

Consolidated Financial Statements of

KEESEEKOOSE FIRST NATION

Year ended March 31, 2018



KPMG LLP
Hill Centre Tower II
1881 Scarth Street, 20th Floor
Regina Saskatchewan S4P 4K9
Canada
Telephone (306) 791-1200
Fax (306) 757-4703

INDEPENDENT AUDITORS' REPORT

To the Members of Keeseekoose First Nation

We have audited the accompanying consolidated financial statements of Keeseekoose First Nation ('the Entity'), which comprise the consolidated statement of financial position as at March 31, 2018, the consolidated statements of operations and accumulated surplus, changes in net debt and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

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 our 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, we consider 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 as at and for the year ended March 31, 2017 indicated that the occurrence and classification of certain expenses could not be verified. Since opening balances affect the determination of the consolidated financial position as at March 31, 2018 as well as the consolidated results of operations and consolidated cash flows for the year ended March 31, 2018, we were unable to determine whether any adjustments to the consolidated financial position, consolidated results of operations and consolidated cash flows were necessary. This caused the predecessor auditor to qualify their audit opinion on the consolidated financial statements as at and for the year ended March 31, 2017.

We were unable to obtain sufficient appropriate audit evidence over the classification and presentation of program expenses included in the consolidated statement of operations and accumulated surplus for the year ended March 31, 2018 because the Entity did not provide the required supporting information. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

We were unable to obtain sufficient appropriate audit evidence over the existence, accuracy and classification of repairs and maintenance expenses incurred during year ended March 31, 2018 and corresponding impact over the completeness, existence and accuracy over the net book value of tangible capital assets as at March 31, 2018 and over the completeness and accuracy of amortization expense for the year ended March 31, 2018. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

We were unable to obtain sufficient appropriate audit evidence over the presentation of funding requirements under the Canada Mortgage Housing Corporation ('CMHC') funding agreement as at March 31, 2018 and the corresponding impact over the presentation of CMHC reserves included in the accumulated surplus as at March 31, 2018. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

In addition, Canadian public sector accounting standards require the disclosure of budget information in the consolidated financial statements. As the Entity did not prepare or approve budget information for the year ended March 31, 2018 on a consolidated basis, the required disclosures have not been provided.

Qualified opinion

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraphs, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Keeseekoose First Nation as at March 31, 2018, and its consolidated results of operations, its consolidated changes in net debt and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.



Comparative information

The consolidated financial statements of Keeseekoose First Nation as at and for the year ended March 31, 2017 were audited by another auditor who expressed a qualified opinion on those consolidated financial statements on February 5, 2018 due to the matters described in the basis for qualified opinion paragraphs.

KPMG LLP

Chartered Professional Accountants

Regina, Canada
June 8, 2019

KEESECKOOSE FIRST NATION

Consolidated Statement of Financial Position

Year ended March 31, 2018, with comparative information for 2017

	2018	2017
Financial assets		
Cash (note 3)	\$ 277,436	\$ 550,075
Restricted cash - capital projects (note 4)	192,316	1,202,450
Restricted cash - CMHC reserves (note 4)	2,869	266,560
Trust funds held by federal government (note 4)	87,706	77,858
Accounts receivable (note 5)	426,186	522,261
Portfolio investments	212,034	283,787
Prepaid expenses and deposits	51,645	-
	1,250,192	2,902,991
Financial liabilities		
Accounts payable and accrued liabilities (note 6)	1,148,491	1,349,441
Deferred revenue - INAC (note 7)	791,803	232,786
Deferred revenue - non-INAC (note 8)	327,850	374,436
Deferred revenue (note 9)	162,888	1,385,126
Long-term debt (note 10)	5,516,717	5,587,028
CMHC mortgages (note 11)	2,470,944	2,614,393
	10,418,693	11,543,210
Net debt	(9,168,501)	(8,640,219)
Non-financial assets		
Tangible capital assets (note 12)	23,703,610	23,904,747
Accumulated surplus (note 13)	\$ 14,535,109	\$ 15,264,528

Contingent assets (note 14) and contingent liabilities (note 16)

See accompanying notes to consolidated financial statements.

On Behalf of the Keeseckoose First Nation

Signature on File.

