	589,249	5,117,810
Cash and short-term deposits – Beginning of year	<u>10,938,436</u>	<u>5,820,626</u>
Cash and short-term deposits – End of year	<u>11,527,685</u>	<u>10,938,436</u>
Cash and short-term deposits is comprised of		
Cash and short-term deposits (bank indebtedness)	(520,853)	1,141,838
Restricted cash	12,048,538	9,796,598
	<u>11,527,685</u>	<u>10,938,436</u>
Supplemental disclosure of cash flow information		
Cash paid during the year for		
Interest	<u>1,695,017</u>	<u>2,135,386</u>

Peter Ballantyne Cree Nation
Statement of Changes in Net Financial Assets
For the year ended March 31, 2011

	2011	2010
	\$	\$
Annual surplus	4,221,373	3,455,192
Acquisition of tangible capital assets	(12,018,104)	(11,250,061)
Amortization of tangible capital assets	9,860,422	8,878,725
	<hr/> 2,063,691	1,083,856
Net prepaid assets	210,172	(57,523)
	<hr/> 2,273,863	1,026,333
Change in net financial assets		
Net financial assets - Beginning of year	14,839,414	13,813,081
	<hr/> 17,113,277	14,839,414
Net financial assets - End of year		

Peter Ballantyne Cree Nation

Notes to Financial Statements

March 31, 2011

1 Basis of presentation

Peter Ballantyne Cree Nation (the "First Nation") is located in northeast Saskatchewan and has administration offices at Pelican Narrows, Prince Albert (Kiskaciwan), Southend-Reindeer Lake, Deschambault Lake, Sandy Bay, Denare Beach and Sturgeon Landing.

These financial statements include the following entities:

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

These financial statements do not include the following entities:

- Aski Resource Development LP;
- Band owned community stores;
- PBCN Band Developments Ltd.;
- PBCN Land Holdings Inc.;
- PBCN Treaty Land Entitlement Trust;
- Beaver Lake Development Corporation;
- Birch Portage Forest Products Ltd.;
- Deschambault Lake Economic Development Corporation;
- Deschambault Lake Forest Products Ltd.;
- Mirond Lake Forest Products Ltd.;
- Mista Nosayew Outfitters Ltd.;
- Namew Lake Development Corporation;
- New North Enterprises Ltd.;
- Nikotawsik Development Corporation;
- North East Heavy Equipment Services Ltd.;
- Southend-Reindeer Development Corporation;
- Wapaskokimaw Development Inc.

Peter Ballantyne Cree Nation

Notes to Financial Statements

March 31, 2011

2 Significant accounting policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for Governments, as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. The financial statements include the following significant principles:

a) Basis of presentation

The First Nation reports operations on a fund basis, whereby activities are segregated according to their functions. Assets, liabilities and fund balances of each of the funds are combined on the statement of financial position, and revenue and expenses are combined on the statement of operations.

b) Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale. Non-financial assets include tangible capital assets and prepaid expenses.

c) Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization. Assets are amortized over their expected useful lives using the straight-line method at the following annual rates:

Buildings	5 years
Capital projects	5 years
New housing	5 – 25 years
Furniture, equipment and vehicles	5 years
Office complex	30 years

d) Revenue recognition

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under the funding agreements which relates to a subsequent fiscal period is reflected as deferred revenue in the year of receipt and classified as such on the statement of financial position until such time as the related expenditures are incurred.

e) Restricted cash

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

Peter Ballantyne Cree Nation

Notes to Financial Statements

March 31, 2011

f) Investments and advances

Investments subject to control or significant influence and considered an extension of the First Nation's government operations have been accounted for on the consolidation basis.

Investments subject to control or significant influence and considered government business enterprises have been accounted for on the modified equity basis whereby the First Nation recognizes its proportionate share of earnings of the company without adjusting for differences in accounting policies. The investment balance represents investment in, and accumulated earnings and advances to, the companies.

Portfolio investments are accounted for using the cost method. Income is recorded when it is received. In the event of a permanent decline in value, the investment is written down to an estimate of net realizable value and the loss is charged to earnings.

g) Measurement uncertainty

The preparation of the financial statements in conformity with accounting policies generally accepted for First Nations, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenses during the year. Such estimates include providing for amortization of physical assets and provision for uncollectible accounts. Actual amounts may differ from estimates.

h) Income taxes

No provision for income taxes is included in these 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.

3 Prior period restatement

Comparative numbers have been restated to reflect the appropriate application of tangible asset capitalization and amortization policies in prior years. This restatement has resulted in an increase in capital assets of \$1,285,546, a decrease in depreciation expense of \$1,285,546, and an increase in accumulated surplus of \$1,285,546 as at March 31, 2010.

