

**Keeseekoose First Nation
Consolidated Financial Statements
March 31, 2013**

Keeseekoose First Nation
Consolidated Financial Statements
March 31, 2013

Page

Management's Responsibility for Financial Reporting 1

Independent Auditor's Report 2 - 3

Financial Statements

Consolidated Statement of Financial Position..... 4

Consolidated Statement of Operations 5

Consolidated Statement of Accumulated Surplus..... 6

Consolidated Statement of Change in Net Debt..... 7

Consolidated Statement of Cash Flows..... 8

Notes to Consolidated Financial Statements..... 9

Program schedules:

Community Development..... 19

Economic Development..... 20

Education..... 21

Indian Government Support..... 22

Land Management..... 23

Social Development..... 24

Indian Registration..... 25

Health Canada - First Nation and Inuit Health..... 26

CMHC Operations..... 27

Band Programs..... 28

Amortization..... 29

Keeseekoose First Nation
Management's Responsibility for Financial Reporting
March 31, 2013

The financial statements have been prepared by management in accordance with generally accepted accounting principles. Financial statements are not precise since they contain certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen what it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

Management is also responsible for implementing and maintaining a system of internal controls designed to give reasonable assurance that transactions are appropriately authorized, assets are safeguarded from loss and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The consolidated financial statements have been reviewed and approved by Chief and Council.

The Chief and Council review and approve the financial statements for issuance to Band members. The Chief and Council meet periodically with management, as well as external auditors, to discuss internal controls over the financial reporting process, auditing matters, and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the financial statements and the external auditor's report.

Chalupiak & Associates, an independent firm of Certified Management Accountants, has been engaged to examine the consolidated financial statements in accordance with Canadian generally accepted auditing standards. Their report stating the scope of their examination and opinion on the consolidated financial statements follows.

Signature on file
Keeseekoose First Nation

November 6, 2013
Date

Chalupiak & Associates
Certified Management Accountant
3261 Saskatchewan Drive, Regina, SK S4T 6S4
Phone (306) 359-3711 Fax (306) 569-3030

Independent Auditor's Report

To the Members of
Keeseekoose First Nation

We have audited the accompanying consolidated financial statements of Keeseekoose First Nation, which comprise the consolidated statement of financial position as at March 31, 2013, and the consolidated statements of operations, change in net debt and cash flows for the year then ended, and 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 First Nation'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 First Nation'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 audit opinion.

Basis for Qualified Opinion

Our examination was significantly hindered due to our inability to confirm the completeness of the revenue and expenditures due to weaknesses in the internal control system. In some instances we were unable to examine sufficient supporting documentation, with properly authorized signatures, to satisfy ourselves that the expenses were properly authorized, that they were classified properly and charged against the appropriate funding source, and that the purpose of the expenses was recorded properly. We were unable to satisfy ourselves as to the completeness and accuracy of the fixed assets, accounts payable and accounts receivable. As a result, we were unable to determine whether adjustments were required in respect of recorded or unrecorded assets and liabilities and the components making up the Consolidated Statement of Financial Position and the Consolidated Statement of Operations.

Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, these statements present fairly, in all material respects, the financial position of the First Nation as at March 31, 2013 and the results of its operations, the changes in its net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

**Regina, Saskatchewan
November 6, 2013**

Certified Management Accountants

Keeseekoose First Nation
Consolidated Statement of Financial Position
March 31, 2013

	2013	2012
Financial Assets		
Cash	\$ -	\$ 127,355
AANDC - trust funds (Note 5)	73,634	56,555
Restricted cash - CMHC housing (Note 2.e)	237,969	169,412
Restricted cash - capital projects (Note 2.e)	45,957	42,741
Accounts receivable (Note 6)	287,425	929,544
Due from related entities (Note 3)	1,362,872	174,686
	2,007,857	1,500,293
Liabilities		
Bank indebtedness	325,009	-
Accounts payable (Note 8)	1,217,860	655,107
Deferred revenue - unexpended funds (Note 13)	13,158	29,297
Deferred revenue (Note 12)	45,957	83,278
Current portion of CMHC mortgages (Note 17)	188,997	112,691
Current portion of long-term debt (Note 18)	758,236	472,905
CMHC mortgages (Note 17)	2,950,348	3,145,763
Long-term debt (Note 18)	4,947,806	1,870,382
Reserves - for investment losses (Note 2.d)	989,351	1,045,421
	11,436,722	7,414,844
Net debt	(9,428,865)	(5,914,551)
Non-financial Assets		
Capital assets (Note 10)	27,836,981	27,952,629
Prepaid expenses (Note 7)	-	121,011
	27,836,981	28,073,640
Accumulated Surplus	\$ 18,408,116	\$ 22,159,089

Approved on behalf of the Keeseekoose First Nation

Signature on file , Chief

Signature on file , Councilor

The accompanying notes are an integral part of the financial statements

Keeseekoose First Nation
Consolidated Statement of Operations
For the year ended March 31, 2013