KEESEEKOOSE FIRST NATION

Consolidated Statement of Operations and Accumulated Surplus

Year ended March 31, 2018, with comparative information for 2017

	Budget	2018	2017
Revenue			
INAC - grant	\$ -	\$ 540,238	\$ 440,978
INAC - fixed	-	3,271,216	3,501,502
INAC - set	-	120,115	1,575,863
INAC - flexible	-	1,645,114	1,788,826
INAC - current year receivable	-	40,360	1,391
INAC - prior period recovery	-	(10,164)	-
Health Canada	-	1,198,561	1,326,145
Yorkton Tribal Council	-	369,838	319,345
CMHC - subsidy	-	170,396	262,744
CMHC - rental income	-	115,367	103,160
First Nations Trust	-	799,134	787,707
Painted Hand Development Corporation	-	112,138	155,541
Income from funds held by Federal Government	-	9,848	42,576
Pelly Haylands Trust	-	408,647	395,861
Distributions from PHC Holdings LP	-	71,747	52,880
Loss on investment in related entities	-	(71,753)	(52,886)
Insurance proceeds	-	13,590	90,093
Other income	-	464,100	432,637
Write off - old payables	-	114,614	148,575
Administrative fees - internal allocation	-	279,313	375,747
Unexpected funds - prior year	-	607,222	235,060
Deferred revenue - prior	-	1,385,126	22,904
Deferred revenue - current	-	(162,888)	(1,385,126)
	-	11,491,879	10,621,523
Program expenses (schedule 1)			
Community Development (schedule 2)	-	1,318,335	1,339,773
Economic Development (schedule 3)	-	36,402	3,200
Education (schedule 4)	-	2,607,698	2,498,745
Indian Government Support (schedule 5)	-	1,150,513	923,916
Land Management (schedule 6)	-	243,471	232,555
Social Development (schedule 7)	-	1,149,147	1,268,575
Indian Registration (schedule 8)	-	17,487	18,404
Health Canada (schedule 9)	-	1,441,325	1,099,868
CMHC Operations (schedule 10)	-	133,118	196,164
Band Programs (schedule 11)	-	1,210,122	804,431
Amortization (schedule 12)	-	1,361,405	1,316,190
Claims (schedule 13)	-	432,622	875,198
	-	11,101,645	10,577,019

KEESECKOOSE FIRST NATION

Consolidated Statement of Operations and Accumulated Surplus
Year ended March 31, 2018, with comparative information for 2017

	Budget	2018	2017
Surplus before transfers	-	390,234	44,504
Unexpended funds transferred to deferred revenue	-	(1,119,653)	(607,222)
Deficit	-	(729,419)	(562,718)
Accumulated surplus, beginning of year	-	15,264,528	15,827,246
Accumulated surplus, end of year	\$ -	\$ 14,535,109	\$ 15,264,528

See accompanying notes to consolidated financial statements.

KEESEEKOOSE FIRST NATION

Consolidated Statement of Changes in Net Debt

Year ended March 31, 2018, with comparative information for 2017

	Budget	2018	2017
Annual deficit	\$ -	\$ (729,419)	\$ (562,718)
Acquisition of tangible capital assets	-	(1,426,994)	(254,606)
Amortization of tangible capital assets	-	1,361,405	1,316,190
Impairment of tangible capital assets	-	266,726	-
Net change in tangible capital assets	-	201,137	1,061,584
Increase in net debt	-	(528,282)	498,866
Net debt, beginning of year	-	(8,640,219)	(9,139,085)
Net debt, end of year	\$ -	\$ (9,168,501)	\$ (8,640,219)

See accompanying notes to consolidated financial statements.

KEESECKOOSE FIRST NATION

Consolidated Statement of Cash Flows

Year ended March 31, 2018, with comparative information for 2017

	2018	2017
Cash provided by (used in)		
Operating activities:		
Deficit	\$ (729,419)	\$ (562,718)
Non-cash items:		
Amortization	1,361,405	1,316,190
Impairment of tangible capital assets	266,726	-
Deferred revenue - INAC	559,017	210,291
Deferred revenue – Non-INAC	(46,586)	161,871
Deferred revenue	(1,222,238)	1,362,222
	188,905	2,487,856
Changes in working capital:		
Accounts receivable	96,075	(493,662)
Accounts payable and accruals	(200,950)	(284,848)
Prepaid expenses	(51,645)	-
	32,385	1,709,346
Financing activities:		
Decrease in bank indebtedness	-	(336,532)
Repayment of long-term debt	(502,933)	(4,892,280)
Repayment of CMHC mortgage advances	(143,449)	(210,780)
Proceeds on long-term debt	-	4,837,790
Proceeds from loan (supporting 1909 surrender claim)	432,622	875,198
	(213,760)	273,396
Capital activities:		
Purchases of tangible capital assets	(1,426,994)	(254,606)
Investing activities:		
Portfolio investments	71,753	52,880
Restricted funds - CMHC reserve	263,691	(8,905)
Restricted funds – capital projects	1,010,134	(1,179,460)
Restricted funds held in trust by federal government	(9,848)	(42,576)
	1,335,730	(1,178,061)
(Decrease) increase in cash	(272,639)	550,075
Cash, beginning of year	550,075	-
Cash, end of year	\$ 277,436	\$ 550,075

See accompanying notes to consolidated financial statements.

