

**Keeseeckoose First Nation  
Consolidated Financial Statements  
March 31, 2017**

**Keeseekoose First Nation**  
**Consolidated Financial Statements**  
*March 31, 2017*

	<i>Page</i>
<b>Management's Responsibility for Financial Reporting</b>	1
<b>Independent Auditors' Report</b>	2 - 3
 <b>Financial Statements</b>	
Consolidated Statement of Financial Position.....	4
Consolidated Statement of Operations.....	5 - 6
Consolidated Statement of Accumulated Surplus.....	7
Consolidated Statement of Change in Net Debt.....	8
Consolidated Statement of Cash Flows.....	9 - 10
Notes to Consolidated Financial Statements.....	11 - 29
 <b>Program schedules</b>	
Community Development - Schedule #1.....	30
Economic Development - Schedule #2.....	31
Education - Schedule #3.....	32
Indian Government Support - Schedule #4.....	33
Land Management - Schedule #5.....	34
Social Development - Schedule #6.....	35
Indian Registration - Schedule #7.....	36
Health Canada - First Nation and Inuit Health - Schedule #8.....	37
CMHC Operations - Schedule #9.....	38
Band Programs - Schedule #10.....	39
Amortization - Schedule #11.....	41
Claims and Indian Government - Schedule #12.....	42

**Keesekoose First Nation**  
**Management's Responsibility for Financial Reporting**  
*March 31, 2017*

To the Members of Keesekoose First Nation:

The financial statements have been prepared by management in accordance with the recommendations of the Public Sector Accounting Board (PSAB) and the reporting requirements of the funding agreement with Indigenous and Northern Affairs Canada. Financial statements are not precise since they contain certain amounts based on estimates and judgments. When alternative 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.

Chief and 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.

MNP LLP, an independent firm of Chartered Professional 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  
Keesekoose First Nation

Feb 05, 2018  
Date

## Independent Auditors' Report

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To the Members of Keesekoose First Nation:

We have audited the accompanying consolidated financial statements of Keesekoose First Nation, which comprise the consolidated statement of financial position as at March 31, 2017, and the consolidated statements of operations, accumulated surplus, changes 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 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 qualified audit opinion.

### *Basis for Qualified Opinion*

The audit report for the consolidated financial statements for March 31, 2016 indicated that the occurrence of expenses could not be verified. Since opening balances affect the determination of the results of operations and cash flows for the current year, we were unable to determine whether adjustments to the results of operations and cash flows might be necessary for the year ended March 31, 2017. Further, the audit report for the consolidated financial statements for March 31, 2016 was qualified as the classification of expenses could not be verified. Our opinion on the current year's financial statements is also modified because of the possible effects of these matters on the comparability of the current year's figures and the corresponding information.

As a result of deficiencies in filing systems of the First Nation, we were unable to obtain appropriate audit evidence about the occurrence and classification of certain general expenses, excluding payroll, travel, and social assistance expenses. Consequently, we were unable to determine whether any adjustments to the amounts reported for general expenses, excluding payroll, travel, and social assistance were necessary.

We were unable to observe sufficient evidence of the review and approval of Keesekoose First Nation's budget. Therefore, we were unable to determine whether adjustments to budgeted operations or budgeted changes in net debt might be necessary to present these figures as originally planned in the consolidated financial statements.

*Qualified Opinion*

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraphs, the consolidated financial statements present fairly, in all material respects, the financial position of Keeseekoos First Nation as at March 31, 2017 and the results of its operations, changes in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*Emphasis of Matter*

Without modifying our opinion, we draw attention to notes 15 and 16 to the consolidated financial statements which describe that Keeseekoos First Nation has an outstanding claim against Canada referred to as the "1909 Surrender Claim" for damages sustained by the First Nation. The First Nation has obtained a loan to fund costs of negotiations and has obtained an insurance policy to potentially cover the repayment of the loan if the loan balance is in excess of settlement proceeds.

**MNP LLP**

Prince Albert, Saskatchewan

February 5, 2018

Chartered Professional Accountants

**Keesekoose First Nation**  
**Consolidated Statement of Financial Position**  
*March 31, 2017*

	2017	2016
<b>Financial Assets</b>		
Cash (Note 3)	\$ 550,075	\$ -
Restricted cash - capital projects (Note 3)	1,202,450	22,990
Restricted cash - CMHC reserves (Note 3)	266,560	257,655
Trust funds held by federal government (Notes 3 and 4)	77,858	35,282
Accounts receivable (Note 5)	522,261	28,599
<u>Portfolio investments (Note 6)</u>	<u>283,787</u>	<u>336,673</u>
	2,902,991	681,199

**Liabilities**

Bank indebtedness (Note 3 and 7)	-	336,532
Accounts payable (Note 8)	1,349,441	1,634,294
Deferred revenue - unexpended funds - INAC (Note 9)	232,786	22,495
Deferred revenue - unexpended funds - non INAC (Note 10)	374,436	212,565
Deferred revenue (Note 11)	1,385,126	22,904
Current portion of long-term debt (Note 12)	592,221	528,800
Current portion of CMHC mortgages (Note 13)	146,016	211,509
Long-term debt (Note 12)	4,994,807	4,237,520
<u>CMHC mortgages (Note 13)</u>	<u>2,468,377</u>	<u>2,613,665</u>
	11,543,210	9,820,284
<b>Net debt</b>	<b>(8,640,219)</b>	<b>(9,139,085)</b>

**Non-financial Assets**

<u>Capital assets (Note 14)</u>	<u>23,904,747</u>	<u>24,966,331</u>
<b><u>Accumulated Surplus (Note 15)</u></b>	<b><u>\$ 15,264,528</u></b>	<b><u>\$ 15,827,246</u></b>

Approved on behalf of the Keesekoose First Nation:

Bew Kersha  
A. A. A. M. M. C.

The accompanying notes are an integral part of the financial statements

**Keeseekoose First Nation**  
**Consolidated Statement of Operations**  
*For the year ended March 31, 2017*

	2017 Budget	2017 Actual	2016 Actual
<b>Revenue</b>			
INAC - grant	\$ 440,978	\$ 440,978	\$ 407,932
INAC - fixed	3,378,108	3,501,502	2,942,468
INAC - set	1,575,863	1,575,863	1,408,117
INAC - flexible	250,000	1,788,826	304,252
INAC - prior period revenue (recovery)	-	-	(45,677)
INAC - current year receivable (payable)	41,338	1,391	(43,433)
Health Canada	1,322,937	1,326,145	1,112,492
Yorkton Tribal Council	321,183	319,345	351,297
CMHC - subsidy	265,000	262,744	279,638
CMHC - RRAP	-	-	24,280
CMHC - rental income	120,000	103,160	128,985
First Nations Trust	790,000	787,707	842,601
Painted Hand Development Corporation	150,000	155,541	130,885
Income earned & held in trust by federal gov.	51,000	42,576	65,144
Pelly Haylands trust	400,000	395,861	750,000
Distributions received from PHC Holdings LP	50,000	52,880	58,986
Gain (loss) on investments in related entities	-	(52,886)	(58,986)
Insurance proceeds	90,000	90,093	69,482
Store rebates	20,000	18,099	32,021
Interest income	-	110	71
Other revenue	409,500	414,428	443,519
Write off - old payables	-	148,575	-
Administration fees - internal allocation (Note 2.j)	373,523	375,747	263,386
Unexpended funds - prior year (Notes 9 and 10)	235,060	235,060	99,444
Deferred revenue - prior (Note 11)	-	22,904	61,293
Deferred revenue - current (Note 11)	-	(1,385,126)	(22,904)
	10,284,490	10,621,523	9,605,293
<b>Expenses</b>			
Community Development (Schedule 1)	1,276,798	1,339,773	955,282
Economic Development (Schedule 2)	14,200	3,200	30,030
Education (Schedule 3)	2,494,074	2,498,745	2,523,987
Indian Government Support (Schedule 4)	965,124	923,916	1,061,414
Land Management (Schedule 5)	271,104	232,555	229,468
Social Development (Schedule 6)	1,361,926	1,268,575	1,220,523
Indian Registration (Schedule 7)	18,164	18,404	18,342
Health Canada - First Nation and Inuit Health (Schedule 8)	1,559,024	1,099,868	971,852
CMHC Operations (Schedule 9)	385,000	196,164	226,950
Band Programs (Schedule 10)	1,352,460	804,431	941,196
Amortization (Schedule 11)	-	1,316,190	1,284,658
Claims and Indian Government (Schedule 12)	-	875,198	-
	9,697,874	10,577,019	9,463,702
<b>Current surplus before unexpended transfers</b>	586,616	44,504	141,593

