

Kahkewistahaw First Nation
Consolidated Financial Statements
March 31, 2014

Kahkewistahaw First Nation

Contents

For the year ended March 31, 2014

Page

Management's Responsibility

Independent Auditors' Report

Consolidated Financial Statements

Consolidated Statement of Financial Position.....	1
Consolidated Statement of Operations and Accumulated Surplus.....	2
Consolidated Statement of Changes in Net Financial Assets.....	3
Consolidated Statement of Cash Flows.....	4

Notes to the Consolidated Financial Statements.....	5
---	---

Schedules

Consolidated Expenses by Object.....	16
Schedule of Segment Revenues and Expenses and Surplus (Deficit) - Band Development.....	17
Schedule of Segment Revenues and Expenses and Surplus (Deficit) - Band Government.....	18
Schedule of Segment Revenues and Expenses and Surplus (Deficit) - Band Project Revenue.....	19
Schedule of Segment Revenues and Expenses and Surplus (Deficit) - Capital.....	21
Schedule of Segment Revenues and Expenses and Surplus (Deficit) - Community Infrastructure.....	22
Schedule of Segment Revenues and Expenses and Surplus (Deficit) - Economic Development.....	23
Schedule of Segment Revenues and Expenses and Surplus (Deficit) - Education.....	24
Schedule of Segment Revenues and Expenses and Surplus (Deficit) - Health.....	25
Schedule of Segment Revenues and Expenses and Surplus (Deficit) - Investment in Commercial Enterprises.....	26
Schedule of Segment Revenues and Expenses and Surplus (Deficit) - Lands, Reserves and Trusts.....	27
Schedule of Segment Revenues and Expenses and Surplus (Deficit) - Social Services.....	28
Schedule of Segment Revenues and Expenses and Surplus (Deficit) - Ottawa Trust Funds.....	29

To the Members of Kahkewistahaw First Nation:

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

Chief and Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. Chief and Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. Chief and Council is also responsible for appointing the First Nation's external auditors.

MNP LLP, an independent firm of Chartered Accountants, is appointed by Chief and Council to audit the consolidated financial statements and report directly to the Members; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both Chief and Council and management to discuss their audit findings.

July 21, 2014

signed - Brenda Wasacase Management

To the Members of Kahkewistahaw First Nation:

We have audited the accompanying consolidated financial statements of Kahkewistahaw First Nation, which comprise the consolidated statement of financial position as at March 31, 2014, and the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows, and the related schedules 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Kahkewistahaw First Nation as at March 31, 2014 and the results of its operations, changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Saskatoon, Saskatchewan

July 21, 2014

MNP LLP
Chartered Accountants

Kahkewistahaw First Nation

Consolidated Statement of Financial Position

As at March 31, 2014

	2014	2013
Financial assets		
Current		
Cash resources		
Accounts receivable (Note 3)	525,944	1,373,792
Due from related parties (Note 4)	1,073,943	193,017
Restricted cash (Note 5)	68,068	614,484
	4,343,269	3,533,981
Subtotal of current financial assets	6,011,224	5,715,274
Investments in commercial enterprises (Note 6)	7,934,487	8,098,723
Ottawa Trust Funds (Note 7)	12,170	41,062
Total financial assets	13,957,881	13,855,059
Financial liabilities		
Current		
Accounts payable and accruals		
Deferred revenue (Note 8)	762,841	551,457
Current portion of long-term debt (Note 9)	4,769,976	4,435,377
	435,336	405,906
Subtotal of current financial liabilities	5,968,153	5,392,740
Long-term debt (Note 9)	4,186,376	4,608,180
Total financial liabilities	10,154,529	10,000,920
Net financial assets	3,803,352	3,854,139
Non-financial assets		
Prepaid expenses		
Tangible capital assets (Note 10)	70,844	98,188
	23,513,996	22,901,126
Total non-financial assets	23,584,840	22,999,314
Accumulated surplus (Note 11)	27,388,192	26,853,453

Approved on behalf of the First Nation

Chief

signed - Iris Taypotat

Darell Taypotat Councillor

Kahkewistahaw First Nation
Consolidated Statement of Operations and Accumulated Surplus
For the year ended March 31, 2014

	2014 Budget	2014 Actual	2013 Actual
Revenues			
Aboriginal Affairs and Northern Development Canada (Note 16)	6,690,508	6,849,277	7,617,925
Health Canada	510,133	645,719	541,169
Other	505,610	627,709	696,340
First Nations Trust	550,000	685,789	704,199
Grant in lieu of taxes - SIGA	-	545,000	545,000
Excise tax rebate - Kahkewistahaw Gas & Convenience Store	-	465,460	304,547
Canada Mortgage and Housing Corporation	264,551	385,891	389,456
CMHC rental	307,000	322,314	288,576
Contribution Kahkewistahaw 1907 Trust	236,370	237,545	165,854
Yorkton Tribal Council	178,325	185,272	241,978
Administration	76,000	88,703	113,590
User fees	-	26,370	38,716
Interest	25,000	12,211	14,076
Leases	-	12,155	20,899
Land	-	3,436	15,979
National Crime Prevention	-	-	189,116
Earnings (loss) from investments in Nation business entities	-	(36,211)	166,100
Health Canada - Repayment of funding	-	(46,406)	-
Total revenues	9,343,497	11,010,234	12,053,520
Program expenses			
Band Development	327,567	299,044	237,703
Band Government	1,344,667	1,437,040	1,432,119
Band Project Revenue	1,163,621	2,449,979	2,152,532
Capital	196,943	517,326	702,728
Community Infrastructure	644,237	1,196,618	968,289
Economic Development	-	-	62,900
Education	3,184,989	3,619,421	3,715,661
Health	514,933	617,644	623,795
Land, Reserves and Trusts	651,156	449,180	300,482
Social Services	1,101,340	1,229,243	1,185,819
Total expenses	9,129,453	11,815,495	11,382,028
Surplus (deficit) before other item	214,044	(805,261)	671,492
Land contributed by Kahkewistahaw 1907 Trust (purchased)	-	1,340,000	644,300
Annual surplus	214,044	534,739	1,315,792
Accumulated surplus, beginning of year	26,853,453	26,853,453	25,537,661
Accumulated surplus, end of year	27,067,497	27,388,192	26,853,453