KEESEEKOOSE FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2018, with comparative information for 2017

1. General:

The Keeseekoose First Nation (the 'First Nation') is an Indian Band subject to the provisions of the *Indian Act*.

2. Significant accounting policies:

These consolidated financial statements have been prepared in accordance with Canadian Public sector accounting standards set out in the CPA Canada Handbook, and are consistent with accounting policies set out by the Department of Indigenous and Northern Affairs Canada ('INAC'). Significant aspects of the accounting policies adopted by the Nation are as follows:

(a) Reporting entity:

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

The First Nation entered into a settlement agreement with the government of Canada in regards to outstanding land issues and the Pelly Haylands Trust ('Trust') was created. The Trust is audited as a separate entity and is not included in these consolidated financial statements as the Trust is administered and controlled by its trustees. Funds received from the Trust are reported as revenues in these consolidated financial statements.

(b) Principles of consolidation

All controlled entities are fully consolidated on a line-by-line basis. Inter-organizational balances and transactions are eliminated upon consolidation.

The First Nation's financial statements include KKTLE Holdings Corp.

(c) Basis of presentation

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 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, prepaid expenses, and construction in progress.

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable under the terms of applicable funding agreements; expenses are recognized as they are incurred and measurable as a result of the receipts of goods or services and the creation of a legal obligation to pay.

KEESEEKOOSE FIRST NATION

Notes to Consolidated Financial Statements
Year ended March 31, 2018, with comparative information for 2017

2. Significant accounting policies: (continued)

(d) Net debt:

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

(e) Cash

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

(f) Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the weighted average method. Net realizable value is estimated selling price in the ordinary course of business, less estimated costs of completion and selling costs.

(g) Tangible capital assets

Tangible capital assets are initially recorded at costs based on historical cost accounting records. Construction in progress is recorded at the construction costs of the related housing project. Contributed tangible assets are recorded at their fair value at the date of contribution.

(h) 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 lease are amortized on the straight-line basis over their estimated useful lives. All other leases are accounted for as operating leases and rental payments are expensed are incurred.

(i) Amortization

	Method	Rate
Buildings	straight-line	25 years
Equipment	straight-line	5 years
Vehicles	straight-line	4 years
Office equipment	straight-line	5 years
Infrastructure	straight-line	40 years
Band houses	straight-line	25 years
CMHC houses	straight-line	25 years
Roads	straight-line	40 years

KEESEEKOOSE FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2018, with comparative information for 2017

2. Significant accounting policies: (continued)

(j) Restricted cash

(i) Cash held by INAC in trust

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

(ii) Cash in Canada Mortgage and Housing Corporation ('CMHC') reserve bank accounts

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

(iii) Cash in capital project accounts

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

(k) Long-lived assets:

Long-lived assets consist of tangible capital assets. Long-lived assets held for use and measured and amortized as described in the applicable accounting policies.

The First Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying value of an asset, or group of assets, may not be recoverable. Impairment losses are recognized when undiscounted future cash flows from its use and disposal are less than the asset's carrying amount. Impairment is measured as they amount by which the asset's carrying value exceeds its fair value. Any impairment is included in operations for the year; impairment of tangible capital assets is reflected in accumulated surplus when impairment occurs. Prices for similar items are used to measure fair value of long-lived assets.

(l) Deferred revenue:

Funding received under funding arrangements relating to projects that relate to a subsequent fiscal period are reflected as deferred revenue on the consolidated statement of financial position in the year of receipt. These amounts are recognized in revenue in the year the project costs are incurred.

(m) 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 revenue and expenses during the reporting period. Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Provision are made for slow moving and obsolete inventory. Amortization is based on the estimated useful lives of tangible capital assets. Payable to CMHC is based on anticipated repayment requirements; however, actual repayment will be determined upon CMHC's review of the consolidated financial statements.