The accompanying notes are an integral part of the financial statements

**Keeseekoose First Nation**  
**Consolidated Statement of Operations**  
*For the year ended March 31, 2017*

	2017 Budget	2017 Actual	2016 Actual
<b>Unexpended transfers</b>			
Unexpended funds transferred to deferred revenue	-	(607,222)	(235,060)
<b>Current surplus (deficit) (Note 15)</b>	<b>\$ 586,616</b>	<b>\$ (562,718)</b>	<b>\$ (93,467)</b>

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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, 2017*

	2017	2016
<b>Surplus at beginning of year</b>	\$ 15,827,246	\$ 15,920,713
<b><u>Current deficit</u></b>	<b>(562,718)</b>	<b>(93,467)</b>
<b>Surplus at end of year</b>	<b>\$ 15,264,528</b>	<b>\$ 15,827,246</b>

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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, 2017*

	2017 Budget	2017 Actual	2016 Actual
<b>Current surplus (deficit)</b>	\$ 586,616	\$ (562,718)	\$ (93,467)
Acquisition of tangible capital assets	-	(254,606)	(171,112)
Amortization of tangible capital assets	-	1,316,190	1,284,658
Disposal of capital assets	-	-	11,991
Capital assets - adjustment for acquired assets	-	-	(706,194)
Accumulated amortization - adjustment for acquired assets	-	-	391,654
	-	1,061,584	810,997
Decrease (increase) in net debt	586,616	498,866	717,530
Net debt at beginning of year	(9,139,085)	(9,139,085)	(9,856,615)
<b>Net debt at end of year</b>	<b>\$ (8,552,469)</b>	<b>\$ (8,640,219)</b>	<b>\$ (9,139,085)</b>

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, 2017*

	2017	2016
<b>Cash flows from Operating activities</b>		
Current surplus (deficit)	\$ (562,718)	\$ (93,467)
Items not affecting cash		
Amortization - capital assets	879,280	847,748
Amortization - CMHC housing assets	436,910	436,910
Loss (gain) on sale of tangible capital assets	-	3,191
Capital assets - adjustment for acquired assets	-	(706,194)
Accumulated amortization - adjustment for acquired assets	-	391,654
	753,472	879,842
Change in non-cash operating working capital		
Accounts receivable	(493,662)	131,293
Accounts payable	(284,848)	85,173
Deferred revenue - unexpended funds - INAC	210,291	(17,440)
Deferred revenue - unexpended funds - non INAC	161,871	212,565
Deferred revenue	1,362,222	(38,389)
	1,709,346	1,253,044
<b>Capital activities</b>		
Capital assets purchases	(254,606)	(171,110)
Proceeds on disposal of tangible capital assets	-	8,800
	(254,606)	(162,310)
<b>Financing activities</b>		
Bank indebtedness	(336,532)	(693,318)
Short-term financing	-	(160,000)
Proceeds from 1909 surrender claim - RBC loan	875,198	-
Proceeds from long-term debt	4,837,790	84,000
Long-term debt repaid	(4,892,280)	(539,690)
CMHC mortgage advances	-	171,110
CMHC mortgages repaid	(210,780)	(222,483)
	273,396	(1,360,381)
<b>Investing activities</b>		
Restricted funds - CMHC reserves	(8,905)	(61,836)
Restricted funds - trust funds held by federal government	(42,576)	35,653
Wi Ci Ti Zon Treatment Group Home Inc.	-	198,540
Portfolio investments - withdrawals	52,880	58,986
	1,399	231,343
<b>Increase (decrease) in cash and cash equivalents</b>	<b>1,729,535</b>	<b>(38,304)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>22,990</b>	<b>61,294</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 1,752,525</b>	<b>\$ 22,990</b>
<b>Represented by</b>		
Cash	\$ 550,075	\$ -
Restricted cash - capital projects	1,202,450	22,990

The accompanying notes are an integral part of the financial statements

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\$ 1,752,525 \$ 22,990

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The accompanying notes are an integral part of the financial statements

**Keesekoose First Nation**  
**Notes to Consolidated Financial Statements**  
*March 31, 2017*

**1. General**

The Keesekoose First Nation is an Indian Band subject to the provisions of the Indian Act. These financial statements include the Keesekoose First Nation government and all related entities which are accountable to the First Nation and are either owned or controlled by 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 Chartered Professional Accountants of Canada.

**(a) Reporting entity**

The Keesekoose First Nation reporting entity includes the Keesekoose First Nation government and all related entities that are controlled by the First Nation.

The Keesekoose 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 as the Trust is administered and controlled by trustees. Funds that have flowed from the Trust to the First Nation are reported as revenue in these statements.

**(b) Principles of consolidation**

All controlled entities are fully consolidated on a line-by-line basis except for the commercial enterprises which meet the definition of government business enterprise, which are included in the consolidated statements on a modified equity basis. Inter-organizational balances and transactions are eliminated upon consolidation.

Under the modified equity method of accounting, only Keesekoose First Nation's investment in the government business enterprise and the enterprise's net income and other changes in equity are recorded. No adjustment is made for accounting policies of the enterprise that are different from those of Keesekoose First Nation.

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

KK Development Ltd  
KKTLE Holdings Corp  
Wi Ci Ti Zon Treatment Group Home Inc.  
Keesekoose Land Holding Corporation

Organizations accounted for on a modified equity basis

There are no entities reported using the modified equity method in 2017.

**(c) Asset classification**

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or to 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 assets, prepaid expenses and inventory of supplies.

**Keeseechoose First Nation**  
**Notes to Consolidated Financial Statements**  
*March 31, 2017*

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

**(d) Net debt or net financial assets**

The financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt or net financial asset is determined by its financial assets less liabilities. Net debt or net financial assets, is comprised of two components, non-financial assets and accumulated surplus.

**(e) Cash and cash equivalents**

Cash and cash equivalents include cash on hand, balances with banks net of bank overdrafts and term deposits having a maturity of three months or less at acquisition which are held for the purpose of meeting short-term cash commitments.

**(f) Liability for contaminated sites**

A liability for remediation of a contaminated site is recognized at the best estimate of the amounts required to remediate the contaminated site when contamination exceeding an environmental standard exists, the First Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2017.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The First Nation continues to recognize the liability until it's settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

**Keeseekoose First Nation**  
**Notes to Consolidated Financial Statements**  
March 31, 2017

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

**(g) Tangible capital assets**

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

Leases that transfer substantially all the benefits and risks of ownership to the lessee are recorded as capital leases. Accordingly, at the inception of the leases, the tangible capital asset and related lease obligations are recorded at an amount equal to the present value of future lease payments discounted at the lower of the interest rate inherent in the lease contracts and Keeseekoose First Nation's incremental cost of borrowing.