Kahkewistahaw First Nation
Consolidated Statement of Changes in Net Financial Assets
For the year ended March 31, 2014

	<i>2014 Budget</i>	<i>2014 Actual</i>	<i>2013 Actual</i>
Annual surplus	214,044	534,739	1,315,792
Purchases of tangible capital assets	(275,462)	(1,882,985)	(1,690,696)
Amortization of tangible capital assets	-	1,270,115	1,048,091
	(275,462)	(612,870)	(642,605)
Use of prepaid expenses	-	27,344	214,953
Increase (decrease) in net financial assets	(61,418)	(50,787)	888,140
Net financial assets, beginning of year	3,854,139	3,854,139	2,965,999
Net financial assets, end of year	3,792,721	3,803,352	3,854,139

The accompanying notes are an integral part of these financial statements

Kahkewistahaw First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2014

	2014	2013
Cash provided by (used for) the following activities		
Operating activities		
Annual surplus	534,739	1,315,792
Non-cash items		
Amortization	1,270,115	1,048,091
Loss (earnings) from investments in commercial enterprises	36,211	(166,100)
	1,841,065	2,197,783
Changes in:		
Accounts receivable	(880,926)	642,864
Prepaid expenses	27,344	214,953
Accounts payable and accruals	211,384	(6,447)
Deferred revenue	334,599	895,774
	1,533,466	3,944,927
Financing activities		
Increase (decrease) in long-term debt (net)	(392,374)	1,671,757
Decrease (increase) in due from related parties (net)	546,416	(455,916)
Contributions from (to) commercial enterprises (net)	(56,885)	(2,952,717)
	97,157	(1,736,876)
Capital activities		
Purchases of tangible capital assets	(1,882,985)	(1,690,696)
Investing activities		
Decrease (increase) in Ottawa Trust Funds	28,892	(21,400)
Increase in restricted cash	(809,288)	(898,393)
Decrease (increase) in advance to Penipa Hotel Limited Partnership	184,910	180,293
	(595,486)	(739,500)
Decrease in cash resources	(847,848)	(222,145)
Cash resources, beginning of year	1,373,792	1,595,937
Cash resources, end of year	525,944	1,373,792

1. Operations

The Kahkewistahaw First Nation (the "First Nation") is located in the Province of Saskatchewan, and provides various services to its Members. Kahkewistahaw First Nation financial reporting entity includes the First Nation's operations, and all related entities that are accountable to the First Nation, and are either owned or controlled by the First Nation.

2. Significant accounting policies

These consolidated financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards, and include the following significant accounting policies:

Reporting entity

The financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity, except for First Nation business entities which are recorded using the modified equity method.

The First Nation has consolidated the assets, liabilities, revenues and expenses of the following entities and departments:

- Kahkewistahaw First Nation
- Kahkewistahaw First Nation #72 CMHC Housing Projects

All inter-entity balances have been eliminated on consolidation; however, transactions between departments have not been eliminated in order to present the results of operations for each specific department.

Kahkewistahaw First Nation business entities, owned or controlled by the First Nation but not dependent on the First Nation for their continuing operations, are included in the consolidated financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform to those of the First Nation. Thus, the First Nation's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and decreased by post acquisition losses and distributions received. Entities accounted for by the modified equity basis include:

- Kahkewistahaw Economic Management Corporation
- Kahkewistahaw Reserve #72 A-1 Land (Yorkton Development)
- Kahkewistahaw Developments Limited Partnership
- Kahkewistahaw Management Limited Partnership
- PHC Holdings Limited Partnership

The Kahkewistahaw 1907 Trust - Trust Account and Kahkewistahaw 1907 Trust - Authorized Expense Account are not included in the consolidated financial statements as these entities are administered and controlled by Trustees and relate to the operations of the Trust.

Basis of presentation

Sources of financing and expenditures are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

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 normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets and prepaid expenses.

2. Significant accounting policies *(Continued from previous page)*

Cash resources

Cash resources includes balances with banks and short-term investments with maturities of three months or less.

Restricted cash

Restricted cash consists of funds held in Pillipow Scholarship Fund, CMHC replacement reserve bank account, CMHC operating reserve bank account and capital project bank accounts.

Tangible capital assets

Tangible capital assets are initially recorded at cost. Contributed tangible capital assets are recorded at their fair value at the date of contribution.

Tangible capital assets disclosed at a nominal amount include the original reserve land. Land purchased is recorded at the purchase price.