KEESEEKOOSE FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2018, with comparative information for 2017

2. Significant accounting policies: (continued)

(m) Use of estimates: (continued)

These estimates are reviewed periodically and, as adjustments become necessary, they are reported in operations in the periods in which they become known.

(n) 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.

(o) 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.

KEESEEKOOSE FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2018, with comparative information for 2017

3. Cash:

Cash and cash equivalents is comprised of the following

	2018	2017
Unrestricted cash		
General operations	\$ 238,058	\$ 215,320
Health operations	(6,819)	198,061
CMHC operations	46,197	136,694
	\$ 277,436	\$ 550,075

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

Under the terms of an agreement with CMHC, 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 received to complete capital projects is held in separate bank accounts or guaranteed investment certificates.

	2018	2017
Restricted cash - capital projects		
Multiplex and innovation	\$ 149,762	\$ 1,138,624
Capital infrastructure	42,554	63,826
	\$ 192,316	\$ 1,202,450
Restricted cash - CMHC reserves		
Replacement reserve	\$ 2,869	\$ 266,560
Restricted cash - trust funds held by federal government		
Capital	\$ 2,009	\$ 2,009
Revenue	85,697	75,849
	\$ 87,706	\$ 77,858

KEESECKOOSE FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2018, with comparative information for 2017

5. Accounts receivable:

	2018	2017
Due from members		
Advances	\$ 156,837	\$ 168,417
Due from other organizations		
Yorkton Tribal Council	3,633	36,704
Pelly Haylands Trust	382,193	395,861
	385,826	432,565
Due from government and other government organizations		
INAC	40,360	34,547
Health Canada	-	33,255
CMHC	-	21,394
	40,360	89,196
	583,023	690,178
Less: Allowance for doubtful accounts	(156,837)	(167,917)
	\$ 426,186	\$ 522,261

6. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$41,564 (2017 – \$4,459) relating to payroll taxes.

KEESECKOOSE FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2018, with comparative information for 2017

7. Deferred revenue - INAC

	2018	2017
Community Development	\$ 129,694	\$ -
Education	187,549	118,723
Indian Government Support	7,926	16,516
Land Management	60,362	35,568
Social Development	101,493	61,979
Indian Registration	527	-
Social Development	304,252	-
	\$ 791,803	\$ 232,786

8. Deferred revenue – non-INAC

	2018	2017
Health Canada	\$ 327,850	\$ 371,436
Yorkton Tribal Council	-	3,000
	\$ 327,850	\$ 374,436

9. Deferred revenue:

	March 31, 2017	Funding received	Revenue recognized	March 31, 2018
Federal government				
Well rehabilitation	\$ 51,343	\$ -	\$ -	\$ 51,343
Multiplex	1,253,783	-	1,173,738	80,045
Innovation	80,000	-	48,500	31,500
	\$ 1,385,126	\$ -	\$ 1,222,238	\$ 162,888

KEESEEKOOSE FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2018, with comparative information for 2017

10. Long-term debt:

	2018	2017
BMO - Demand loan		
Interest at prime + 2.5% per annum, 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 Keeseekoose Land Holding Corporation and KKTLE Holding Corp. assignment of rents as well as general security assignment. For the year ended March 31, 2018 First Nations Trust funding was \$799,134 (2017 - \$787,707).	\$ 4,208,897	\$ 5,304,051
RBC 1909 Surrender Claim		
Loan bearing interest at prime plus 0.50% per annum. 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.	1,307,820	875,198
	\$ 5,516,717	\$ 5,587,028

Given the nature of the long-term debt and re-payment pattern noted above, it is not possible to determine the principal repayments due for the next five years and thereafter.

Interest expense for the year amounted to \$319,383 (2017 - \$344,967).

11. CMHC mortgages:

	Phase number	Maturity date	Interest rate	Monthly payment	2018	2017
CMHC	1	01-Apr-2017	19.75%	\$ 5,329	\$ -	\$ 5,177
Scotia Bank	9	01-May-2017	4.99%	283	-	459
CMHC	11	01-Apr-2025	0.94%	1,369	112,589	127,891
CMHC	12	01-Mar-2027	1.30%	1,393	142,104	156,873
CMHC	13	01-Aug-2029	1.82%	1,255	155,434	167,579
CMHC	14	01-Jul-2033	2.35%	3,537	547,541	576,893
CMHC	15	01-Apr-2033	1.68%	7,506	1,200,422	1,269,891
CMHC loan advances			1.39%		312,854	309,630
					\$ 2,470,944	\$ 2,614,393

KEESEEKOOSE FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2018, with comparative information for 2017

11. CMHC mortgages: (continued)

Principal repayments due in the next five years (excluding loan advances):

2019	\$	146,046
2020		145,604
2021		148,121
2022		150,684
2023		153,294
Thereafter		1,413,981

Interest expense for the year amounted to \$48,597 (2017 - \$47,847).