Amortization is provided for on a straight-line basis over their estimated useful lives. No amortization is recorded in the year of acquisition.

Buildings	25 years Straight line
Equipment	5 years Straight line
Vehicles	4 years Straight line
Office equipment	5 years Straight line
Infrastructure	40 years Straight line
Band houses	25 years Straight line
CMHC houses	25 years Straight line
Roads	40 years Straight line

Tangible capital assets are written down when conditions indicate that they no longer contribute to Keeseekoose First Nation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the consolidated statement of operations.

Contributed capital assets are recorded into revenues at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.

Certain assets which have historical or cultural value, including works of art, historical documents and historical and cultural artifacts, are not recognized as tangible capital assets. Assets under construction are not amortized until the asset is available to be put into service.

**(h) Use of estimates**

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Keeseechoose First Nation**  
**Notes to Consolidated Financial Statements**  
*March 31, 2017*

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

**(i) 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.

**(j) Internal charges and transfers**

The central administration office provides services to other program areas. To recognize the cost of these services a corresponding revenue and expense is recorded and referred to as "Administration fees - internal allocation."

**(k) Revenue recognition**

**Funding**

Funding 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 are reflected as deferred revenue on the consolidated statement of financial position in the year of receipt.

**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. Transfer of non-depreciable assets are recognized in revenue when received or receivable.

**Other revenues**

Rent and interest income is recognized when earned. Rent is recognized during the rental term. Other revenue is recognized when the related services are provided.

**(l) Expense recognition**

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

**Keeseechoose First Nation**  
**Notes to Consolidated Financial Statements**  
*March 31, 2017*

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

**(m) Restricted cash**

**Cash held by INAC in trust**

Funds held in trust by INAC 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 assets.

**(n) 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".

**(o) Comparative figures**

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

**(p) Portfolio investments**

Long-term investments in entities that are not owned, controlled or influenced by the First Nation reporting entity are accounted for using the cost method. They are recorded at cost, less any provision for other than temporary impairment.

**Keeseekoose First Nation**  
**Notes to Consolidated Financial Statements**  
*March 31, 2017*

**3. Cash and cash equivalents**

Under the terms of an agreement with Canada Mortgage and Housing Corporation, Keeseekoose First Nation must set aside funds annually for the repair, maintenance and replacement of worn out assets. These funds are to be held in a separate bank account and invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as otherwise approved by the Canada Mortgage and Housing Corporation with any interest earned to be credited as revenue to the Replacement and Subsidy Fund. Cash and cash equivalents is comprised of the following:

Cash received to complete capital projects is held in separate bank accounts or guaranteed investment certificates.

Funds held in trust are held by the federal government in trust for the First Nation.

	2017	2016
Unrestricted cash		
General operations	\$ 215,320	\$ (358,593)
Health operations	198,061	7,233
CMHC operations	136,694	14,828
	<hr/> 550,075	<hr/> (336,532)
Restricted cash - capital projects		
Multiplex and innovation	1,138,624	-
Health capital projects	-	85
Capital - infrastructure	63,826	22,905
	<hr/> 1,202,450	<hr/> 22,990
Restricted cash - CMHC reserves		
Replacement reserve	266,560	257,655
Restricted cash - trust funds held by federal government		
Capital	2,009	2,009
Revenue	75,849	33,273
	<hr/> 77,858	<hr/> 35,282
	<hr/> \$ 2,096,943	<hr/> \$ (20,605)

**Keeseekeose First Nation**  
**Notes to Consolidated Financial Statements**  
*March 31, 2017*

**4. Restricted cash - trust funds held by federal government**

	2017 Revenue	2017 Capital	2017 Total	2016 Total
Surplus, beginning of year	\$ 33,273	\$ 2,009	\$ 35,282	\$ 70,935
Withdrawals	-	-	-	(100,798)
Lease revenue	41,485	-	41,485	64,275
Interest earnings	1,091	-	1,091	870
<b>Surplus, end of year</b>	<b>\$ 75,849</b>	<b>\$ 2,009</b>	<b>\$ 77,858</b>	<b>\$ 35,282</b>

**5. Accounts receivable**

	2017	2016
<b>Due from members</b>		
Advances	\$ 168,417	\$ 215,426
<b>Due from other organizations</b>		
Yorkton Tribal Council	36,704	3,633
Pelly Haylands Trust - revenue account	395,861	-
	432,565	3,633
<b>Due from government and other government organizations</b>		
INAC	34,547	204
Health Canada	33,255	1,507
CMHC	21,394	23,255
	89,196	24,966
Allowance for doubtful accounts	690,178	244,025
	(167,917)	(215,426)
<b>Total accounts receivable</b>	<b>\$ 522,261</b>	<b>\$ 28,599</b>

**6. Portfolio investments**

The First Nation has a 14.28% investment in PHC Holdings Ltd. and PHC Holdings Limited Partnership which is reported at cost. The December 31, 2016 financial statements reported comprehensive income of \$988,705 and accumulated surplus of \$3,873,940. The First Nation's capital account in PHC Holdings LP as at December 31, 2016 is \$547,596.

**Keeseechoose First Nation**  
**Notes to Consolidated Financial Statements**  
*March 31, 2017*

**7. Bank indebtedness**

The First Nation has authorized overdraft limits of nil (2016 - \$250,000) on the housing account and nil (2016 - \$300,000) on the general account. The overdraft interest rate was prime plus 5.00%.

**8. Accounts payable**

	2017	2016
<b>Due to others</b>		
General suppliers	\$ 865,262	\$ 918,909
Land Taxes	384,973	321,181
	<hr/> 1,250,235	<hr/> 1,240,090
<b>Due to government and other government organizations</b>		
Canada Revenue Agency	4,459	89,088
INAC	33,156	120,273
Health Canada	61,591	184,843
	<hr/> 99,206	<hr/> 394,204
<b>Total accounts payable</b>	<b>\$ 1,349,441</b>	<b>\$ 1,634,294</b>

**9. Deferred revenue - unexpended funds - INAC**

Federal 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 the funding agency, deferred to the following year, or transferred to another 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.

	2017	2016
Post Secondary	\$ 47,276	\$ -
Land Management	35,568	14,324
Student Transportation	-	8,171
Skills Link	67,283	-
Skills Link	61,979	-
Comprehensive Education Support	4,164	-
P& ID	16,516	-
	<hr/> \$ 232,786	<hr/> \$ 22,495

**Keesekoose First Nation**  
**Notes to Consolidated Financial Statements**  
*March 31, 2017*

## 10. Deferred revenue - unexpended funds - non INAC

		2017	2016
Building Healthy Communities	\$ 141,815	\$ 71,321	
Youth Solvent Abuse	6,785	862	
NNADAP	18,026	8,499	
HIV - Education & Prevention	22,338	10,859	
CDCM - Nurse and CHR	40,464	32,611	
IT and Connectivity	2,889	-	
Immunization	2,700	-	
Children's Oral Health Initiative	3,381	-	
Prenatal Nutrition Program	3,445	1,101	
Brighter Futures	118,772	87,312	
Home & Community Care	10,821	-	
<u>Yorkton Tribal Council - NAIG</u>	<u>3,000</u>	<u>-</u>	
	\$ 374,436	\$ 212,565	

## 11. Deferred revenue

	March 31, 2016	Funding received, 2017	Revenue recognized, 2017	March 31, 2017
<b>Federal government</b>				
Flooding road repair	\$ 22,904	\$ -	\$ (22,904)	\$ -
Well rehabilitation	-	150,000	(98,657)	51,343
Multiplex	-	1,308,826	(55,043)	1,253,783
Innovation	-	80,000	-	80,000
	\$ 22,904	\$ 1,538,826	\$ (176,604)	\$ 1,385,126

**Keesekoose First Nation**  
**Notes to Consolidated Financial Statements**  
*March 31, 2017*

**12. Long-term debt**

The facility agreements with BMO are all demand loans managed by a special accounts manager; there are no maturity dates and they are subject to review on an annual basis.