Capital lease

A lease that transfers substantially all of the benefits and risks of ownership is classified as a capital lease. At the inception of a capital lease, an asset and a payment obligation is recorded at an amount equal to the lesser of the present value of the minimum lease payments and the property's fair market value. Assets under capital leases are amortized over their estimated useful lives. All other leases are accounted for as operating leases and rental payments are expenses as incurred.

Amortization

Tangible capital assets are amortized annually using the straight line method at rates intended to amortize the cost of the assets over their estimated useful lives:

	Rate
Buildings	20-40 years
Equipment	5-15 years
Housing (CMHC and First Nation)	25-40 years
Roads	40 years
Water infrastructure	10-40 years

Funds held in Ottawa Trust Fund

Funds held in trust on behalf of the First Nation's Members by the Government of Canada consist of:

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

Net financial assets

The First Nation's financial statements are presented so as to highlight net financial assets as the measurement of financial position. The net financial assets of the First Nation is determined by its financial assets less its liabilities. Net financial assets combined with non-financial assets comprises a second indicator of financial position, accumulated surplus.

2. Significant accounting policies *(Continued from previous page)*

Revenue recognition

Government Transfers

The First Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the First Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Funding

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period is reflected as deferred revenue on the consolidated statement of financial position in the year of receipt.

Other revenues

Rental and lease revenue is recognized over the rental term. Other revenues are earned from other services provided by the First Nation and are recognized when the service has been provided.

Use of estimates

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 disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenditures during the reporting period. These estimates/assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the records in the periods in which they become known.

Segments

The First Nation conducts its business through 12 reportable segments: Band Development; Band Government; Band Project Revenue; Capital; Community Infrastructure; Economic Development; Education; Health; Investment in Commercial Enterprises; Land, Reserves and Trusts; Social Services; and Ottawa Trust Funds. 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. Administration fees have been apportioned based on a percentage of budgeted revenues, where permitted by the funder.

Other economic interests

The First Nation is a member of several other entities. The First Nation does not share in the profit or loss of these entities. As a result these entities have not been reported in these consolidated financial statements.

Recent accounting pronouncements

Financial instruments

In June 2011, the Public Sector Accounting Board (PSAB) issued PS 3450 *Financial Instruments* to establish standards for recognition, measurement, presentation and disclosure of financial assets, financial liabilities and non-financial derivatives. As a result of issuance of PS 3450, there have been numerous consequential amendments made to other Sections. PS 3450 is effective for fiscal years beginning on or after April 1, 2016.

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.

Kahkewistahaw First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

3. Accounts receivable

	2014	2013
Health Canada - Capital funding	599,997	-
AANDC	196,355	1,153
AIG Insurance	134,930	-
Other	121,310	100,369
Health Canada	63,076	-
Canada Mortgage and Housing Corporation	24,895	49,427
Yorkton Tribal Council	13,380	42,068
Allowance for doubtful accounts	(80,000)	-
	1,073,943	193,017

4. Due from (to) related parties

	2014	2013
Kahkewistahaw Bingo Account	41,391	18,954
Kahkewistahaw 1907 Trust	19,680	203,220
Kahkewistahaw Ochapowace Community Care	15,252	41,152
Chief Kahkewistahaw Community School	2,759	-
Kahkewistahaw Development Limited Partnership	-	300,000
Kahkewistahaw 1907 Trust - Authorized Expense Account	(11,014)	51,158
	68,068	614,484

The advances are non interest bearing, unsecured, and have no set terms of repayment.

Kahkewistahaw First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

5. Restricted cash

	2014	2013
Kahkewistahaw 1907 Trust - Band Account	3,869,075	3,053,852
Kahkewistahaw First Nation #72 CMHC Housing Projects	386,211	269,645
Pillipow Scholarship Funds	70,000	70,000
Water Treatment Plant Chemical Room Project - AANDC	17,983	140,484
	4,343,269	3,533,981

6. Investments in commercial enterprises

The First Nation has investments in the following entities:

	2014	2013
Kahkewistahaw Development Limited Partnership - 100%	7,425,951	7,454,392
Kahkewistahaw Reserve #72 A-1 Land (Yorkton Development) - 100%	531,961	531,961
Advance to Penipa Limited Partnership	-	184,910
Kahkewistahaw Management Limited Partnership - 100%	(11,265)	(9,716)
Kahkewistahaw Economic Management Corporation - 100%	(323,225)	(317,918)
PHC Holdings Limited Partnership - 14%	311,065	255,094
	7,934,487	8,098,723

Summary financial information follows for each business enterprise wholly-owned and controlled by the First Nation accounted for using the modified equity method. The revenues and expenses recorded under Kahkewistahaw Development Limited Partnership include the revenues and expenses of its wholly owned entities Mamawi Holdings Limited Partnership, Penipa Hotel Limited Partnership, Kahkewistahaw Sand & Gravel Limited Partnership and Kahkewistahaw Gas & Convenience Store Limited Partnership.

	Kahkewistahaw Development Limited Partnership December 31, 2013	Kahkewistahaw Development Limited Partnership December 31, 2013	Kahkewistahaw Economic Management Corporation December 31, 2013
Assets	7,430,950	400	10,589
Liabilities	4,999	11,665	333,814
Equity	7,425,951	(11,265)	(323,225)
Total revenues	10,548,654	-	149,992
Total expenses	10,627,095	1,549	225,299
Net income (loss)	(78,441)	(1,549)	(75,307)
Contributions from the First Nation	50,000	-	70,000

The First Nation received distributions from its 14% investment in PHC Holdings Limited Partnership of \$63,115 and was allocated net income of \$119,086.