12. Tangible capital assets:

	Cost	Accumulated amortization	2018 Net book value	2017 Net book value
Land	\$ 5,595,282	\$ -	\$ 5,595,282	\$ 5,595,282
Buildings	11,388,188	6704,124	4,684,064	5,423,874
Equipment	1,073,101	944,821	128,280	172,604
Vehicles	383,805	333,405	50,400	65,476
Office equipment	293,774	188,083	105,691	2,293
Infrastructure	8,110,589	2,104,941	6,005,648	6,208,781
Band houses	4,557,636	2,639,503	1,918,133	870,418
CMHC houses	11,318,629	6,185,033	5,133,595	5,478,259
Roads	209,530	127,014	82,516	87,760
	\$ 42,930,534	\$ 19,226,924	\$ 23,703,610	\$ 23,904,747

KEESEKOOSE FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2018, with comparative information for 2017

13. Accumulated surplus:

	Operating	Surrender claim	Trust funds (INAC)	CMHC reserve	Tangible capital assets	Total
Balance, beginning of year	\$ (4,742,370)	\$ (875,198)	\$ 77,858	\$ 634,317	\$ 20,169,921	\$ 15,264,528
Deficiency of revenue over expenses	(296,797)	(432,622)	-	-	-	(729,419)
Amortization of tangible capital assets	1,361,405	-	-	-	(1,361,405)	-
Acquisition of tangible capital assets	(1,426,994)	-	-	-	1,426,994	-
Impairment of tangible capital assets	266,726	-	-	-	(266,726)	-
Gross revenue earned on trust funds	(9,848)	-	9,848	-	-	-
Principal payments on long-term debt related to tangible capital assets	(143,449)	-	-	-	143,449	-
Balance, end of year	\$ (4,991,327)	\$ (1,307,820)	\$ 87,706	\$ 634,317	\$ 20,112,233	\$ 14,535,109

KEESEEKOOSE FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2018, with comparative information for 2017

14. Contingent assets:

During the prior 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, 2018, expenses of \$1,307,820 (2017 - \$878,198) 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.

15. 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, 2017) are as follows:

	2017 December 31	2016 December 31
Keeseekoose Haylands Trust	\$ 20,618,621	\$ 19,748,577
Keeseekoose Haylands Trust - Childrens Fund	511,550	591,738
	<u>\$ 21,130,171</u>	<u>\$ 20,340,315</u>

16. Contingent liabilities:

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

17. 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 \$631,448 as of March 31, 2018 (2017 - \$367,757).

18. Economic dependence:

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

KEESECKOOSE FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2018, with comparative information for 2017

19. 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 31, 2018. The First Nation did not submit its consolidated financial statements by this date. The possible effect of this breach has not yet been determined.

20. Government transfers:

			2018 Total
	Operating		
Federal government transfers			
Indigenous and Northern Affairs Canada	\$ 5,606,879	\$ 5,606,879	
Health Canada	1,198,561	1,198,561	
Canada Mortgage and Housing Corporation	170,396	170,396	
	\$ 6,945,640	\$ 6,945,640	
	Operating	Capital	2017 Total
Federal government transfers			
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
	\$ 7,068,576	\$ 1,828,873	\$ 8,897,449

21. 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.

KEESECKOOSE FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2018, with comparative information for 2017

21. INAC funding: (continued)

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.

22. Related party disclosures:

Included in these consolidated financial statements are transactions with various key managerial personnel. Key managerial personnel include the Chief and the Councilors of the Ban Council (collectively referred to as “related parties”). Transactions with related parties are conducted in the normal course of operations and are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Transactions with related parties for the year ended March 31, 2018 include honorariums paid to the Chief and the Councilors of \$434,962 (2017 - \$298,185) that are included in schedule 1 to the consolidated financial statements.

23. Segmented information:

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

1) Indigenous and Northern Affairs Canada

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.

KEESECKOOSE FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2018, with comparative information for 2017

23. Segmented information: (continued)

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.

KEESECKOOSE FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2018, with comparative information for 2017

23. 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.