	2017	2016
BMO - Demand loan - debt consolidation Interest at prime + 5.00% paid monthly, quarterly principle payments of \$72,500, secured by BCR and general security agreement.	\$ -	\$ 3,407,500
BMO - Demand loan - various capital projects Interest at prime + 5.00% paid monthly, quarterly principle payments of \$24,450, secured by BCR and general security agreement.	- -	1,217,820
BMO - Demand loan - housing, administration, Pow Wow Interest at prime + 5.00% paid monthly, quarterly principle payments of \$62,500, secured by BCR and general security agreement.	- -	141,000
BMO - Demand loan - consolidation. Interest at prime + 3.00%, quarterly blended payments of 100% of the First Nations Trust funding, secured by BCR and irrevocable assignment of First Nations Trust revenue and Pelly Haylands Trust annual revenue, guarantee of Keesekoose Land Holding Corporation and KKTLE Holding Corp. assignment of rents as well as general security assignment. For the year ended March 31, 2017 First Nations Trust funding was \$787,707.	4,711,830	- -
RBC 1909 Surrender Claim Loan bearing interest at prime plus 0.50%. Interest payments paid quarterly and total principle due on October 6, 2021, secured by a general security agreement, BCR and assignment of settlement trust proceeds. Further security is provided by an insurance policy guaranteeing repayment, should no settlement funds be received. The loan is approved for \$2,988,160 and drawdowns will coincide with settlement expenses incurred.	<u>875,198</u>	<u>- -</u>
<u>Current portion</u>	<u>5,587,028</u>	<u>4,766,320</u>
	<u>592,221</u>	<u>528,800</u>
	<u><u>\$ 4,994,807</u></u>	<u><u>\$ 4,237,520</u></u>

Principal portion due within the next five years:

2018	\$ 592,221
2019	567,387
2020	601,908
2021	638,528
2022	677,377

	2017	2016
Interest expense for the year on long-term debt	<u>\$ 344,967</u>	<u>\$ 340,673</u>

**Keeseekeose First Nation**  
**Notes to Consolidated Financial Statements**  
*March 31, 2017*

**13. CMHC mortgages**

	Phase number	Maturity/ Renewal date	Interest rate	Monthly payment	2017	2016
CMHC	1	2017-04-01	19.75%	\$ 5,329	\$ 5,177	\$ 63,034
Scotia Bank	8	2016-06-01	4.39%	1,035	-	3,082
Scotia Bank	9	2017-05-01	4.99%	283	459	3,756
Scotia Bank	10	2016-08-01	4.39%	2,084	-	10,308
CMHC	11	2020-09-01	0.94%	1,369	127,891	143,052
CMHC	12	2017-04-01	1.67%	1,418	156,873	171,178
CMHC	13	2019-09-01	1.82%	1,255	167,579	179,513
CMHC	14	2018-09-01	2.35%	3,537	576,893	605,595
CMHC	15	2018-04-01	1.68%	7,506	1,269,891	1,338,252
CMHC Loan Advances	-			-	309,630	307,404
					2,614,393	2,825,174
Current portion					146,016	211,509
<b>Total</b>					<b>\$ 2,468,377</b>	<b>\$ 2,613,665</b>

Principal portion due within the next five years:

2018	\$ 146,016
2019	142,857
2020	145,380
2021	147,950
2022	150,568

The interest paid on CMHC housing mortgages was \$47,847 (2016 - \$64,008).

**Keeseekeose First Nation**  
**Notes to Consolidated Financial Statements**  
*March 31, 2017*

**14. Tangible capital assets**

	Cost	Additions	Disposals	Accumulated amortization	2017 Net book value
Land	\$ 5,595,282	\$ -	\$ -	\$ -	\$ 5,595,282
Buildings	11,879,501	-	-	6,455,628	5,423,873
Equipment	1,155,528	-	-	982,924	172,604
Vehicles	419,960	87,300	-	441,784	65,476
Office equipment	163,093	-	-	160,800	2,293
Infrastructure	8,110,589	-	-	1,901,807	6,208,781
Band houses	3,328,857	55,043	-	2,513,482	870,418
CMHC houses	11,092,788	112,263	-	5,726,792	5,478,259
Roads	209,534	-	-	121,774	87,760
<b>Total</b>	<b>\$ 41,955,132</b>	<b>\$ 254,606</b>	<b>\$ -</b>	<b>\$ 18,304,991</b>	<b>\$ 23,904,746</b>

  

	Cost	Additions	Disposals	Accumulated amortization	2016 Net book value
Land	\$ 5,595,282	\$ -	\$ -	\$ -	\$ 5,595,282
Buildings	11,388,188	491,313	-	5,982,543	5,896,958
Equipment	1,073,101	82,427	-	938,599	216,929
Vehicles	303,494	132,454	15,988	415,459	4,501
Office equipment	163,093	-	-	159,653	3,440
Infrastructure	8,110,589	-	-	1,698,672	6,411,916
Band houses	3,328,857	-	-	2,387,457	941,400
CMHC houses	10,921,678	171,110	-	5,289,882	5,802,906
Roads	209,534	-	-	116,536	92,998
<b>Total</b>	<b>\$ 41,093,816</b>	<b>\$ 877,304</b>	<b>\$ 15,988</b>	<b>\$ 16,988,801</b>	<b>\$ 24,966,330</b>

**Keeseechoose First Nation**  
**Notes to Consolidated Financial Statements**  
*March 31, 2017*

**15. Accumulated surplus**

	2017	2016
<b>Restricted</b>		
INAC trust funds	\$ 77,858	\$ 35,282
Capital assets	20,169,921	20,923,337
CMHC reserves	634,317	602,510
	<hr/> <u>20,882,096</u>	<hr/> <u>21,561,129</u>
<b>Unrestricted</b>		
Operating	(4,742,370)	(5,733,883)
1909 Surrender claim deficit	(875,198)	-
	<hr/> <u>(5,617,568)</u>	<hr/> <u>(5,733,883)</u>
	<hr/> <u>\$ 15,264,528</u>	<hr/> <u>\$ 15,827,246</u>

In the current year costs of \$875,198 were incurred for the 1909 Surrender Claim and this has decreased the unrestricted operating surplus in this amount.

The current year deficit is made up of the following:

General operating surplus (excluding 1909 Surrender Claim)	\$312,480
1909 Surrender claim deficit	<u>(\$875,198)</u>
Total operating deficit	<u>(\$562,718)</u>

**16. Contingent assets**

During the year, the First Nation initiated a claim against Canada referred to as the "1909 Surrender Claim". The First Nation has obtained a loan to finance the costs of negotiating the settlement. Insurance has been obtained to mitigate the risk that the settlement proceeds may be less than the total loan outstanding at such time the claim is resolved.

As at March 31, 2017, expenses of \$875,198 have been incurred and available financing drawn in this amount. The First Nation anticipates that these costs will be paid from settlement proceeds. When the claim is finalized or the insurance proceeds are paid the amount will be recognized in revenue.