Kahkewistahaw First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

7. Funds held in trust

	<i>Opening balance</i>	<i>Interest</i>	<i>Lease revenue</i>	<i>Payments to First Nation</i>	<i>Ending balance</i>
Capital	3,655	-	-	-	3,655
Revenue	37,407	1,352	12,155	(42,399)	8,515
	41,062	1,352	12,155	(42,399)	12,170

8. Deferred revenue

	<i>Contributor</i>	<i>2014</i>	<i>2013</i>
Kahkewistahaw 1907 Trust - Band Account	Other	3,888,755	3,257,072
Capital - Headstart Daycare	Health Canada	507,666	-
Seniors Program	Other	257,837	266,389
Pillipow Scholarship	Other	70,740	69,900
Health - Accreditation	Health Canada	27,004	27,004
Capital - WTP Chemical Room Project	AANDC	17,974	68,665
Grant in lieu of taxes	Other	-	545,000
Capital - Demineralization	AANDC	-	133,881
Per Capita Distribution	Other	-	62,721
Capital - Well Road Project	AANDC	-	4,745
		4,769,976	4,435,377

Kahkewistahaw First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

9. Long-term debt

The following loans are secured by government guarantees, and relate to the construction of on reserve housing. The First Nation receives a subsidy from Canada Mortgage and Housing Corporation to assist with the payment of principal and interest on the following loans:

<i>Phase</i>	<i>Monthly Payment Including Interest</i>	<i>Interest Rate</i>	<i>Renewal Date</i>	2014	2013
I	4,751	21.50%	1-Sep-17	141,165	166,192
VII	3,149	5.04%	1-May-18	141,902	171,339
IX	1,343	6.47%	1-May-16	31,966	45,314
X	703	4.39%	1-Apr-17	24,301	31,493
XI	769	4.39%	1-Sep-16	29,911	37,654
XII	1,389	6.85%	1-Jul-17	61,314	73,204
XIII	1,170	2.65%	1-Apr-16	145,155	155,225
XIV	1,374	1.65%	1-Jun-17	193,894	207,070
XV	532	1.67%	1-Jun-18	80,511	85,369
XVI	2,263	2.69%	1-Aug-15	266,905	286,634
XVII	3,291	1.62%	1-Mar-18	640,948	669,835
XVIII	1,640	2.65%	1-Feb-15	315,258	326,463
XIX	2,050	2.65%	1-Feb-15	393,984	407,994
XX	2,623	1.92%	1-Apr-17	585,119	585,015
				3,052,333	3,248,801
First Nations Bank operating loan repayable in monthly instalments of \$15,000 plus interest at prime plus 1%, secured by a General Security Agreement and AANDC funding				1,500,000	1,680,000
Ford Credit Canada loan repayable in monthly instalments of \$1,735 including interest, maturing January 2, 2018, secured by 2012 Ford F550, with a net book value of \$71,432				69,379	85,285
				4,621,712	5,014,086
Less: current portion				435,336	405,906
				4,186,376	4,608,180

Minimum principal repayments for the next five years, assuming renewal at similar rates and terms, are as follows:

2015	435,336
2016	460,332
2017	487,700
2018	512,511
2019	529,000

10. Tangible capital assets

For the year ended March 31, 2014

	Cost				Accumulated Amortization			Net book value	
	Opening balance	Additions	Transfers	Disposals	Ending balance	Opening balance	Current amortization on disposals		Ending balance
Buildings	17,939,922	-	479,911	-	18,419,833	9,385,933	559,379	9,945,312	8,474,521
Equipment	2,526,991	74,000	-	-	2,600,991	1,533,845	178,008	1,711,853	889,138
CMHC Housing	6,566,006	-	-	-	6,566,006	2,912,100	287,978	3,200,078	3,365,928
First Nation Housing	2,999,358	209,472	-	81,418	3,127,412	2,670,642	14,043	81,418	524,145
Roads	170,652	-	-	-	170,652	40,746	9,207	49,953	120,699
Water Infrastructure	707,266	-	4,949,255	-	5,656,521	118,014	221,500	339,514	5,317,007
Projects Under Construction	5,261,884	259,513	(5,429,166)	-	92,231	-	-	-	92,231
Purchased Land	3,390,327	1,340,000	-	-	4,730,327	-	-	-	4,730,327
	39,562,406	1,882,985	-	81,418	41,363,973	16,661,280	1,270,115	17,849,977	23,513,996

For the year ended March 31, 2013

	Cost				Accumulated Amortization			Net book value	
	Opening balance	Additions	Transfers	Disposals	Ending balance	Opening balance	Current amortization		Ending balance
Buildings	17,939,922	-	-	-	17,939,922	8,845,748	540,185	9,385,933	8,553,989
Equipment	2,389,542	137,449	-	-	2,526,991	1,343,512	190,333	1,533,845	993,146
CMHC Housing	6,484,481	81,525	-	-	6,566,006	2,624,124	287,976	2,912,100	3,653,906
First Nation Housing	2,999,358	-	-	-	2,999,358	2,654,972	15,670	2,670,642	328,716
Roads	170,652	-	-	-	170,652	31,539	9,207	40,746	129,906
Water Infrastructure	118,014	589,252	-	-	707,266	113,294	4,720	118,014	589,252
Projects Under Construction	5,023,714	238,170	-	-	5,261,884	-	-	-	5,261,884
Purchased Land	2,746,027	644,300	-	-	3,390,327	-	-	-	3,390,327
	37,871,710	1,690,696	-	-	39,562,406	15,613,189	1,048,091	16,661,280	22,901,126