	2013 Budget	2013 Actual	2012 Actual
Revenue			
AANDC - grant	\$ 407,932	\$ 407,932	\$ 407,932
AANDC - fixed	2,972,362	2,915,148	2,972,362
AANDC - set	2,146,208	1,988,404	2,146,208
AANDC - current year receivable (payable)	(104,991)	(62,844)	(143,173)
AANDC - prior period revenue (recovery)	-	(5,148)	-
Health Canada	949,964	977,215	949,964
Health Canada - prior period revenue (recovery) (Note 9)	-	(492,973)	-
CMHC - subsidy	193,782	189,173	193,782
CMHC - RRAP	-	126,111	-
CMHC - rental income	161,210	124,702	161,210
Yorkton Tribal Council	344,089	378,335	344,089
Ottawa Trust income	215,662	129,079	215,662
First Nations Trust	674,875	870,683	674,875
Pelly Haylands trust	674,399	691,452	674,399
Painted Hand Development Corporation	117,164	172,525	117,164
Other revenue	185,614	265,110	185,614
Administration fees	-	60,464	-
Unexpended funds transferred - prior year	-	29,297	-
Deferred revenue - prior	626,976	83,278	626,976
Deferred revenue - current	(83,278)	(45,957)	(83,278)
	9,481,968	8,801,986	9,443,786
Expenses			
Community Development (Schedule 1)	1,300,022	2,307,456	1,300,022
Economic Development (Schedule 2)	218,540	30,782	218,540
Education (Schedule 3)	2,638,378	2,448,516	2,638,377
Indian Government Support (Schedule 4)	1,336,992	1,905,222	1,336,992
Land Management (Schedule 5)	81,643	100,659	81,643
Social Development (Schedule 6)	1,617,637	1,678,496	1,617,636
Indian Registration (Schedule 7)	7,800	17,366	7,800
Health Canada - First Nation and Inuit Health (Schedule 8)	908,832	1,063,912	908,804
CMHC Operations (Schedule 9)	420,005	427,462	204,171
Band Programs (Schedule 10)	670,047	1,277,367	670,046
Amortization (Schedule 11)	-	1,282,563	1,113,255
	9,199,896	12,539,801	10,097,286
Current deficit before unexpended transfers	282,073	(3,737,815)	(653,500)
Unexpended transfers			
Unexpended funds transferred to deferred revenue	(29,297)	(13,158)	(29,297)
Current deficit	\$ 252,776	\$ (3,750,973)	\$ (682,797)

The accompanying notes are an integral part of the financial statements

Keeseekoose First Nation
Consolidated Statement of Accumulated Surplus
For the year ended March 31, 2013

	2013	2012
Surplus at beginning of year	\$ 22,159,089	\$ 22,841,886
Current deficit	(3,750,973)	(682,797)
Surplus at end of year	<u>\$ 18,408,116</u>	<u>\$ 22,159,089</u>

The accompanying notes are an integral part of the financial statements

Keeseekoose First Nation
Consolidated Statement of Change in Net Debt
For the year ended March 31, 2013

	2013	2012
Current deficit	\$ (3,750,973)	\$ (682,797)
Acquisition of tangible capital assets	(1,166,915)	(753,293)
Amortization of tangible capital assets	1,282,563	1,113,254
	115,648	359,961
Acquisition of prepaid assets	-	(121,011)
Use of prepaid assets	121,011	132,737
	121,011	11,726
Decrease in net financial assets	(3,514,314)	(311,110)
Net debt at beginning of year	(5,914,551)	(5,603,441)
Net debt at end of year	\$ (9,428,865)	\$ (5,914,551)

The accompanying notes are an integral part of the financial statements

Keeseekoose First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2013

	2013	2012
Cash flows from Operating activities		
Current deficit	\$ (3,750,973)	\$ (682,797)
Items not affecting cash		
Amortization - capital assets	851,147	845,491
Amortization - CMHC housing assets	431,416	267,764
	(2,468,410)	430,458
Change in non-cash operating working capital		
Accounts receivable	642,119	38,199
Prepaid expenses	121,011	11,726
Accounts payable	562,752	(43,185)
Deferred revenue - unexpended funds	(16,139)	29,297
Deferred revenue	(37,321)	(543,698)
Reserves - for investment losses	(56,070)	(53,759)
	(1,252,058)	(130,962)
Capital activities		
Capital assets purchases	(1,166,914)	(753,294)
Financing activities		
KKTLE Holdings Corp.	(1,030,117)	(47,232)
Keeseekoose Land Holding Corporation	41,021	(8,359)
Wi Ci Ti Zon Treatment Group Home Inc.	(199,090)	(44,821)
CMHC Section 95 mortgages	(119,109)	(107,917)
Long-term debt	3,362,755	1,004,311
	2,055,460	795,982
Investing activities		
Restricted funds - CMHC reserves	(68,557)	17,809
Restricted funds - AANDC trust funds	(3,216)	(44,172)
Restricted funds - capital projects	(17,079)	25,200
	(88,852)	(1,163)
Decrease in cash and cash equivalents	(452,364)	(89,437)
Cash and cash equivalents, beginning of year	127,355	216,792
Cash and cash equivalents, end of year	\$ (325,009)	\$ 127,355

The accompanying notes are an integral part of the financial statements

Keeseekoose First Nation
Notes to Consolidated Financial Statements
March 31, 2013

1. General

The Keeseekoose First Nation is an Indian Band subject to the provisions of the Indian Act. These financial statements include the Keeseekoose First Nation government and three related business entities (Keeseekoose Therapeutic Group Home Inc., KKTLE Holdings Corporation, and Keeseekoose Land Holdings Corporation) which are accountable to the First Nation and are either owned or controlled by the First Nation.

The Keeseekoose First Nation entered into a settlement agreement with the government of Canada in regards to outstanding land issues and the "Pelly Haylands Trust" was created. The Pelly Haylands Trust is audited as a separate entity, and is not included in these financial statements. These financial statements only report as revenue funds that have flowed from the Trust to the First Nation.