**Keeseekoose First Nation**  
**Notes to Consolidated Financial Statements**  
*March 31, 2017*

**17. Trusts under administration**

Keeseekoose First Nation is the beneficiary of trusts. The assets held in trust are not included on the statement of financial position as assets of Keeseekoose First Nation. The equity amounts held in trust as reported on the latest audited financial statements (December 31, 2016) are as follows:

	2016	2015
	December 31	December 31
Keeseekoose Haylands Trust	\$ 19,748,577	\$ 18,682,047
Keeseekoose Haylands Trust - Children's Fund	591,738	664,779
	<hr/> \$ 20,340,315	<hr/> \$ 19,346,826

**18. Contingent liabilities**

Keeseekoose First Nation has entered into contribution agreements with various federal government departments. Funding received under these contribution agreements is subject to repayment if the First Nation fails to comply with the terms and conditions of the agreements.

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

**19. Subsequent events**

There are no subsequent events to report.

**20. 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 \$367,757 as of March 31, 2017 (2016 - \$344,855).

**21. Economic dependence**

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

**22. Compliance with authorities**

The First Nation is required to make its financial statements publicly available and submit its consolidated financial statements to Indigenous and Northern Affairs Canada by July 29, 2017. The First Nation did not submit its consolidated financial statements by this date. The possible effect of this breach has not yet been determined.

**Keeseekeoose First Nation**  
**Notes to Consolidated Financial Statements**  
*March 31, 2017*

**23. INAC reconciliation**

	2017	2016
<b>INAC confirmation</b>	\$ 7,307,373	\$ 5,062,769
<b>Payable (receivable) - prior year</b>		
High Cost Special Education	-	(45,677)
CPP/QPP & Pension	(204)	-
<b>Receivable (payable) - current year</b>		
Special Needs	-	(11,784)
Basic Needs	(33,156)	(18,119)
NCBR	-	(16)
Institutional Care	-	(13,350)
BEB	34,547	204
Adult Care	-	(368)
	<b>\$ 7,308,560</b>	<b>\$ 4,973,659</b>

**24. Government Transfers**

	<u>2017</u>		
	Operating	Capital	Total
<b>Federal government transfers</b>			
Indigenous and Northern Affairs Canada	\$ 5,519,734	\$ 1,788,826	\$ 7,308,560
Health Canada	1,286,098	40,047	1,326,145
Canada Mortgage and Housing Corporation	262,744	-	262,744
<b>Total</b>	<b>7,068,576</b>	1,828,873	8,897,449
<b>Provincial government transfers</b>			
<b>Total</b>	<b>\$ 7,068,576</b>	\$ 1,828,873	\$ 8,897,449
<u>2016</u>			
	Operating	Capital	Total
<b>Federal government transfers</b>			
Indigenous and Northern Affairs Canada	\$ 4,669,407	\$ 304,252	\$ 4,973,659
Health Canada	1,082,352	30,140	1,112,492
Canada Mortgage and Housing Corporation	279,638	24,280	303,918
<b>Total</b>	<b>6,031,397</b>	358,672	6,390,069
<b>Provincial government transfers</b>			
<b>Total</b>	<b>\$ 6,031,397</b>	\$ 358,672	\$ 6,390,069

**Keeseekeose First Nation**  
**Notes to Consolidated Financial Statements**  
*March 31, 2017*

**25. Expenses by object**

	2017 Budget	2017 Actual	2016 Actual
Administration	\$ 351,932	\$ 356,809	\$ 263,386
Amortization	-	1,316,190	1,284,658
Assistance - social development	931,294	899,755	932,300
Assistance to band members	50,000	61,042	118,120
Bad debts (recovery)	-	(14,556)	(53,178)
Bussing	226,246	224,436	246,602
CDC expenses	-	37,832	-
Christmas expense	-	-	22,952
Construction	-	110,587	38,389
Consultants and contractors	439,000	587,570	266,418
Cultural programs	84,000	85,829	32,863
Equipment purchases	90,000	87,300	-
Graduation, awards, prizes	43,000	21,140	41,680
Home care	61,867	61,867	12,834
Honorariums	300,000	298,185	441,212
Insurance	192,200	610,481	194,380
Interest and bank charges	75,260	124,046	130,692
Interest on long term debt	1,177,000	392,815	404,681
Interest on overdue accounts	1,000	8,380	-
Janitorial services	-	1,205	-
Loss on the disposal of capital assets	-	-	3,191
NCBR program expenses	149,643	149,793	151,127
Other expenses	10,000	8,660	8,200
Per capita distribution	-	-	1,860
Professional fees	117,000	569,713	107,455
Program expenses	231,658	91,051	74,129
Property taxes	159,000	136,905	150,361
Recreational activities	192,500	81,041	165,400
Rent - equipment	5,200	4,645	10,131
Rent - office	12,000	12,000	-
Repairs and maintenance	650,303	575,617	436,844
Fire fighting	15,000	19,800	-
Senior and youth programs	14,000	-	250
Student allowance	436,000	417,839	460,496
Summer/winter games	7,500	354	629
Supplies	357,101	360,663	191,968
Telephone	16,722	26,173	35,829
Training	22,500	10,160	4,022
Travel - medical transportation	64,900	64,014	61,847
Travel, meetings, per diems	171,764	164,978	261,276
Tuition	269,000	264,428	271,212

**Keeseechoose First Nation**  
**Notes to Consolidated Financial Statements**  
*March 31, 2017*

**25. Expenses by object, continued**

	2017 Budget	2017 Actual	2016 Actual
Unexpended funds not recognized in prior year	-	-	59,509
Utilities	137,912	144,683	140,255
Wages and benefits	2,635,372	2,458,195	2,489,722
Transfer to assets	-	(254,606)	-
	<b>\$ 9,697,874</b>	<b>\$ 10,577,019</b>	<b>\$ 9,463,702</b>

**26. INAC funding**

The First Nation (Recipient) receives funding from Indigenous and Northern Affairs Canada (INAC) by entering into an agreement with INAC.

There are five approaches that INAC may consider in the design and delivery of transfer payment programs:

1. **Grant approach** – A grant is a transfer payment that is subject to pre-established eligibility and other entitlement criteria. Recipients are not required to account for the grant, but they may be required to report on results. The grant funding approach can be used for any duration of time necessary to achieve program results.
2. **Set contribution approach** – A set contribution is a transfer payment that is subject to performance conditions outlined in a funding agreement. Set contributions must be accounted for and are subject to audits. Funds are to be expended as identified in the funding agreement and cannot be redirected to other programs. Any unspent funding and any funding spent on ineligible expenditure must be returned to INAC annually.
3. **Fixed contribution approach** – Fixed contribution funding is an option where annual funding amounts are established on a formula basis or where the total expenditure is based on a fixed-cost approach. Fixed funding is distributed on a program basis. It is possible under this approach for recipients to keep any unspent funding provided that program requirements set out in the funding agreement have been met and the recipient agrees to use the unspent funds for purposes consistent with the program objectives or any other purpose agreed to by INAC. A plan must be submitted and approved by INAC prior to spending the unspent funds. If the funds are not spent according to the plan within the agreed upon time period they will be recovered by INAC.
4. **Flexible contribution approach** – Flexible contribution funding is an option which allows funds to be moved within cost categories of a single program during the life of the project/agreement. However, unspent funds must be returned to INAC at the end of the project, program or agreement.
5. **Block contribution approach** – Block contribution funding is an option which allows funds to be reallocated within the block of programs during the agreement, as long as progress towards program objectives is being achieved. It is possible under this approach for recipients to keep any unspent funding provided that program delivery standards have been met and the recipient agrees to use the unspent funding for purposes consistent with the block program objectives or any other purpose agreed to by INAC.

**Keeseekeoose First Nation**  
**Notes to Consolidated Financial Statements**  
March 31, 2017

## **27. Segmented information**

As previously discussed in note 2 (i) the First Nation conducts its business through reportable segments as follows:

### **1) Indigenous and Northern Affairs Canada (INAC)**

#### **Claims and Indian Government:**

Costs associated with the negotiation, settlement and implementation of specific claims and comprehensive land claim agreements as well as special claims and self-government agreements.