Kahkewistahaw First Nation #72
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

11. Accumulated surplus

Accumulated surplus consists of the following:

	Operating Fund	Capital Asset Fund	Commercial Fund	CMHC Operating Reserve	CMHC Replacement Reserve	Ottawa Trust Funds	Total
Beginning of year	1,491,418	19,567,040	5,275,082	189,940	288,911	41,062	26,853,453
Current year surplus (deficit)	(240,884)	825,247	(36,211)	9,596	5,883	(28,892)	534,739
End of year	1,250,534	20,392,287	5,238,871	199,536	294,794	12,170	27,388,192
Accumulated surplus by segment consists of the following:							
Band Development	(11,318)	-	-	-	-	-	(11,318)
Band Government	1,294,761	22,833	-	-	-	-	1,317,594
Band Project Revenue	902,407	768,360	-	199,536	294,794	-	2,165,097
Capital	6,692,510	163,766	-	-	-	-	6,856,276
Community Infrastructure	(6,333,121)	6,238,081	-	-	-	-	(95,040)
Education	(1,384,681)	7,567,461	-	-	-	-	6,182,780
Health	127,168	901,459	-	-	-	-	1,028,627
Land, Reserves and Trusts	40,577	4,730,327	-	-	-	-	4,770,904
Social Services	(77,769)	-	-	-	-	-	(77,769)
Investments in Commercial Enterprises	-	-	5,238,871	-	-	-	5,238,871
Ottawa Trust Funds	-	-	-	-	-	12,170	12,170
	1,250,534	20,392,287	5,238,871	199,536	294,794	12,170	27,388,192

12. Funds and reserves

The Kahkewistahaw First Nation maintains the following funds and reserves as part of its operations:

- Operating Fund reports on the general activities of the First Nation's administration.
- Capital Asset Fund reports on the capital assets and projects of the First Nation.
- Commercial Fund reports on commercial business operations owned by the First Nation.
- CMHC Operating Reserve is required as part of the First Nation's CMHC Housing Program, which receives funds pursuant to the Post 1997 - Fixed Subsidy Program. Any surpluses are externally restricted and reserved for future operating losses that relate to the operation of houses under the Program.
- CMHC Replacement Reserve is required as part of the First Nation's CMHC Housing Program. It has been established for replacement of capital equipment and for major repairs to the houses.
- Ottawa Trust Funds reports on trust moneys owned by the First Nation and held by the Government of Canada.

13. Segments

The First Nation has 12 reportable segments. These segments are differentiated by the major activities or services they provide. The First Nation's segments are as follows:

- Band Development - includes the internally funded activities of the First Nation for Member development.
- Band Government - includes administration and governance activities.
- Band Project Revenue - other band programs not funded by AANDC or Health Canada.
- Capital - reports on capital projects.
- Community Infrastructure - includes operations for the maintenance of the First Nation's buildings and infrastructure.
- Economic Development - includes activities for economic development.
- Education - includes the operations of education program.
- Health - reports on the First Nation's Health Canada funded programs.
- Investments in Commercial Enterprises - reports on the gains and losses of the First Nation's business investments.
- Land, Reserves and Trusts - includes activities for the development of the First Nation's land.
- Social Services - includes the operations and delivery of social programs.
- Ottawa Trust Funds - reports trust funds held by a third party.

Inter-segment transfers have been recorded at their exchange amount. The accounting policies of the segments are the same as those described in Note 2.

Details of the segment revenues and expenses are provided in the accompanying schedules. There are no revenues or expenses that have not been allocated to a segment.

Kahkewistahaw First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2014

14. Economic dependence

Kahkewistahaw First Nation receives a significant portion of its revenues from Aboriginal Affairs and Northern Development Canada (AANDC) as a result of Treaties entered into with Her Majesty the Queen. However, these Treaties are administered by AANDC under the terms and conditions of the Indian Act. The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these Treaties.

15. Budget information

The disclosed budget information has been approved by Chief and Council of Kahkewistahaw First Nation and is only available for programs with 3rd party funding. The budget approved by Chief and Council included purchases of tangible capital assets and loan payments as expenses. Canadian public sector accounting standards do not consider these items to be expenses. To ensure the budgeted information is in accordance with Canadian public sector accounting standards, purchases of tangible capital assets have been presented on the Statement of Changes in Net Financial Assets instead of on the Statement of Operations and Accumulated Surplus, and loan payments have been excluded.

16. Aboriginal Affairs and Northern Development Canada reconciliation

Funding per AANDC confirmation	6,659,960
Add:	
2013 deferred revenue	207,291
Minus:	
2014 deferred revenue	(17,974)
	<hr/> 6,849,277 <hr/>

17. Comparative figures

Certain comparative figures have been reclassified to conform with the current year's presentation.