2. Basis of presentation and significant accounting policies

These financial statements are prepared in accordance with Canadian public sector accounting standards for governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

(a) Principles of consolidation

The consolidated financial statements include the financial activities of all operations under the direct control of the First Nation.

Investments in incorporated entities are accounted for using the modified equity method. Under the modified equity method the business accounting policies are not adjusted to conform with those of the First Nation. It reports the net financial position and operating results in the consolidated financial statements.

(b) Revenue recognition

Revenue is recorded in the period specified in the funding agreements entered into with government agencies and other organizations. Funds received in advance of making the related expenses are reflected as deferred revenue in the year of receipt and classified as such in the financial statements. Any funding received pursuant to an agreement that does not have a provision for the deferral of unexpended funds is reported as a repayment of revenue.

(c) Expense recognition

Expenses are accounted for in the period the goods or services are acquired and a liability is incurred or transfers are due.

(d) Reserves

Reserve for investment losses

A reserve is recorded to reflect the negative equity of the entities that are reported in the consolidated financial statements using the "modified equity" method.

2. Basis of presentation and significant accounting policies (continued)

(e) Restricted cash

Cash held by AANDC in trust

Funds held in trust by AANDC for the First Nation are recorded as restricted assets.

Cash in CMHC reserve bank accounts

The cash on deposit in CMHC reserve accounts is recorded as restricted assets.

Cash in capital project accounts

Cash on deposit in capital project accounts is recorded as restricted asset.

(f) Cash

Cash resources include balances with banks and short-term investments with maturities of 1 year or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

(g) Tangible capital assets

Tangible capital assets are initially recorded at cost based on historical cost accounting records.

Amortization for tangible capital assets is provided using methods and rates intended to amortize the cost over their estimated useful lives.

Buildings	25 years Straight line
Equipment	10 years Straight line
Vehicles	4 years Straight line
Office equipment	5 years Straight line
Water and sewer	40 years Straight line
Band houses	20 years Straight line
CMHC houses	20 years Straight line

(h) Measurement uncertainty

The preparation of financial statements requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. These estimates/assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the records in the year in which they become known.

(i) Comparative figures

Prior year's comparative amounts have been reclassified, where necessary, to conform to the current year's presentation.

Keeseekoose First Nation
Notes to Consolidated Financial Statements
March 31, 2013

2. Basis of presentation and significant accounting policies (continued)

(j) Segments

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

For each reported segment, revenues and expenses represent both amounts that are directly attributed 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.

3. Due from related parties

Transactions with related parties are in the normal course of business and are for fair consideration that is mutually agreed upon by the related parties.

In the current year the First Nation refinanced with the Bank of Montreal and paid off loans for the Wi Ci Ti Zon Group Home (\$91,667), Keeseekoose Land Holding Corporation (\$29,033) and KKTLE Holdings Corp (\$1,225,891).

	2013	2012
Wi Ci Ti Zon Treatment Group Home Inc.	\$ 400,168	\$ 201,078
Keeseekoose Land Holding Corporation	858,483	899,504
KKTLE Holdings Corp.	104,221	(925,896)
	\$ 1,362,872	\$ 174,686

4. CMHC housing restricted funds

The CMHC funding agreements require that the First Nation set aside cash in specially funded reserve bank accounts. The reserves were under funded by \$412,741 as of March 31, 2013 (\$699,138 - 2012).

5. AANDC - trust funds

	2013		2013		2013		2012
	Revenue		Capital		Total		Total
Surplus, beginning of year	\$ 54,546	\$	2,009	\$	56,555	\$	12,383
Withdrawals	(112,000)		-		(112,000)		(171,490)
Contributions	129,079		-		129,079		215,662
	\$ 71,625	\$	2,009	\$	73,634	\$	56,555

Keeseekoose First Nation
Notes to Consolidated Financial Statements
March 31, 2013

6. Accounts receivable

	2013	2012
AANDC	\$ 650	\$ 214,242
Health Canada	11,786	-
Yorkton Tribal Council	60,248	7,510
CMHC - subsidies	15,717	15,890
CMHC - mortgage funds	126,399	519,137
Accounts receivable - other	37,376	117,037
Advances	142,205	141,214
	394,381	1,015,030
Allowance for doubtful accounts	(106,956)	(85,486)
	\$ 287,425	\$ 929,544

7. Prepaid expenses

	2013	2012
Insurance	\$ -	\$ 119,891
Other	-	1,120
	\$ -	\$ 121,011

8. Accounts payable

	2013	2012
General suppliers	\$ 616,637	\$ 479,563
CRA	45,406	29,270
AANDC	62,844	146,273
Health Canada	492,973	-
	\$ 1,217,860	\$ 655,106

9. Payable to Health Canada

Health Canada conducted a ministerial audit of the 2010/2011 fiscal year and this resulted in a recovery of \$492,973. Subsequent to the year end an agreement has been reached to repay this amount over a 48 month period at the rate of approximately \$10,270 a month.

Health Canada has not yet completed their reconciliations for the fiscal years ended March 31, 2012 and March 31, 2013. It is anticipated that there will be recoveries resulting from those reconciliations that is material to these financial statements but those amounts are undeterminable at this time so no liability has been recorded.