4 Accounts receivable

	2011	2010
	\$	\$
Health Canada	10,990	297,713
Aboriginal Affairs and Northern Development Canada	2,645,901	1,394,408
Other	1,067,743	1,670,177
Canadian Economic Action Plan	189,804	561,729
Canada Mortgage and Housing Corporation	167,759	204,270
	<hr/>	<hr/>
	4,082,197	4,128,297

Peter Ballantyne Cree Nation

Notes to Financial Statements

March 31, 2011

5 Restricted cash

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

	2011 \$	2010 \$
Peter Ballantyne Cree Nation Health Services Inc.	3,585,311	1,542,836
Peter Ballantyne Cree Nation CMHC Housing Program	130,281	130,529
Peter Ballantyne Child & Family Services Inc.	3,833,242	2,255,805
Peter Ballantyne Cree Nation Self Insurance	759	91,534
Peter Ballantyne Cree Nation Administration Capital Projects	4,015,021	4,968,099
Pelican Narrows Administration - Band Office Project	483,924	807,795
	<hr/>	<hr/>
	12,048,538	9,796,598

6 Funds in trust

The following is a summary of current year activity in the First Nation funds held in trust by AANDC. The payments under Section 64-66 relate to Band Council Resolutions ("BCR").

	Capital \$	Revenue \$	Total \$
Balance – March 31, 2010	80,276	155,582	235,858
Add			
Interest	-	8,748	8,748
Lease	-	179,579	179,579
	<hr/>	<hr/>	<hr/>
	80,276	343,909	424,185
Deduct			
Payments under Section 66	-	119,492	119,492
	<hr/>	<hr/>	<hr/>
Balance – March 31, 2011	80,276	224,417	304,693

Peter Ballantyne Cree Nation

Notes to Financial Statements

March 31, 2011

7 Investments

	2011 \$	2010 \$
Investments held directly by Peter Ballantyne Cree Nation Health Services Inc.	1,239,086	1,173,416
Investments held directly by Peter Ballantyne Developments Limited Partnership	22,554,602	18,978,554
	<u>23,793,688</u>	<u>20,151,970</u>

8 AANDC revenue reconciliation

	2011 \$	2010 \$
Recipient total per AANDC transfer payment management system – Peter Ballantyne Cree Nation	51,839,626	52,559,978
<u>Adjustments</u>		
Deduct current year deferred revenue	(3,232,882)	(2,853,496)
(Deduct) add capital and other funding timing differences	(94,719)	410,532
Addback prior year deferred revenue	2,853,496	213,519
AANDC revenue recognized per the financial statements – Peter Ballantyne Cree Nation AANDC funded programs	51,365,521	50,330,533
<u>Add</u>		
AANDC revenue reported in Peter Ballantyne Cree Nation Child and Family Services Inc.	12,431,031	11,928,229
AANDC revenue reported in Peter Ballantyne Cree Nation Health Services Inc.	388,229	388,229
Peter Ballantyne Cree Nation consolidated AANDC revenue	<u>64,184,781</u>	<u>62,646,991</u>
<u>Reported in financial statements (comprised of):</u>		
Aboriginal Affairs and Northern Development Canada	63,963,151	62,370,543
Aboriginal Affairs and Northern Development Canada – MTA	221,630	276,448
Peter Ballantyne Cree Nation consolidated AANDC revenue	<u>64,184,781</u>	<u>62,646,991</u>

Peter Ballantyne Cree Nation

Notes to Financial Statements

March 31, 2011

9 Deferred revenue

	2011 \$	2010 \$
Health Canada	71,750	106,957
Aboriginal Affairs and Northern Development Canada	8,008,476	5,749,094
Other	180,424	180,424
	<hr/>	<hr/>
	8,260,650	6,036,475

10 Debt

	2011 \$	2010 \$
Section 95 Housing		
Phase 1, mortgage loan payable to the Bank of Nova Scotia at \$8,089 per month including interest at 6.25%. Loan is guaranteed by the Government of Canada	387,595	445,982
Phase 2, mortgage loan payable to the CIBC at \$20,255 per month including interest at 7.35%. Loan is guaranteed by the Government of Canada	1,415,381	1,550,608
Phase 3, mortgage loan payable to the CIBC at \$1,932 per month including interest at 7.35%. Loan is guaranteed by the Government of Canada	141,545	154,981
Phase 4, mortgage loan payable to CMHC at \$1,043 per month including interest at 5.19%. Loan is guaranteed by the Government of Canada	95,149	102,995
Phase 5, mortgage loan payable to CMHC at \$1,186 per month including interest at 6.45%. Loan is guaranteed by the Government of Canada	95,937	103,787
Phase 6, mortgage loan payable to CMHC at \$1,460 per month including interest at 1.81%. Loan is guaranteed by the Government of Canada	131,766	146,773
Phase 7, mortgage loan payable to CMHC at \$7,367 per month including interest at 2.61%. Loan is guaranteed by the Government of Canada	990,170	1,051,993
Phase 8, mortgage loan payable to CMHC at \$5,485 per month including interest at 2.84%. Loan is guaranteed by the Government of Canada	756,769	800,150