Kahkewistahaw First Nation

Schedule of Consolidated Expenses by Object

For the year ended March 31, 2014

	<i>2014 Budget</i>	<i>2014 Actual</i>	<i>2013 Actual</i>
Wages and employee benefits	2,993,743	3,203,318	3,305,306
Amortization	-	1,270,115	1,048,091
Assistance	1,061,179	1,125,483	1,094,482
Repairs and maintenance	272,069	569,394	573,796
Professional fees	364,401	500,533	527,493
Living allowance	465,500	439,179	421,697
Yorkton Municipal Services Agreement	-	429,299	319,909
Utilities	358,470	404,679	325,831
Travel	371,728	354,643	383,155
Supplies	361,163	347,067	351,896
Chief and Council remuneration	320,488	306,486	299,941
Contributions to related entities	77,000	280,282	13,979
Busing	217,166	214,666	225,234
Member Christmas payout	-	200,776	191,876
Tuition	262,960	197,566	228,934
Interest on long-term debt	313,774	177,330	199,174
Insurance	186,100	170,009	153,269
Program aids	108,689	151,118	221,634
Training	129,894	130,361	130,430
Rent	122,000	120,070	160,879
Administration	127,115	109,850	116,491
Other	141,577	107,135	81,461
Bad debts	-	90,831	-
Student	91,700	88,497	145,248
Land improvements	135,370	80,259	58,094
Telephone	63,020	70,468	65,023
Pow Wow	70,000	63,517	123,143
Adult care	-	62,106	66,387
Funeral and wakes	55,000	57,917	77,411
Winter and summer games	60,067	56,012	-
Office	30,000	48,475	43,890
Meetings	75,030	47,039	35,451
Medical transportation	-	40,849	39,147
Books	51,500	35,573	33,430
CDC project expenses	5,000	35,376	27,548
Donations	21,000	33,709	39,200
Automotive	48,000	31,350	11,741
Technical support	54,950	28,513	15,713
Committee per diems	37,300	24,898	33,195
Bank charges and interest	15,000	21,293	15,855
Project management	4,500	20,503	11,128
Extracurricular	17,000	17,434	16,229
Treaty protection	25,000	13,355	4,927
Student employment	-	10,440	18,307
Advertising	-	9,976	1,986
Cultural activities	5,000	9,889	(2,476)
Special needs	10,000	7,857	6,136
New housing	-	-	105,299
Emergency allowance	-	-	15,058
	9,129,453	11,815,495	11,382,028

Kahkewistahaw First Nation
Band Development
Schedule of Segment Revenues and Expenses and Surplus (Deficit)
For the year ended March 31, 2014

	<i>2014 Budget</i>	<i>2014 Actual</i>	<i>2013 Actual</i>
Revenues			
Aboriginal Affairs and Northern Development Canada	91,197	77,343	65,712
Contribution Kahkewistahaw 1907 Trust	236,370	237,545	165,854
	327,567	314,888	231,566
Expenses			
Utilities	201,370	196,018	155,541
Wages and employee benefits	35,977	34,391	32,731
Travel	9,000	12,389	10,849
Program aids	15,000	11,279	10,313
Technical support	30,000	9,292	6,172
Special needs	10,000	7,857	6,136
Other	10,000	6,548	-
Administration	6,000	6,000	6,000
Meetings	5,300	5,872	4,603
Training	1,000	4,739	1,835
Supplies	3,200	3,904	3,082
Telephone	720	755	441
	327,567	299,044	237,703
Surplus (deficit)	-	15,844	(6,137)

Kahkewistahaw First Nation
Band Government
Schedule of Segment Revenues and Expenses and Surplus (Deficit)
For the year ended March 31, 2014

	<i>2014 Budget</i>	<i>2014 Actual</i>	<i>2013 Actual</i>
Revenues			
Aboriginal Affairs and Northern Development Canada	926,167	838,693	870,910
Other	104,500	135,333	199,011
Administration	76,000	67,222	87,154
Interest	25,000	10,506	11,646
Yorkton Tribal Council	-	3,580	2,940
	1,131,667	1,055,334	1,171,661
Expenses			
Wages and employee benefits	386,280	454,309	420,021
Chief and Council remuneration	320,488	306,486	299,941
Travel	180,000	192,469	193,046
Professional fees	60,000	62,821	73,806
Student	53,000	61,409	113,324
Other	27,077	56,118	36,494
Winter and summer games	60,067	56,012	-
Training	40,300	43,695	33,548
Telephone	38,100	33,176	34,753
Bank charges and interest	15,000	21,781	15,855
Amortization	-	20,173	36,765
CDC project expenses	-	19,716	13,750
Technical support	24,950	18,102	9,541
Automotive	18,000	15,983	11,741
Committee per diems	23,100	15,062	15,950
Meetings	9,380	14,330	17,636
Rent	12,000	10,070	17,541
Advertising	-	8,976	-
Program aids	10,000	8,863	68,776
Utilities	4,500	6,827	6,551
Supplies	60,325	6,146	11,400
Insurance	1,100	2,500	1,100
Repairs and maintenance	1,000	2,016	580
	1,344,667	1,437,040	1,432,119
Deficit before transfers	(213,000)	(381,706)	(260,458)
Transfers between programs	213,000	622,108	213,000
Surplus (deficit)	-	240,402	(47,458)

Kahkewistahaw First Nation
Band Project Revenue
Schedule of Segment Revenues and Expenses and Surplus (Deficit)
For the year ended March 31, 2014

	<i>2014 Budget</i>	<i>2014 Actual</i>	<i>2013 Actual</i>
Revenues			
Aboriginal Affairs and Northern Development Canada	79,500	32,563	50,958
First Nations Trust	550,000	685,789	704,199
Excise tax rebate - Kahkewistahaw Gas & Convenience Store	-	465,460	304,547
Grant in lieu of taxes - SIGA	-	545,000	545,000
CMHC rental	307,000	322,314	288,576
Canada Mortgage and Housing Corporation	264,551	299,271	342,584
Other	65,000	129,067	212,744
Yorkton Tribal Council	92,690	86,700	92,690
Administration	-	21,481	26,437
Interest	-	101	771
National Crime Prevention	-	-	189,116
Health Canada - Repayment of funding	-	(46,406)	-
	1,358,741	2,541,340	2,757,622