Keeseekoose First Nation
Notes to Consolidated Financial Statements
March 31, 2013

10. Tangible capital assets

	Cost	Additions	Accumulated amortization	2013 Net book value
Land	\$ 5,595,282	\$ -	\$ -	\$ 5,595,282
Buildings	11,110,775	5,419	4,340,096	6,776,098
Equipment	943,602	117,500	630,867	430,235
Vehicles	269,506	18,000	277,946	9,560
Office equipment	157,359	-	156,621	739
Water and sewer	8,110,589	-	1,033,742	7,076,847
Band houses	3,056,422	-	2,020,280	1,036,142
CMHC houses	9,759,389	1,025,995	3,979,152	6,806,233
Roads	209,534	-	103,689	105,845
	\$ 39,212,458	\$ 1,166,914	\$ 12,542,393	\$ 27,836,981

	Cost	Additions	Accumulated amortization	2012 Net book value
Land	\$ 5,595,282	\$ -	\$ -	\$ 5,595,282
Buildings	10,979,212	131,563	3,895,448	7,215,327
Equipment	943,602	-	575,238	368,364
Vehicles	269,506	-	259,508	9,998
Office equipment	157,359	-	155,882	1,477
Water and sewer	8,103,489	7,100	830,977	7,279,612
Band houses	3,056,422	-	1,898,023	1,158,399
CMHC houses	9,144,758	614,631	3,547,736	6,211,653
Roads	209,534	-	97,017	112,517
	\$ 38,459,164	\$ 753,294	\$ 11,259,829	\$ 27,952,629

11. Contingent liabilities

Keeseekoose First Nation is contingently liable for the following liabilities which have not been reported in the financial statements.

- (i) The First Nation is contingently liable for loans from CMHC under the RRAP program. Each loan is forgiven over a period of time and therefore, no liability has been recorded in these statements.

Keeseekoose First Nation
Notes to Consolidated Financial Statements
March 31, 2013

12. Deferred revenue

	2013	2012
Capital roads	\$ 45,957	\$ -
Water Treatment Plant Upgrade	-	83,278
	\$ 45,957	\$ 83,278
	\$ 45,957	\$ 83,278

13. Deferred revenue - unexpended funds

AANDC funding agreements stipulate the terms and conditions that apply to situations where revenue received exceeds expenditures. Depending on the funding arrangement the unexpended funds may be retained by the recipient, repaid to AANDC, deferred to the following year, or transferred to another AANDC program area. Any funding arrangements that have a provision that allows the recipient to retain the excess funds are recorded as surpluses. All other excess funds are recorded as a liability and classified as "Deferred revenue - unexpended funds" on the financial statements.

	2013	2012
Land Management	\$ -	\$ 8,091
Band Employee Benefits - flexible	5,044	12,759
Indian Registration	8,114	8,447
	\$ 13,158	\$ 29,297
	\$ 13,158	\$ 29,297

14. Equity in commercial enterprises

Commercial enterprises are those organizations that meet the definition of government business enterprises as described by the Public Sector Accounting Board of the Canadian institute of chartered Accountants. Government business enterprises have the power to contract in their own name, have the financial and operating authority to carry on a business, sell goods and services to customers outside the First Nation government as their principal activity, and that can, in the normal course of their operations, maintain operations and meet liabilities from revenues received from outside the First Nation government.

	2013	2012
Net equity (deficit)		
Keeseekoose Land Holding Corporation	\$ (755,524)	\$ (775,313)
Wi Ci Ti Zon Treatment Group Home Inc.	(182,803)	(61,963)
KKTLE Holdings Corp.	(51,024)	(208,145)
	\$ (989,351)	\$ (1,045,421)
	\$ (989,351)	\$ (1,045,421)

KK Developments Ltd. is not included in the above because it is being reported on as a "Band program" on the consolidated financial statements.

Keeseekoose First Nation
Notes to Consolidated Financial Statements

March 31, 2013

15. Economic dependence

Keeseekoose First Nation receives a major portion of its revenue pursuant to a funding arrangement with Aboriginal Affairs and Northern Development Canada.

16. Keeseekoose Haylands Trust

The Keeseekoose Haylands Trust was established as part of a Settlement Agreement between the Keeseekoose First Nation and Canada in connection with the settlement of certain claims arising from the loss of use of the Pelly Haylands, which were originally set aside for the benefit of the First Nation under Treaty No. 4, as a means of ensuring the long term economic security of the First Nation.

BMO Harris is the appointed Trustee. All entitlement monies to be paid to the trust are administered by the Trustee under the terms and conditions of the Trust Agreement. Separate audited financial statements are prepared for the trust. These financial statements do not include the assets, liabilities and net equity of the trust. For information purposes, the December 31, 2012 audited financial statements of the trust reported trust equity of \$18,598,812.