KEESECKOOSE FIRST NATION

Notes to Consolidated Financial Statements

Year ended March 31, 2018, with comparative information for 2017

24. New and proposed accounting pronouncements:

The following summarizes the upcoming changes to the Public Sector Accounting Standards by the Public Sector Accounting Standards Board. The First Nation is in the process of assessing the impact on its consolidated financial statements.

(a) Section PS 3430 - Restructuring transactions

This Section establishes standards on how to account for and report restructuring transactions by both transferors and recipients of assets and/or liabilities, together with related program or operating responsibilities. The section would apply for fiscal years beginning on or after April 1, 2018.

(b) Section PS 3280 – Asset retirement obligations

The section establishes standards on how to account for and report a liability for asset retirement obligations by defining which activities are included in a liability for retirement for a tangible capital asset, when to recognize and how to measure the liability and financial statement presentation and disclosure requirements. The standard is effective for fiscal years beginning on or after April 1, 2021.

(c) Section PS 3450 – Financial instruments

The Section establishes standards on how to account for and report all types of financial instruments including derivatives. The standard is effective for years beginning on or after April 1, 2021.

(d) Section PS 3400 – Revenue

The section establishes standards on how to account for and report on revenue. It differentiates between revenue arising from transactions that include performance obligations (exchange transactions) and transactions that do not have performance obligations (non-exchange transactions). The standard is effective for fiscal years beginning on or after April 1, 2022.

25. Comparative information:

Certain comparative information has been reclassified to conform with the financial statement presentation adopted in the current year.

KEESEEKOOSE FIRST NATION

Schedule 1 - Expenses by Object

Year ended March 31, 2018, with comparative information for 2017

(Unaudited)

	Budget	2018	2017
Consolidated expenses by object:			
Administration	\$ -	\$ 321,505	\$ 356,809
Amortization	-	1,361,405	1,316,190
Assistance - basic needs	-	761,420	825,133
Assistance - special needs	-	68,398	74,622
Assistance to band members	-	111,050	61,042
Bad debts	-	(15,332)	(14,556)
Bussing	-	219,748	224,436
CDC expenses	-	22,468	37,832
COGS - gas station	-	34,625	-
Construction	-	99,548	110,587
Consulting fees	-	401,765	587,570
Cultural programs	-	131,324	85,829
Equipment purchases	-	9,101	87,300
Fire Fighting	-	31,224	19,800
Graduation, awards, prizes	-	34,935	21,140
Homecare	-	66,905	61,867
Honorariums and Council	-	434,962	298,185
Insurance	-	279,356	610,481
Interest and bank charges	-	19,765	124,046
Interest on long-term debt	-	406,582	392,815
Interest on overdue accounts	-	44,280	8,380
Janitorial	-	-	1,205
Lunch program	-	54,345	-
NCBR program expenses	-	111,970	149,793
Other expenses	-	172,230	8,660
Professional fees	-	377,015	569,713
Program Expense	-	223,584	91,051
Property taxes	-	164,204	136,905
Recreational Activities	-	125,906	81,041
Rent - equipment	-	8,763	4,645
Rent - office	-	-	12,000
Repairs and maintenance	-	512,820	575,617
Salaries and benefits	-	2,611,403	2,458,195
Student allowance	-	415,541	417,839
Summer/winter games	-	35,070	354
Supplies	-	445,768	360,663
Telephone	-	35,827	26,173
Training	-	6,490	10,160
Travel - medical transportation	-	81,511	64,014
Travel, meetings, per diems	-	220,085	164,978
Tuition	-	252,020	264,428
Utilities	-	135,333	144,683
Impairment of tangible capital assets	-	266,726	-
Transfer to assets	-	-	(254,606)
	\$ -	\$ 11,101,645	\$ 10,577,019

KEESEEKOOSE FIRST NATION

Schedule 2 - Revenue and Expenses of Community Development
 Year ended March 31, 2018, with comparative information for 2017
 (Unaudited)