#### **Community Development:**

Costs to acquire, construct, operate and maintain basic community facilities and services such as water and sewage, roads, electrification, schools, community buildings and fire protection. Also costs associated with ensuring that these facilities and community services meet recognized standards and are comparable to the services provided to nearby communities by provincial and municipal governments.

#### **Economic Development:**

Costs associated with economic development planning, proposal development, and planning and implementation of ongoing activities and one-time projects. Also costs to pursue economic objectives in areas such as the employment of community members, the development of community-owned and community member businesses, the development of land and resources under community control, access to economic opportunities on land and resources beyond community control, investment promotion, and research and advocacy.

#### **Education:**

Costs to support First Nation and Inuit communities in expressing, preserving, developing and promoting their cultural heritage, through the establishment and operation of First Nation and Inuit cultural education centres and programs. Costs to provide eligible students living on reserve and eligible Inuit with elementary/secondary education programs and services including instructional services in federal, provincial, band-operated schools, or a private/independent school (recognized by the province in which the school is located as an elementary/secondary institution), and student support services such as transportation, accommodation, guidance and counselling services. Costs associated with INAC's First Nations and Inuit Youth Employment Strategy to develop and enhance essential employability skills, such as communication, problem solving, and working with others, expose youth to a variety of career options, and promote the benefits of education as being key to labor market participation. Also, costs to support eligible First Nation and Inuit students to access education opportunities at the post-secondary level and supports the development and delivery of college and university level courses for First Nation and Inuit students, and research and development on First Nation and Inuit education. Costs for the provision of special education services and programs and costs to provide internet access, information technology equipment, technical support and training to students and school staff.

#### **Indian Government Support:**

Costs to support the further development of competent, stable, legitimate, and accountable community governments by strengthening First Nations and Inuit governance and by funding initiatives which address needs in the areas of professional and institutional development at the local level and at the level of emerging regional and national organizations. Also, costs to enable tribal councils to provide advisory services such as financial management, band government, economic development, community planning, technical services to the member First Nations and to defray the costs of administering programs on behalf of member communities and to provide funding for equivalent advisory services to large First Nations which are not affiliated with a tribal council.

**Keeseechoose First Nation**  
**Notes to Consolidated Financial Statements**  
March 31, 2017

**27. Segmented information, continued**

**Land Management:**

Costs associated to the administration of land transactions on designated and non-designated lands under sections 53 and 60 of the Indian Act.

**Social Development:**

First Nations people, like other Canadian citizens, are responsible for managing their own affairs and maintaining themselves to the extent that their resources permit. Some individuals and families are unable to provide for themselves and their dependents. Situations therefore exist in which assistance must be available to community members in need. Income Assistance is one type of income supplement available to eligible persons. Other income supports include Old Age Security, Child Tax Benefits, etc.

**Indian Registration:**

Costs associated with the maintenance of the Indian Register, a record of everyone who is registered as an Indian under the Indian Act.

**Governance and Institutions of Government:**

Costs associated with Governance and Institution of Government activities.

**2) Health Programs (FNIHB)**

Health Canada provides funding for costs associated with the development of safe and healthy communities in the following areas:

Children and Youth; Mental Health and Addictions; Chronic Disease and Injury Prevention; Communicable Disease Control; Environmental Health and Research Component; Primary Care; Non-Insured Health Benefits; Health Governance and Infrastructure; Capital; Treatment Centres; Aboriginal Health Transition Fund; Headquarter projects.

**3) Canada Mortgage and Housing Corporation (CMHC)**

Non-Profit On-Reserve Housing Program (Section 95); Residential Rehabilitation Assistance Program (RRAP); Home Adaptations for Seniors' Independence Program (HASI); Shelter Enhancement Program; Housing Internship Initiative for First Nations and Inuit Youth.

**4) Band programs**

Other programs that vary based on own source revenue. These could include First Nations Trust, Tribal Council, CDC, Band Trust Funds and other business ventures. These outside revenue sources are used to fund programs such as recreational or cultural activities for the benefit of membership that are not funded by government agencies.

**Schedule #1**  
**Keeseekeoose First Nation**  
**Community Development**  
**Schedule of Operations**  
*For the year ended March 31, 2017*

	2017 Budget	2017 Actual	2016 Actual
<b>Revenue</b>			
INAC - fixed	\$ 545,198	\$ 545,198	\$ 539,660
INAC - set	304,252	304,252	-
INAC - flexible	250,000	1,788,826	304,252
Yorkton Tribal Council	-	-	5,419
CMHC	-	-	24,280
Insurance proceeds	90,000	90,093	-
Other revenue	13,000	13,160	1,000
Deferred revenue - prior	-	22,904	61,293
Deferred revenue - current	-	(1,385,126)	(22,904)
	1,202,450	1,379,307	913,000
<b>Expenses</b>			
Administration	51,821	51,821	50,210
Construction	-	110,587	38,389
Consultants and contractors	20,000	185,669	1,150
Insurance	140,000	135,791	133,048
Interest and bank charges	-	65	1,728
Repairs and maintenance	554,803	474,215	338,532
Supplies	147,762	183,944	995
Telephone	4,600	4,819	1,414
Travel, meetings, per diems	9,000	12,714	6,243
Utilities	130,312	126,453	129,862
Wages and benefits	218,500	221,002	253,711
Transfer to assets	-	(167,306)	-
	1,276,798	1,339,774	955,282
<b>Current surplus (deficit) before transfers</b>	<b>(74,348)</b>	<b>39,533</b>	<b>(42,282)</b>
<b>Transfers</b>			
Transfer - Amortization	-	(788,161)	(788,841)
<b>Current deficit</b>	<b>\$ (74,348)</b>	<b>\$ (748,628)</b>	<b>\$ (831,123)</b>

The accompanying notes are an integral part of the financial statements

**Schedule #2**  
**Keeseechoose First Nation**  
**Economic Development**  
**Schedule of Operations**  
*For the year ended March 31, 2017*

	2017 Budget	2017 Actual	2016 Actual
<b>Revenue</b>			
Yorkton Tribal Council	\$ 92,000	\$ 92,000	\$ 92,000
Distributions received from PHC Holdings LP	50,000	52,880	58,986
Gain (loss) on investments in related entities	- (52,886)	(52,886)	(58,986)
	<b>142,000</b>	<b>91,994</b>	<b>92,000</b>
<b>Expenses</b>			
Administration	9,200	- (9,200)	9,200
Other expenses	- (4,200)	- (4,200)	4,200
Travel, meetings, per diems	5,000	3,200	329
Wages and benefits	- (16,301)	- (16,301)	16,301
	<b>14,200</b>	<b>3,200</b>	<b>30,030</b>
<b>Current surplus</b>	<b>\$ 127,800</b>	<b>\$ 88,794</b>	<b>\$ 61,970</b>

The accompanying notes are an integral part of the financial statements

**Schedule #3**  
**Keeseekeoose First Nation**  
**Education**  
**Schedule of Operations**  
*For the year ended March 31, 2017*