17. CMHC mortgages

	Phase number	Maturity date	Interest rate	Monthly payment	2013	2012
CMHC	1	01/04/2014	19.75%	\$ 5,329	\$ 183,466	\$ 210,773
Scotia Bank	8	01/06/2016	4.39%	1,035	37,589	48,005
Scotia Bank	9	01/05/2017	4.99%	283	12,691	15,368
Scotia Bank	10	01/08/2016	4.39%	2,084	79,264	99,793
CMHC	11	01/08/2015	2.69%	1,485	184,172	196,925
CMHC	12	01/04/2017	1.67%	1,418	212,671	226,058
CMHC	13	01/09/2014	2.61%	1,327	213,045	223,334
CMHC	14	01/09/2013	4.00%	4,103	686,447	708,198
CMHC	15	01/04/2018	1.68%	7,506	1,530,000	1,530,000
					3,139,345	3,258,454
<u>Current portion</u>					<u>188,997</u>	<u>112,691</u>
					<u>\$ 2,950,348</u>	<u>\$ 3,145,763</u>

Keeseekoose First Nation
Notes to Consolidated Financial Statements
March 31, 2013

18. Long-term debt

	2013	2012
Royal Bank - loan development truck stop interest at prime + 2.25% per year, monthly interest payments and annual principal payments of \$90,000 secured by BCR	\$ -	\$ 270,000
Peace Hills Trust #9 - debt consolidation term loan, interest at 6.00% per year, blended quarterly payments of \$115,000 plus annual payment of \$100,000 secured by AANDC, FNT and Ec. Dev. funding, maturing October 1, 2016.	-	2,000,000
Peace Hills Trust #8 - Daycare construction term loan, interest at 6.00% per year, blended quarterly payments of \$13,200 secured by AANDC, FNT and Ec. Dev. funding, maturing January 1, 2014.	-	73,287
BMO - Demand loan #6995-234 - debt consolidation Interest at prime + 2.00%, quarterly blended payments of \$72,500 Secured by BCR and general security agreement.	4,205,000	-
BMO - Demand loan #6994-143 - bridge financing CMHC phase 15 Interest at prime + 2.00%, to be repaid from mortgage funds received from CMHC for phase 15. Secured by BCR.	151,568	-
BMO - Demand loan #6994-717 - various capital projects Interest at prime + 2.00%, quarterly blended payments of \$16,667 Secured by BCR.	874,474	-
BMO - Demand loan #6995-031 - Housing, administration, Pow Wow Interest at prime + 2.00%, quarterly blended payments of \$62,500 Secured by BCR.	475,000	-
	5,706,042	2,343,287
Current portion	758,236	472,905
	\$ 4,947,806	\$ 1,870,382

Principal portion of long-term debt due within the next five years:

2014	\$ 758,236	
2015	581,668	
2016	356,668	
2017	356,668	
2018 and thereafter	3,652,802	
	\$ 5,706,042	

Keeseekoose First Nation
Notes to Consolidated Financial Statements
March 31, 2013

19. AANDC reconciliation

	2013	2012
<u>AANDC confirmation</u>	\$ 5,314,584	\$ 5,535,272
Payable (receivable) - prior year		
Band Employee Benefits	(3,100)	(831)
Basic Needs	-	(7,939)
Land and resources	(5,148)	-
Receivable (payable) - current year		
Special Needs /ECIP	(9,714)	(21,327)
Basic Needs	(49,329)	(105,855)
NCB	-	(19,091)
BEB	(3,801)	3,100
Balance as per financial statements	\$ 5,243,492	\$ 5,383,329

Keeseekoose First Nation
Notes to Consolidated Financial Statements
March 31, 2013

20. Expenditures

	2013 Budget	2013 Actual	2012 Actual
Expenses			
Administration	\$ 49,350	\$ 87,456	\$ 49,350
Advertising, promotions, sponsorships	-	1,730	-
Amortization	-	1,282,563	1,113,255
Assistance - social development	1,239,681	995,247	1,239,681
Assistance to band members	800	14,707	800
Bad debts (recovery)	33,068	38,476	33,068
COHI expense	-	350	-
Christmas expense	-	89,182	-
Construction	450,888	192,378	450,888
Consultants and contractors	387,001	336,848	387,001
Cultural programs	41,845	117,342	41,845
Equipment purchases	-	11,500	-
First Nation Trust expenses	621,472	793,567	621,472
Loss (gain) on investments	(53,759)	(56,070)	(53,759)
Governance	9,049	39,960	9,049
Graduation, awards, prizes	42,085	27,243	42,085
Grass cutting expense	-	21,280	-
Honorariums	4,920	7,880	4,920
Immunization expense	-	41	-
Insurance	138,280	132,850	138,280
Interest and bank charges	170,955	65,601	62,193
Interest on long term debt	318,864	372,541	211,792
Janitorial services	12,213	14,819	12,213
Other expenses	7,455	58,424	7,455
Professional fees	114,387	283,293	114,387
Program expenses	94,646	110,265	94,646
Recreational activities	83,787	281,117	83,787
Rent - equipment	22,294	24,881	22,294
Repairs and maintenance	515,260	1,454,298	515,260
Student allowance	408,622	383,223	408,622
Summer/winter games	4,716	25,609	4,716
Supplies	401,320	544,423	401,320
Telephone	42,985	60,671	42,984
Training	97,615	159,996	97,615
Transfer to assets	(138,663)	-	(138,663)
Travel - medical transportation	54,720	47,731	54,720
Travel, meetings, per diems	886,876	1,043,025	886,875
Tuition	200,188	129,039	200,188
Utilities	168,945	168,612	168,945
Vehicle	-	2,000	-
Wages and benefits	2,768,031	3,175,703	2,768,002
	\$ 9,199,896	\$ 12,539,801	\$ 10,097,286

Schedule #1
Keeseekoose First Nation
Community Development
Schedule of Operations and Equity
For the year ended March 31, 2013