	Budget	2018	2017
Revenue:			
INAC - flexible	\$ -	\$ 300,000	\$ 1,788,826
INAC - fixed	-	549,955	545,198
INAC - set	-	-	304,252
Insurance proceeds	-	13,590	90,093
Other income	-	-	13,160
Deferred revenue - prior	-	1,222,238	22,904
Deferred revenue - current	-	-	(1,385,126)
	-	2,085,783	1,379,307
Expenses:			
Administration	-	49,800	51,821
Consulting fees	-	81,650	185,669
Construction	-	213,126	110,587
Insurance	-	124,003	135,791
Interest and bank charges	-	-	64
Repairs and maintenance	-	1,579,032	474,215
Salaries and benefits	-	301,955	221,002
Supplies	-	156,272	183,944
Telephone	-	6,144	4,819
Travel, meetings, per diems	-	17,120	12,714
Utilities	-	117,299	126,453
Transfer to assets	-	(1,328,066)	(167,306)
	-	1,318,335	1,339,773
Surplus before transfers	-	767,448	39,534
Unexpended funds transferred to deferred revenue	-	(129,694)	-
Transfers - Amortization	-	(788,161)	(788,161)
Deficit	\$ -	\$ (150,407)	\$ (748,627)

KEESECKOOSE FIRST NATION

Schedule 3 - Revenue and Expenses of Economic Development
Year ended March 31, 2018, with comparative information for 2017
(Unaudited)

	Budget		2018	2017
Revenue:				
Distributions from PHC Holdings LP	\$	-	\$ 71,747	\$ 52,880
Loss on investment in related entities		-	(71,753)	(52,886)
Yorkton Tribal Council		-	92,000	92,000
		-	91,994	91,994
Expenses:				
Administration		-	4,432	-
Salaries and benefits		-	17,626	-
Supplies		-	1,376	-
Travel, meetings, per diems		-	12,968	3,200
		-	36,402	3,200
Surplus	\$	-	\$ 55,592	\$ 88,794

KEESEEKOOSE FIRST NATION

Schedule 4 - Revenue and Expenses of Education

Year ended March 31, 2018, with comparative information for 2017

(Unaudited)

	Budget	2018	2017
Revenue:			
INAC - fixed	\$ -	\$ 2,548,977	\$ 2,578,247
INAC - set	-	-	31,050
Other income	-	178,657	-
Unexpected funds - prior year	-	118,723	8,171
	-	2,846,357	2,617,468
Expenses:			
Administration	-	123,109	147,562
Bussing	-	219,748	224,436
Consulting fees	-	2,045	1,685
Cultural programs	-	2,349	-
Graduation, awards, prizes	-	34,935	21,140
Insurance	-	3,684	1,810
Interest and bank charges	-	7,238	9,567
Lunch program	-	54,345	-
Program expense	-	34,919	-
Recreational Activities	-	3,620	1,797
Rent - equipment	-	2,678	376
Rent - office	-	-	12,000
Repairs and maintenance	-	7,898	-
Salaries and benefits	-	1,310,306	1,298,269
Student allowance	-	415,541	417,839
Supplies	-	101,428	72,506
Telephone	-	4,125	1,031
Travel, meetings, per diems	-	27,710	24,300
Tuition	-	252,020	264,428
	-	2,607,698	2,498,746
Surplus before transfers	-	238,659	118,722
Unexpended funds transferred to deferred revenue	-	(187,549)	118,723
Surplus (deficit)	\$ -	\$ 51,110	\$ (1)

KEESEEKOOSE FIRST NATION

Schedule 5 - Revenue and Expenses of Indian Government Support
Year ended March 31, 2018, with comparative information for 2017
(Unaudited)

	Budget	2018	2017
Revenue:			
INAC - grant	\$ -	\$ 540,238	\$ 440,978
INAC - fixed	-	35,288	110,146
INAC - set	-	53,209	47,662
INAC - current year receivable	-	-	34,547
INAC - prior period revenue (recovery)	-	(8,500)	-
Yorkton Tribal Council	-	47,901	4,561
Interest income	-	72	65
Unexpected funds - prior year	-	16,516	-
	-	684,724	637,959
Expenses:			
Consulting fees	-	247,594	250,450
Equipment purchases	-	9,101	-
Honorariums	-	434,962	298,185
Insurance	-	-	5,990
Interest and bank charges	-	9,708	64,021
Interest on overdue accounts	-	31,379	-
Other expenses	-	156,018	-
Professional fees	-	(6,591)	39,765
Rent - equipment	-	3,408	3,699
Salaries and benefits	-	164,138	199,107
Supplies	-	19,394	15,148
Telephone	-	16,678	10,498
Training	-	3,870	560
Travel, meetings, per diems	-	77,388	36,493
Transfer to assets	-	(16,534)	-
	-	1,150,513	923,916
Deficit before transfers	-	(465,789)	(285,957)
Unexpended funds transferred to deferred revenue	-	(7,926)	(16,516)
Transfers from Band programs	-	476,657	322,005
Surplus	\$ -	\$ 2,942	\$ 19,532