	2017 Budget	2017 Actual	2016 Actual
<b>Revenue</b>			
INAC - fixed	\$ 2,454,853	\$ 2,578,247	\$ 2,215,819
INAC - set	31,050	31,050	158,970
INAC - prior period revenue (recovery)	-	-	(45,677)
Unexpended funds - prior year	8,171	8,171	99,444
	<b>2,494,074</b>	<b>2,617,468</b>	<b>2,428,556</b>
<b>Expenses</b>			
Administration	133,185	147,562	101,202
Bussing	226,246	224,436	246,602
Consultants and contractors	-	1,685	-
Graduation, awards, prizes	40,000	21,140	41,680
Insurance	-	1,810	1,740
Interest and bank charges	7,500	9,567	9,816
Loss on the disposal of capital assets	-	-	3,191
Program expenses	-	-	10,885
Recreational activities	5,000	1,797	4,031
Rent - equipment	1,000	376	-
Rent - office	12,000	12,000	-
Student allowance	436,000	417,839	460,496
Supplies	79,392	72,506	133,403
Telephone	1,200	1,031	1,220
Training	-	-	1,000
Travel, meetings, per diems	24,164	24,300	47,376
Tuition	269,000	264,428	271,212
Wages and benefits	1,259,387	1,298,269	1,190,133
	<b>2,494,074</b>	<b>2,498,746</b>	<b>2,523,987</b>
<b>Current surplus (deficit) before unexpended transfers</b>	<b>-</b>	<b>118,722</b>	<b>(95,431)</b>
<b>Unexpended transfers</b>			
Unexpended funds transferred to deferred revenue	-	(118,723)	(8,171)
<b>Current deficit</b>	<b>\$ -</b>	<b>\$ (1)</b>	<b>\$ (103,602)</b>

The accompanying notes are an integral part of the financial statements

**Schedule #4**  
**Keeseechoose First Nation**  
**Indian Government Support**  
**Schedule of Operations**  
*For the year ended March 31, 2017*

	2017 Budget	2017 Actual	2016 Actual
<b>Revenue</b>			
INAC - grant	\$ 440,978	\$ 440,978	\$ 407,932
INAC - fixed	110,146	110,146	16,599
INAC - set	47,662	47,662	64,458
INAC - current year receivable (payable)	41,338	34,547	204
Yorkton Tribal Council	-	4,561	7,197
Interest income	-	65	65
Administration fees - internal allocation	-	-	263,386
	640,124	637,959	759,841
<b>Expenses</b>			
Consultants and contractors	284,000	250,450	94,548
Honorariums	300,000	298,185	441,212
Insurance	6,000	5,990	5,000
Interest and bank charges	64,000	64,021	97,157
Professional fees	36,000	39,765	32,259
Rent - equipment	3,700	3,699	10,131
Supplies	15,100	15,148	23,082
Telephone	-	10,498	14,368
Training	-	560	(365)
Travel, meetings, per diems	30,900	36,493	137,767
Wages and benefits	225,424	199,107	206,255
	965,124	923,916	1,061,414
<b>Current deficit before unexpended transfers</b>	<b>(325,000)</b>	<b>(285,957)</b>	<b>(301,573)</b>
<b>Unexpended transfers</b>			
Unexpended funds transferred to deferred revenue	-	(16,516)	-
<b>Current deficit before transfers</b>	<b>(325,000)</b>	<b>(302,473)</b>	<b>(301,573)</b>
<b>Transfers</b>			
Transfer - Band Programs	300,000	322,005	236,531
<b>Current surplus (deficit)</b>	<b>\$ (25,000)</b>	<b>\$ 19,532</b>	<b>\$ (65,042)</b>

The accompanying notes are an integral part of the financial statements

**Schedule #5**  
**Keesekoose First Nation**  
**Land Management**  
**Schedule of Operations**  
*For the year ended March 31, 2017*

	2017 Budget	2017 Actual	2016 Actual
<b>Revenue</b>			
INAC - fixed	\$ 80,720	\$ 80,720	\$ 80,720
Other revenue	210,000	211,607	213,070
Unexpended funds - prior year	14,324	14,324	-
	<b>305,044</b>	<b>306,651</b>	<b>293,790</b>
<b>Expenses</b>			
Administration	12,108	12,108	12,108
Consultants and contractors	-	-	5,800
Insurance	-	-	4,941
Interest and bank charges	60	44	770
Interest on overdue accounts	1,000	1,602	-
Professional fees	3,500	7,294	3,500
Property taxes	159,000	136,905	150,361
Repairs and maintenance	12,500	18,136	-
Telephone	-	-	336
Travel, meetings, per diems	12,000	10,436	11,224
Utilities	-	9,098	537
Wages and benefits	70,936	36,932	39,891
	<b>271,104</b>	<b>232,555</b>	<b>229,468</b>
<b>Current surplus before unexpended transfers</b>	<b>33,940</b>	<b>74,096</b>	<b>64,322</b>
<b>Unexpended transfers</b>			
Unexpended funds transferred to deferred revenue	-	(35,568)	(14,324)
<b>Current surplus before transfers</b>	<b>33,940</b>	<b>38,528</b>	<b>49,998</b>
<b>Transfers</b>			
Transfer - Amortization	-	(18,448)	(5,381)
<b>Current surplus</b>	<b>\$ 33,940</b>	<b>\$ 20,080</b>	<b>\$ 44,617</b>

The accompanying notes are an integral part of the financial statements

**Schedule #6**  
**Keeseechoose First Nation**  
**Social Development**  
**Schedule of Operations**  
*For the year ended March 31, 2017*

	2017 Budget	2017 Actual	2016 Actual
<b>Revenue</b>			
INAC - fixed	\$ 169,027	\$ 169,027	\$ 71,899
INAC - set	1,192,899	1,192,899	1,184,689
INAC - current year receivable (payable)	-	(33,156)	(43,637)
	<b>1,361,926</b>	<b>1,328,770</b>	<b>1,212,951</b>
<b>Expenses</b>			
Administration	13,901	13,901	7,190
Assistance - basic needs	856,831	825,133	859,362
Assistance - special needs	74,463	74,622	72,938
Home care	61,867	61,867	12,834
Interest and bank charges	1,700	1,513	2,477
NCBR program expenses	149,643	149,793	151,127
Professional fees	1,500	1,350	-
Supplies	10,000	10,505	2,400
Telephone	2,422	2,010	-
Training	1,000	1,000	-
Travel, meetings, per diems	8,300	8,573	7,532
Wages and benefits	180,299	118,307	104,663
	<b>1,361,926</b>	<b>1,268,574</b>	<b>1,220,523</b>
<b>Current surplus (deficit) before unexpended transfers</b>	<b>-</b>	<b>60,196</b>	<b>(7,572)</b>
<b>Unexpended transfers</b>			
Unexpended funds transferred to deferred revenue	-	(61,979)	-
<b>Current deficit</b>	<b>\$ -</b>	<b>\$ (1,783)</b>	<b>\$ (7,572)</b>

The accompanying notes are an integral part of the financial statements

**Schedule #7**  
**Keesekoose First Nation**  
**Indian Registration**  
**Schedule of Operations**  
*For the year ended March 31, 2017*

	2017 Budget	2017 Actual	2016 Actual
<b>Revenue</b>			
INAC - fixed	\$ 18,164	\$ 18,164	\$ 17,771
<b>Expenses</b>			
Administration	1,816	1,816	1,777
Supplies	1,900	1,943	1,420
Travel, meetings, per diems	2,100	2,047	3,580
Wages and benefits	12,348	12,598	11,565
	18,164	18,404	18,342
<b>Current deficit</b>	<b>\$ -</b>	<b>\$ (240)</b>	<b>\$ (571)</b>

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**  
*For the year ended March 31, 2017*