Continued on next page

Kahkewistahaw First Nation
Band Project Revenue
Schedule of Segment Revenues and Expenses and Surplus (Deficit)
For the year ended March 31, 2014

	<i>2014 Budget</i>	<i>2014 Actual</i>	<i>2013 Actual</i>
Revenues <i>(Continued from previous page)</i>	1,358,741	2,541,340	2,757,622
Expenses			
Yorkton Municipal Services Agreement	-	429,299	319,909
Professional fees	165,000	302,369	262,201
Amortization	-	302,021	303,648
Contributions to related entities	77,000	260,000	13,979
Member Christmas payout	-	200,776	191,876
Repairs and maintenance	129,100	190,220	112,716
Interest on long-term debt	313,774	172,419	197,739
Wages and employee benefits	103,462	160,121	210,799
Bad debts	-	90,831	-
Pow Wow	70,000	63,517	123,143
Funeral and wakes	55,000	57,917	77,411
Administration	96,277	51,996	60,232
Donations	20,000	32,790	38,488
Insurance	35,000	32,634	33,050
Telephone	1,680	20,942	1,789
Supplies	5,000	20,878	60,620
Rent	20,000	20,000	20,000
Assistance	20,000	19,297	26,621
Utilities	12,600	18,508	17,299
Travel	8,728	13,641	57,953
Treaty protection	25,000	13,355	4,927
Other	-	11,236	9,663
Cultural activities	5,000	9,889	(2,476)
Training	1,000	-	2,717
Committee per diems	-	-	8,475
Bank charges and interest	-	(488)	-
Program aids	-	(44,189)	(247)
	1,163,621	2,449,979	2,152,532
Surplus before transfers	195,120	91,361	605,090
Transfers between programs	(163,000)	(529,709)	(262,841)
Surplus (deficit)	32,120	(438,348)	342,249

Kahkewistahaw First Nation
Capital
Schedule of Segment Revenues and Expenses and Surplus (Deficit)
For the year ended March 31, 2014

	2014 Budget	2014 Actual	2013 Actual
Revenues			
Aboriginal Affairs and Northern Development Canada	492,405	587,348	1,325,454
Other	80,000	216,409	133,045
Canada Mortgage and Housing Corporation	-	86,620	46,872
Interest	-	252	238
	572,405	890,629	1,505,609
Expenses			
Repairs and maintenance	4,000	143,298	283,753
Rent	90,000	90,000	93,338
Wages and employee benefits	38,723	72,553	119,994
Insurance	40,000	37,552	37,552
Supplies	-	36,990	-
Utilities	5,000	28,772	5,782
Travel	7,000	24,247	12,780
Contributions to related entities	-	20,282	-
Office	5,000	20,099	15,197
Project management	-	15,768	11,128
Meetings	6,500	9,704	9,155
Administration	-	8,892	3,495
Interest on long-term debt	-	4,911	1,435
Automotive	-	3,514	-
Telephone	720	744	720
New housing	-	-	105,299
Committee per diems	-	-	3,100
	196,943	517,326	702,728
Surplus	375,462	373,303	802,881

Kahkewistahaw First Nation
Community Infrastructure
Schedule of Segment Revenues and Expenses and Surplus (Deficit)
For the year ended March 31, 2014

	2014 Budget	2014 Actual	2013 Actual
Revenues			
Aboriginal Affairs and Northern Development Canada	671,237	629,740	674,225
Other	-	64,123	95,730
User fees	-	26,370	38,716
	671,237	720,233	808,671
Expenses			
Wages and employee benefits	334,237	446,371	430,821
Amortization	-	380,665	159,619
Repairs and maintenance	47,000	141,048	119,268
Utilities	67,000	79,705	71,383
Supplies	60,000	65,917	91,134
Insurance	49,000	40,622	30,465
Travel	77,000	18,431	32,153
CDC project expenses	5,000	15,660	13,798
Training	5,000	8,199	4,590
Emergency allowance	-	-	15,058
	644,237	1,196,618	968,289
Surplus (deficit)	27,000	(476,385)	(159,618)

Kahkewistahaw First Nation
Economic Development
Schedule of Segment Revenues and Expenses and Surplus (Deficit)
For the year ended March 31, 2014

	<i>2014 Budget</i>	<i>2014 Actual</i>	<i>2013 Actual</i>
Revenue			
Aboriginal Affairs and Northern Development Canada	50,000	50,000	47,900
Expenses			
Rent	-	-	30,000
Professional fees	-	-	22,000
Other	-	-	10,283
Travel	-	-	617
	-	-	62,900
Surplus (deficit) before transfers	50,000	50,000	(15,000)
Transfers between programs	(50,000)	(50,000)	15,000
Surplus	-	-	-

Kahkewistahaw First Nation
Education

Schedule of Segment Revenues and Expenses and Surplus (Deficit)
For the year ended March 31, 2014