	2013 Budget	2013 Actual	2012 Actual
Revenue			
AANDC - fixed	\$ 272,837	\$ 318,933	\$ 272,837
AANDC - set	400,000	261,900	400,000
CMHC	-	126,111	-
Yorkton Tribal Council	6,360	6,360	6,360
Other revenue	12,734	17,414	12,734
Deferred revenue - prior	420,976	83,278	420,976
Deferred revenue - current	(83,278)	(45,957)	(83,278)
	1,029,629	768,039	1,029,629
Expenses			
Bad debts (recovery)	-	8,800	-
Construction	450,888	192,378	450,888
Equipment purchases	-	9,500	-
Grass cutting expense	-	21,280	-
Insurance	55,287	59,341	55,287
Interest and bank charges	691	15,160	691
Other expenses	500	4,150	500
Professional fees	-	14,160	-
Repairs and maintenance	374,386	1,210,181	374,386
Supplies	63,736	273,740	63,736
Telephone	1,086	1,327	1,086
Travel, meetings, per diems	10,931	28,541	10,931
Utilities	131,142	148,356	131,142
Wages and benefits	218,475	320,543	218,475
Transfer to assets	(7,100)	-	(7,100)
	1,300,022	2,307,457	1,300,022
Current deficit	(270,393)	(1,539,418)	(270,393)
Surplus at beginning of year	-	7,975,591	9,383,311
Transfers			
Transfer - CMHC	-	-	(950,180)
Transfer - Band Programs	-	144,672	200,000
Transfer - Amortization	(387,147)	(387,323)	(387,147)
Surplus at end of year	\$ (657,540)	\$ 6,193,522	\$ 7,975,591

The accompanying notes are an integral part of the financial statements

Schedule #2
Keeseekoose First Nation
Economic Development
Schedule of Operations and Equity
For the year ended March 31, 2013

	2013 Budget	2013 Actual	2012 Actual
Revenue			
AANDC - fixed	\$ 100,000	\$ -	\$ 100,000
AANDC - prior period revenue (recovery)	-	(5,148)	-
Yorkton Tribal Council	92,000	92,000	92,000
Other revenue	11,767	-	11,767
Deferred revenue - prior	147,000	-	-
	350,767	86,852	203,767
Expenses			
Consultants and contractors	189,881	-	189,881
Interest and bank charges	16,708	-	16,708
Telephone	1,400	-	1,400
Travel, meetings, per diems	64,310	-	64,310
Wages and benefits	-	86,852	-
Loss (gain) on investments	(53,759)	(56,070)	(53,759)
	218,540	30,782	218,540
Current surplus (deficit)	132,227	56,070	(14,773)
Deficit at beginning of year	-	(876,721)	(861,948)
Deficit at end of year	\$ -	\$ (820,651)	\$ (876,721)

The accompanying notes are an integral part of the financial statements

Schedule #3
Keeseekoose First Nation
Education
Schedule of Operations and Equity
For the year ended March 31, 2013

	2013 Budget	2013 Actual	2012 Actual
Revenue			
AANDC - fixed	\$ 2,293,978	\$ 2,229,286	\$ 2,293,978
AANDC - set	153,318	187,398	153,318
Yorkton Tribal Council	29,198	-	29,198
Other revenue	85,203	73,288	85,203
	<u>2,561,697</u>	<u>2,489,972</u>	<u>2,561,697</u>
Expenses			
Advertising, promotions, sponsorships	-	1,730	-
Bad debts (recovery)	12,163	7,964	12,163
Consultants and contractors	-	400	-
Equipment purchases	-	2,000	-
First Nation Trust expenses	-	7,400	-
Graduation, awards, prizes	24,345	22,643	24,345
Honorariums	4,920	7,880	4,920
Insurance	11,027	27,130	11,027
Interest and bank charges	8,663	5,021	8,663
Janitorial services	12,213	2,380	12,213
Other expenses	850	-	850
Program expenses	15,405	10,760	15,405
Recreational activities	4,826	-	4,826
Rent - equipment	7,830	-	7,830
Repairs and maintenance	12,923	46,158	12,923
Student allowance	408,622	383,223	408,622
Supplies	150,613	68,374	150,613
Telephone	7,970	8,723	7,970
Training	37,220	1,491	37,220
Travel, meetings, per diems	136,657	164,469	136,657
Tuition	200,188	129,039	200,188
Utilities	26,292	1,271	26,292
Wages and benefits	1,555,651	1,550,460	1,555,650
	<u>2,638,378</u>	<u>2,448,516</u>	<u>2,638,377</u>
Current surplus (deficit)	(76,681)	41,456	(76,680)
Surplus at beginning of year	-	4,785,330	5,213,354
Transfers			
Transfer - Band Programs	(90,000)	-	90,000
Transfer - Amortization	(441,344)	(441,345)	(441,344)
Surplus at end of year	<u>\$ (608,025)</u>	<u>\$ 4,385,441</u>	<u>\$ 4,785,330</u>

The accompanying notes are an integral part of the financial statements

Schedule #4
Keeseekoose First Nation
Indian Government Support
Schedule of Operations and Equity
For the year ended March 31, 2013