	2017 Budget	2017 Actual	2016 Actual
<b>Revenue</b>			
Health Canada	\$ 1,322,937	\$ 1,326,145	\$ 1,112,492
Yorkton Tribal Council	27,223	27,223	33,742
Unexpended funds - prior year	212,565	212,565	-
	<b>1,562,725</b>	<b>1,565,933</b>	<b>1,146,234</b>
<b>Expenses</b>			
Administration	119,901	119,601	71,699
Consultants and contractors	135,000	135,825	149,569
Cultural programs	49,000	30,974	2,139
Equipment purchases	90,000	87,300	-
Graduation, awards, prizes	3,000	-	-
Interest and bank charges	1,000	775	1,621
Janitorial services	-	1,205	-
Other expenses	10,000	8,660	-
Professional fees	70,000	68,057	66,815
Program expenses	231,658	91,051	61,444
Recreational activities	57,500	4,268	126
Rent - equipment	500	570	-
Repairs and maintenance	3,000	300	-
Senior and youth programs	14,000	-	250
Summer/winter games	7,500	354	629
Supplies	89,947	67,624	10,834
Telephone	4,500	4,139	2,800
Training	21,500	8,600	2,339
Travel - medical transportation	64,900	64,014	61,847
Travel, meetings, per diems	79,800	66,035	39,674
Utilities	5,600	8,408	7,460
Wages and benefits	500,718	419,407	492,606
Transfer to assets	-	(87,300)	-
	<b>1,559,024</b>	<b>1,099,867</b>	<b>971,852</b>
<b>Current surplus before unexpended transfers</b>	<b>3,701</b>	<b>466,066</b>	<b>174,382</b>
<b>Unexpended transfers</b>			
Unexpended funds transferred to deferred revenue	-	(371,436)	(212,565)
<b>Current surplus (deficit) before transfers</b>	<b>3,701</b>	<b>94,630</b>	<b>(38,183)</b>
<b>Transfers</b>			
Transfer - Amortization	-	(40,464)	(17,959)
<b>Current surplus (deficit)</b>	<b>\$ 3,701</b>	<b>\$ 54,166</b>	<b>\$ (56,142)</b>

The accompanying notes are an integral part of the financial statements

**Schedule #9**  
**Keeseekoose First Nation**  
**CMHC Operations**  
**Schedule of Operations**  
*For the year ended March 31, 2017*

	2017 Budget	2017 Actual	2016 Actual
<b>Revenue</b>			
CMHC - subsidy	\$ 265,000	\$ 262,744	\$ 279,638
CMHC - rental income	120,000	103,160	128,985
Insurance proceeds	-	-	69,482
Interest income	-	46	6
Other revenue	-	-	13,930
	<b>385,000</b>	<b>365,950</b>	<b>492,041</b>
<b>Expenses</b>			
Consultants and contractors	-	12,941	800
Insurance	45,000	45,074	41,911
Interest and bank charges	1,000	617	16,467
Interest on long term debt	257,000	47,847	64,009
Interest on overdue accounts	-	5,605	-
Repairs and maintenance	80,000	82,966	98,213
Supplies	2,000	1,114	5,400
Travel, meetings, per diems	-	-	150
	<b>385,000</b>	<b>196,164</b>	<b>226,950</b>
<b>Current surplus before transfers</b>	<b>-</b>	<b>169,786</b>	<b>265,091</b>
<b>Transfers</b>			
Transfer - Amortization	-	(436,910)	(436,910)
<b>Current deficit</b>	<b>\$ -</b>	<b>\$ (267,124)</b>	<b>\$ (171,819)</b>

The accompanying notes are an integral part of the financial statements

**Schedule #10**  
**Keeseekeoose First Nation**  
**Band Programs**  
**Schedule of Operations**  
*For the year ended March 31, 2017*

	2017 Budget	2017 Actual	2016 Actual
<b>Revenue</b>			
Yorkton Tribal Council	\$ 201,960	\$ 195,560	\$ 212,940
First Nations Trust	790,000	787,707	842,601
Painted Hand Development Corporation	150,000	155,541	130,885
Income earned & held in trust by federal gov.	51,000	42,576	65,144
Pelly Haylands trust	400,000	395,861	750,000
Write off - old payables	-	148,575	-
Administration fees - internal allocation	373,523	375,747	-
Store rebates	20,000	18,099	32,021
Other revenue	186,500	189,661	215,519
	2,172,983	2,309,327	2,249,110
<b>Expenses</b>			
Administration	10,000	10,000	10,000
Assistance to band members	50,000	61,042	118,120
Bad debts (recovery)	-	(14,556)	(53,178)
CDC expenses	-	37,832	-
Christmas expense	-	-	22,952
Consultants and contractors	-	1,000	14,551
Cultural programs	35,000	54,856	30,724
Fire fighting	15,000	19,800	-
Insurance	1,200	2,400	7,741
Interest and bank charges	-	47,446	656
Interest on long term debt	920,000	315,967	340,672
Interest on overdue accounts	-	1,173	-
Other expenses	-	-	4,000
Per capita distribution	-	-	1,860
Professional fees	6,000	26,464	4,880
Program expenses	-	-	1,800
Recreational activities	130,000	74,976	161,243
Repairs and maintenance	-	-	100
Supplies	11,000	7,877	14,433
Telephone	4,000	3,676	15,690
Training	-	-	1,048
Travel, meetings, per diems	500	1,181	7,400
Unexpended funds not recognized in prior year	-	-	59,509
Utilities	2,000	724	2,397
Wages and benefits	167,760	152,573	174,598
	1,352,460	804,431	941,196
<b>Current surplus before unexpended transfers</b>	820,523	1,504,896	1,307,914
<b>Unexpended transfers</b>			
Unexpended funds transferred to deferred revenue	-	(3,000)	-
<b>Current surplus before transfers</b>	820,523	1,501,896	1,307,914

The accompanying notes are an integral part of the financial statements

**Schedule #10, continued**  
**Keeseechoose First Nation**  
**Band Programs**  
**Schedule of Operations**  
*For the year ended March 31, 2017*

	2017 Budget	2017 Actual	2016 Actual
<b>Transfers</b>			
Transfer - Indian Government Support	(300,000)	(322,005)	(236,531)
Transfer - Amortization	-	(32,207)	(35,567)
<b>Current surplus</b>	<b>\$ 520,523</b>	<b>\$ 1,147,684</b>	<b>\$ 1,035,816</b>

The accompanying notes are an integral part of the financial statements

**Schedule #11**  
**Keesekoose First Nation**  
**Amortization**  
**Schedule of Operations**  
*For the year ended March 31, 2017*

	2017 Budget	2017 Actual	2016 Actual
<b>Revenue</b>	\$ -	\$ -	\$ -
<b>Expenses</b>			
Group Home	-	22,227	25,587
Keesekoose Land Holdings Corp.	-	18,448	5,381
CMHC Section 95	-	436,910	436,910
Health Services	-	40,464	17,959
Community Infrastructure	-	410,899	411,579
Daycare	-	5,480	5,480
Headstart	-	4,500	4,500
School Operations & Maintenance	-	377,262	377,262
	-	1,316,190	1,284,658
<b>Current deficit before transfers</b>	-	(1,316,190)	(1,284,658)
<b>Transfers</b>			
Transfer - programs	-	1,316,190	1,284,658
<b>Current surplus</b>	\$ -	\$ -	\$ -

The accompanying notes are an integral part of the financial statements

**Schedule #12**  
**Keeseekoose First Nation**  
**Claims and Indian Government**  
**Schedule of Operations**  
*For the year ended March 31, 2017*

	2017 Budget	2017 Actual	2016 Actual
<b>Revenue</b>	\$ -	\$ -	\$ -
<b>Expenses</b>			
Insurance	-	419,416	-
Interest on long term debt	-	29,001	-
Professional fees	-	426,781	-
	-	875,198	-
<b>Current deficit</b>	\$ -	\$ (875,198)	\$ -

The accompanying notes are an integral part of the financial statements