	<i>2014 Budget</i>	<i>2014 Actual</i>	<i>2013 Actual</i>
Revenues			
Aboriginal Affairs and Northern Development Canada	2,835,616	2,984,481	2,959,885
Yorkton Tribal Council	85,635	94,992	146,348
Other	-	38,308	23,288
Interest	-	-	921
	2,921,251	3,117,781	3,130,442
Expenses			
Wages and employee benefits	1,629,167	1,697,120	1,809,033
Amortization	-	503,640	485,547
Living allowance	465,500	439,179	421,697
Busing	217,166	214,666	225,234
Tuition	262,960	197,566	228,934
Supplies	136,606	120,956	106,641
Repairs and maintenance	84,750	91,671	48,894
Utilities	63,000	65,910	60,380
Insurance	51,000	45,455	45,908
Training	43,500	39,150	73,966
Travel	54,000	36,584	42,125
Books	51,500	35,573	33,430
Other	29,500	33,233	24,721
Office	25,000	28,376	26,901
Student	38,700	27,088	31,923
Extracurricular	17,000	17,434	16,129
Telephone	14,640	13,461	13,193
Student employment	-	10,440	18,307
Advertising	-	1,000	1,986
Donations	1,000	919	712
	3,184,989	3,619,421	3,715,661
Deficit before transfers	(263,738)	(501,640)	(585,219)
Transfers between programs	-	-	10,000
Deficit	(263,738)	(501,640)	(575,219)

Kahkewistahaw First Nation
Health

Schedule of Segment Revenues and Expenses and Surplus (Deficit)
For the year ended March 31, 2014

	<i>2014 Budget</i>	<i>2014 Actual</i>	<i>2013 Actual</i>
Revenues			
Health Canada	510,133	645,719	541,169
Other	-	-	668
	510,133	645,719	541,837
Expenses			
Wages and employee benefits	297,068	224,155	224,890
Program aids	83,689	175,165	142,793
Amortization	-	63,616	62,512
Administration	24,838	42,962	46,764
Medical transportation	-	40,849	39,147
Professional fees	44,000	31,912	39,445
Supplies	15,199	10,896	8,902
Utilities	5,000	8,939	8,895
Travel	20,000	8,195	8,528
Insurance	5,000	5,193	5,194
Committee per diems	5,700	2,586	3,570
Training	2,500	2,035	13,775
Repairs and maintenance	6,219	1,141	8,583
Telephone	5,720	-	9,005
Office	-	-	1,792
	514,933	617,644	623,795
Surplus (deficit) before transfers	(4,800)	28,075	(81,958)
Transfers between programs	-	-	24,841
Surplus (deficit)	(4,800)	28,075	(57,117)

Kahkewistahaw First Nation
Investments in Commercial Enterprises
Schedule of Segment Revenues and Expenses and Surplus (Deficit)
For the year ended March 31, 2014

	<i>2014</i> <i>Budget</i>	<i>2014</i> <i>Actual</i>	<i>2013</i> <i>Actual</i>
Revenue			
Earnings (loss) from investments in commercial enterprises	-	(36,211)	166,100
Surplus (deficit)	-	(36,211)	166,100

Kahkewistahaw First Nation
Land, Reserves and Trusts
Schedule of Segment Revenues and Expenses and Surplus (Deficit)
For the year ended March 31, 2014

	<i>2014 Budget</i>	<i>2014 Actual</i>	<i>2013 Actual</i>
Revenues			
Aboriginal Affairs and Northern Development Canada	440,046	492,135	451,626
Other	211,110	37,114	25,152
Land	-	3,436	15,979
	651,156	532,685	492,757
Expenses			
Wages and employee benefits	168,829	114,293	57,017
Professional fees	95,401	103,432	130,041
Land improvements	135,370	80,259	58,094
Travel	15,500	48,158	25,104
Training	36,594	32,545	-
Supplies	26,172	27,012	18,546
Meetings	53,850	17,133	4,057
Automotive	30,000	11,854	-
Committee per diems	8,500	7,250	2,100
Project management	4,500	4,735	-
Telephone	1,440	1,389	5,123
Technical support	-	1,120	-
Extracurricular	-	-	100
Other	75,000	-	300
	651,156	449,180	300,482
Surplus before other item	-	83,505	192,275
Other income			
Land contributed by Kahkewistahaw 1907 Trust (purchased)	-	1,340,000	644,300
Surplus	-	1,423,505	836,575

Kahkewistahaw First Nation
Social Services
Schedule of Segment Revenues and Expenses and Surplus (Deficit)
For the year ended March 31, 2014

	2014 Budget	2014 Actual	2013 Actual
Revenues			
Aboriginal Affairs and Northern Development Canada	1,104,340	1,156,974	1,171,257
Other	45,000	7,355	6,701
	1,149,340	1,164,329	1,177,958
Expenses			
Assistance	1,041,179	1,106,186	1,067,861
Adult care	-	62,106	66,387
Supplies	54,661	54,368	51,571
Insurance	5,000	6,053	-
Travel	500	530	-
	1,101,340	1,229,243	1,185,819
Surplus (deficit)	48,000	(64,914)	(7,861)

Kahkewistahaw First Nation
Ottawa Trust Funds
Schedule of Segment Revenues and Expenses and Surplus (Deficit)
For the year ended March 31, 2014

	2014 Budget	2014 Actual	2013 Actual
Revenues			
Leases	-	12,155	20,899
Interest	-	1,352	502
Surplus before transfers	-	13,507	21,401
Transfers between programs	-	(42,399)	-
Surplus (deficit)	-	(28,892)	21,401