Peter Ballantyne Cree Nation

Notes to Financial Statements

March 31, 2011

	2011 \$	2010 \$
Rural and Native Housing		
Phase 4, mortgage loan payable to CMHC	-	12,820
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	421,060	506,525
Child and Family Services		
Prime plus 1.25% mortgage loan payable to First Nations Bank of Canada	-	19,862
Term loan payable to First Nations Bank of Canada; interest at 5%; repayable in monthly blended payments of \$7,106	231,021	302,765
First Nations Bank of Canada, term loan, interest at 2.10% repayable in monthly principal instalments of \$1,819	83,688	105,519
Other capital debt		
RCMP capital project loan payable to the CIBC on demand including interest at prime plus .75%	63,531	108,106
Total capital debt	4,813,612	5,412,866
Operating debt		
Debt consolidation loan payable at CIBC due on demand; repayable in quarterly payments of \$102,606 plus monthly interest at prime plus 2%; a BCR and a guarantee from Peter Ballantyne Developments Limited Partnership are pledged as security.	822,732	1,335,760
Southend store loan payable to CIBC due on demand; repayable in bi-monthly payments of \$2,500 plus interest at prime plus 2%	127,998	-
Total debt	5,764,342	6,748,626

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

	\$
2012	1,086,243
2013	1,095,136
2014	650,042
2015	599,507
2016	624,071

Peter Ballantyne Cree Nation

Notes to Financial Statements

March 31, 2011

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

Commitment Certificate	Lender Name	Amount Guaranteed \$	Total Contingent Liability \$
60293	CMHC #13	1,175,409	174,781
60294	CMHC #13	2,056,404	477,407
60297	CMHC #13	207,284	106,570
60378	Bank of Nova Scotia	1,037,537	356,021
60442	BMO	240,000	137,060
60473	CMHC	264,000	131,968
60474	CMHC	1,482,000	992,353
60506	BMO	2,582,156	1,331,576
60548	CMHC	1,080,000	758,584
60570	RBC	99,000	39,887
6003101	CMHC #13	178,700	95,564
6003102	CMHC #13	173,300	96,456
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		10,575,790	4,698,227

Peter Ballantyne Cree Nation

Notes to Financial Statements

March 31, 2011

12 Expenses by type

	2011	2010
	\$	\$
Administration	1,821,135	3,632,380
Amortization	9,860,422	8,878,725
Bank charges and interest	453,229	643,817
Basic and special needs	13,552,900	12,873,064
Child maintenance	7,021,550	6,436,599
Community-based programs	346,944	1,059,658
Contracts	2,363,445	1,385,880
Designated projects	2,643,520	1,374,687
Donations and grants	617,620	943,812
Education	100,207	906,736
Insurance	480,969	362,360
Member Support	3,973,393	3,385,212
Nursing	487,640	401,253
Other	1,405,803	1,465,877
Professional fees	192,517	254,623
Program development	156,857	301,825
Provincial social assistance	284,521	2,024,302
Repairs and maintenance	2,250,065	1,847,367
Salaries, wages and benefits	29,755,174	29,206,794
Services	306,144	3,645,840
Student support	5,670,912	5,261,593
Supplies	1,864,356	1,508,688
Support	788,056	646,752
Training	1,192,812	772,056
Travel	2,971,150	3,766,903
Utilities	1,463,184	1,600,480
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	92,024,525	94,587,283

13 Net change in non-cash working capital items

	2011	2010
	\$	\$
Decrease in accounts receivable	46,100	790,186
Decrease (increase) in prepaid expenses	210,172	(57,523)
Increase in accounts payable and accrued liabilities	739,948	2,852,629
Increase in deferred revenue	2,224,175	3,928,065
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	3,220,395	7,513,357

Peter Ballantyne Cree Nation

Notes to Financial Statements

March 31, 2011

14 Comparative figures

Certain figures of the prior year have been reclassified to conform to the current year's presentation.

15 Fair values

The First Nation's recognized financial assets and liabilities consist of cash and short-term deposits, accounts receivable, restricted cash, funds in trust, bank indebtedness, accounts payable and accrued liabilities, deferred revenue and debt. The fair value of these items approximates their carrying values.

The First Nations' investments include investments in a number of economic development enterprises. Due to the limited market for these investments it is not practicable to determine fair value for them with sufficient reliability.

As is true for all estimates, actual fair value could differ from this estimate and, if so, any difference would be accounted for in the period in which it became known.

16 Interest rate and credit risk

The First Nation's exposure to credit risk is based on the carrying amount of its financial assets.

The First Nation's exposure to interest rate risk pertains to the operating line of credit and all long-term debt, which are subject to future changes in interest rates.