	2013 Budget	2013 Actual	2012 Actual
Revenue			
AANDC - grant	\$ 407,932	\$ 407,932	\$ 407,932
AANDC - fixed	20,889	19,594	20,889
AANDC - set	80,277	71,877	80,277
AANDC - current year receivable (payable)	3,100	(3,801)	3,100
Yorkton Tribal Council	13,790	74,065	13,790
Other revenue	20,648	98,324	20,648
Administration fees	-	60,464	-
Unexpended funds transferred - prior year	-	12,759	-
	546,636	741,214	546,636
Expenses			
Bad debts (recovery)	14,905	24,105	14,905
Consultants and contractors	197,120	237,701	197,120
Insurance	17,083	-	17,083
Interest and bank charges	136,011	40,997	27,249
Interest on long term debt	-	260,958	108,762
Other expenses	-	22,941	-
Professional fees	46,138	159,495	46,138
Rent - equipment	14,464	24,881	14,464
Repairs and maintenance	385	7,002	385
Supplies	17,277	38,022	17,277
Telephone	21,148	39,984	21,148
Training	8,750	2,853	8,750
Travel, meetings, per diems	515,038	584,669	515,038
Wages and benefits	348,673	411,614	348,673
	1,336,992	1,855,222	1,336,992
Current deficit before unexpended transfers	(790,356)	(1,114,008)	(790,356)
Unexpended transfers			
Unexpended funds transferred to deferred revenue	(12,759)	(5,044)	(12,759)
Current deficit	(803,115)	(1,119,052)	(803,115)
Surplus (deficit) at beginning of year	-	(378,059)	126,185
Transfers			
Transfer - CMHC Operations	-	-	27,381
Transfer - Band Programs	-	112,000	271,490
Deficit at end of year	\$ -	\$ (1,385,111)	\$ (378,059)

The accompanying notes are an integral part of the financial statements

Schedule #5
Keeseekoose First Nation
Land Management
Schedule of Operations and Equity
For the year ended March 31, 2013

	2013 Budget	2013 Actual	2012 Actual
Revenue			
AANDC - fixed	\$ 89,734	\$ 92,568	\$ 89,734
Unexpended funds transferred - prior year	-	8,091	-
	89,734	100,659	89,734
Expenses			
Consultants and contractors	-	23,000	-
Telephone	1,589	2,591	1,589
Training	-	2,775	-
Travel, meetings, per diems	11,683	24,996	11,683
Wages and benefits	68,371	47,297	68,371
	81,643	100,659	81,643
Current surplus before unexpended transfers	8,091	-	8,091
Unexpended transfers			
Unexpended funds transferred to deferred revenue	(8,091)	-	(8,091)
Current surplus	-	-	-
Surplus at beginning of year	-	5,616,184	5,616,184
Surplus at end of year	\$ -	\$ 5,616,184	\$ 5,616,184

The accompanying notes are an integral part of the financial statements

Schedule #6
Keeseekoose First Nation
Social Development
Schedule of Operations and Equity
For the year ended March 31, 2013

	2013 Budget	2013 Actual	2012 Actual
Revenue			
AANDC - fixed	\$ 45,216	\$ 50,716	\$ 45,216
AANDC - set	1,512,613	1,417,229	1,512,613
AANDC - current year receivable (payable)	(108,091)	(59,043)	(146,273)
	<u>1,449,738</u>	<u>1,408,902</u>	<u>1,411,556</u>
Expenses			
Administration	7,772	26,992	7,772
Assistance - basic needs	1,071,404	895,076	1,071,404
Assistance - special needs	168,277	100,171	168,277
Assistance to band members	-	500	-
Consultants and contractors	-	27,032	-
Cultural programs	41,845	111,342	41,845
First Nation Trust expenses	140,958	173,845	140,958
Interest and bank charges	7,214	3,163	7,214
Other expenses	6,105	21,000	6,105
Professional fees	9,719	18,000	9,719
Program expenses	79,241	76,686	79,241
Supplies	8,031	3,638	8,031
Training	44,160	142,793	44,160
Travel, meetings, per diems	9,157	23,213	9,157
Wages and benefits	23,754	55,045	23,753
	<u>1,617,637</u>	<u>1,678,496</u>	<u>1,617,636</u>
Current deficit	(167,899)	(269,594)	(206,080)
Deficit at beginning of year	-	(460,904)	(254,824)
Deficit at end of year	<u>\$ -</u>	<u>\$ (730,498)</u>	<u>\$ (460,904)</u>

The accompanying notes are an integral part of the financial statements

Schedule #7
Keeseekoose First Nation
Indian Registration
Schedule of Operations and Equity
For the year ended March 31, 2013

	2013 Budget	2013 Actual	2012 Actual
Revenue			
AANDC - fixed	\$ 16,247	\$ 17,033	\$ 16,247
Unexpended funds transferred - prior year	-	8,447	-
	16,247	25,480	16,247
Expenses			
Supplies	-	1,866	-
Wages and benefits	7,800	15,500	7,800
	7,800	17,366	7,800
Current surplus before unexpended transfers	8,447	8,114	8,447
Unexpended transfers			
Unexpended funds transferred to deferred revenue	(8,447)	(8,114)	(8,447)
Current surplus	-	-	-
Surplus at beginning of year	-	22,320	22,320
Surplus at end of year	\$ -	\$ 22,320	\$ 22,320

The accompanying notes are an integral part of the financial statements

Schedule #8
Keeseekoose First Nation
Health Canada - First Nation and Inuit Health
Schedule of Operations and Equity
For the year ended March 31, 2013

	2013 Budget	2013 Actual	2012 Actual
Revenue			
Health Canada	\$ 949,964	\$ 977,215	\$ 949,964
Health Canada - prior period revenue (recovery)	-	(492,973)	-
Yorkton Tribal Council	26,681	27,850	26,681
Other revenue	44,855	3,283	44,855
	1,021,500	515,375	1,021,500
Expenses			
Administration	41,578	60,464	41,578
Bad debts (recovery)	6,000	(2,393)	6,000
COHI expense	-	350	-
First Nation Trust expenses	101,487	71,975	101,487
Governance	9,049	39,490	9,049
Graduation, awards, prizes	17,740	4,600	17,740
Immunization expense	-	41	-
Insurance	17,082	19,757	17,082
Interest and bank charges	1,499	1,140	1,499
Janitorial services	-	12,439	-
Other expenses	-	1,417	-
Professional fees	50,290	67,724	50,290
Program expenses	-	22,819	-
Recreational activities	6,339	13,757	6,339
Summer/winter games	4,716	25,609	4,716
Supplies	76,763	52,875	76,763
Telephone	7,340	5,796	7,340
Training	6,485	7,077	6,485
Travel - medical transportation	54,720	47,731	54,720
Travel, meetings, per diems	114,847	121,543	114,846
Utilities	8,190	7,583	8,190
Wages and benefits	384,707	482,116	384,680
	908,832	1,063,910	908,804
Current surplus (deficit)	112,668	(548,535)	112,696
Surplus at beginning of year	-	490,577	394,881
Transfers			
Transfer - Amortization	(17,000)	(17,000)	(17,000)
Surplus (deficit) at end of year	\$ 95,668	\$ (74,958)	\$ 490,577

The accompanying notes are an integral part of the financial statements

Schedule #9
Keeseekoose First Nation
CMHC Operations
Schedule of Operations and Equity
For the year ended March 31, 2013

	2013 Budget	2013 Actual	2012 Actual
Revenue			
AANDC - fixed	\$ 133,461	\$ 187,018	\$ 133,461
CMHC - subsidy	193,782	189,173	193,782
CMHC - rental income	161,210	124,702	161,210
Other revenue	1,233	34,911	1,233
	489,686	535,804	489,686
Expenses			
Insurance	37,801	26,622	37,801
Interest and bank charges	97	120	97
Interest on long term debt	318,864	108,899	103,030
Repairs and maintenance	55,003	189,507	55,003
Supplies	-	79,955	-
Travel, meetings, per diems	-	11,745	-
Utilities	-	6,355	-
Professional fees	8,240	4,260	8,240
	420,005	427,463	204,171
Current surplus	69,681	108,341	285,515
Surplus at beginning of year	-	4,227,081	3,286,531
Transfers			
Transfer - Community Development	-	-	950,180
Transfer - Indian Government Support	(27,381)	-	(27,381)
Transfer - Amortization	(267,764)	(431,416)	(267,764)
Surplus at end of year	\$ (225,464)	\$ 3,904,006	\$ 4,227,081

The accompanying notes are an integral part of the financial statements

Schedule #10
Keeseekoose First Nation
Band Programs
Schedule of Operations and Equity
For the year ended March 31, 2013

	2013 Budget	2013 Actual	2012 Actual
Revenue			
Yorkton Tribal Council	\$ 176,060	\$ 178,060	\$ 176,060
Ottawa Trust income	215,662	129,079	215,662
First Nations Trust	674,875	870,683	674,875
Painted Hand Development Corporation	117,164	172,525	117,164
Pelly Haylands trust	674,399	691,452	674,399
Other revenue	9,174	37,889	9,174
Deferred revenue - prior	59,000	-	206,000
	1,926,334	2,079,688	2,073,334
Expenses			
Assistance to band members	800	14,207	800
Christmas expense	-	89,182	-
Consultants and contractors	-	48,715	-
Cultural programs	-	6,000	-
First Nation Trust expenses	379,027	540,346	379,027
Governance	-	470	-
Interest and bank charges	72	-	72
Interest on long term debt	-	2,684	-
Other expenses	-	8,916	-
Professional fees	-	19,654	-
Recreational activities	72,622	267,360	72,622
Repairs and maintenance	72,563	1,450	72,563
Supplies	84,900	25,954	84,900
Telephone	2,452	2,250	2,451
Training	1,000	3,006	1,000
Travel, meetings, per diems	24,253	33,849	24,253
Utilities	3,321	5,048	3,321
Vehicle	-	2,000	-
Wages and benefits	160,600	206,275	160,600
Transfer to assets	(131,563)	-	(131,563)
	670,047	1,277,366	670,046
Current surplus	1,256,287	802,322	1,403,288
Surplus (deficit) at beginning of year	-	757,690	(84,108)
Transfers			
Transfer - Community Development	-	(144,672)	(200,000)
Transfer - Education	-	-	(90,000)
Transfer - Indian Government Support	-	(112,000)	(271,490)
Transfer - Amortization	-	(5,479)	-
Surplus at end of year	\$ -	\$ 1,297,861	\$ 757,690

The accompanying notes are an integral part of the financial statements

Schedule #11
Keeseekoose First Nation
Amortization
Schedule of Operations and Equity
For the year ended March 31, 2013

	2013 Budget	2013 Actual	2012 Actual
Revenue	\$ -	\$ -	\$ -
Expenses			
Community Infrastructure	-	387,323	387,147
Instructional Services	-	441,345	441,344
Community Health Services	-	17,000	17,000
CMHC Section 95	-	431,416	267,764
Daycare	-	5,479	-
	-	1,282,563	1,113,255
Current deficit	-	(1,282,563)	(1,113,255)
Surplus at beginning of year	-	-	-
Transfers			
Transfer amortization - programs	-	1,282,563	1,113,255
Surplus at end of year	\$ -	\$ -	\$ -

The accompanying notes are an integral part of the financial statements