KEESECKOOSE FIRST NATION

Schedule 6 - Revenue and Expenses of Land Management

For the year ended March 31, 2018, with comparative information for 2017

(Unaudited)

	Budget	2018	2017
Revenue:			
INAC - fixed	\$ -	\$ 40,360	\$ 80,720
INAC - current year receivable	-	40,360	-
Other income	-	203,969	211,607
Unexpected funds - prior year	-	35,568	14,324
	-	320,257	306,651
Expenses:			
Administration	-	8,648	12,108
Consulting fees	-	1,000	-
Interest and bank charges	-	82	44
Interest on overdue accounts	-	3,082	1,602
Professional fees	-	-	7,294
Property taxes	-	164,204	136,905
Repairs and maintenance	-	17,617	18,136
Salaries and benefits	-	38,356	36,932
Travel, meetings, per diems	-	6,252	10,436
Utilities	-	4,230	9,098
	-	243,471	232,555
Surplus before transfers	-	76,786	74,096
Unexpended funds transferred to deferred revenue	-	(60,362)	(35,568)
Transfers - Amortization	-	(18,448)	(18,448)
Surplus (deficit)	\$ -	\$ (2,024)	\$ 20,080

KEESEEKOOSE FIRST NATION

Schedule 7 - Revenue and Expenses of Social Development

For the year ended March 31, 2018, with comparative information for 2017

(Unaudited)

	Budget	2018	2017
Revenue:			
INAC - fixed	\$ -	\$ 78,622	\$ 169,027
INAC - set	-	66,906	1,192,899
INAC - current year receivable (payable)	-	-	(33,156)
INAC - flexible	-	1,040,862	-
INAC - prior period revenue (recovery)	-	(1,664)	-
Unexpected funds - prior year	-	61,979	-
	-	1,246,705	1,328,770
Expenses:			
Administration	-	-	13,901
Assistance - basic needs	-	761,420	825,133
Assistance - special needs	-	68,398	74,622
Homecare	-	66,905	61,867
Interest and bank charges	-	1,500	1,514
NCBR program expenses	-	111,970	149,793
Other expenses	-	970	-
Professional fees	-	-	1,350
Repairs and maintenance	-	398	-
Salaries and benefits	-	112,602	118,307
Supplies	-	11,888	10,505
Training	-	-	1,000
Travel, meetings, per diems	-	11,591	8,573
Telephone	-	1,505	2,010
	-	1,149,147	1,268,575
Surplus before transfers	-	97,558	60,195
Unexpended funding transferred to deferred revenue	-	(101,493)	(61,979)
Deficit	\$ -	\$ (3,935)	\$ (1,784)

KEESEEKOOSE FIRST NATION

Schedule 8 - Revenue and Expenses of Indian Registration
For the year ended March 31, 2018, with comparative information for 2017
(Unaudited)

	Budget		2018	2017
Revenue:				
INAC - fixed	\$	-	\$ 18,014	\$ 18,164
Expenses:				
Administration		-	1,801	1,816
Salaries and benefits		-	11,762	12,598
Supplies		-	681	1,943
Travel, meetings, per diems		-	3,243	2,047
		-	17,487	18,404
Surplus (deficit) before transfers		-	527	(240)
Unexpended funding transferred to deferred revenue		-	(527)	-
Deficit	\$	-	\$ -	\$ (240)

KEESECKOOSE FIRST NATION

Schedule 9 - Revenue and Expenses of Health Canada

For the year ended March 31, 2018, with comparative information for 2017

(Unaudited)

	Budget	2018	2017
Revenue:			
Health Canada	\$ -	\$ 1,198,561	\$ 1,326,145
Other income	-	935	-
Unexpected funds - prior year	-	371,436	212,565
Yorkton Tribal Council	-	13,612	27,223
	-	1,584,544	1,565,933
Expenses:			
Administration	-	93,777	119,601
Consulting fees	-	199,136	135,825
Cultural programs	-	70,618	30,974
Interest and bank charges	-	-	776
Janitorial	-	-	1,205
Other expenses	-	2,320	8,660
Professional fees	-	108,943	68,057
Program expense	-	183,405	91,051
Recreational activities	-	38,103	4,268
Rent - equipment	-	2,677	570
Repairs and maintenance	-	44,142	300
Salaries and benefits	-	486,772	419,407
Summer/ winter games	-	35,070	354
Supplies	-	105,971	67,624
Training	-	2,620	8,600
Travel - medical transportation	-	81,511	64,014
Travel, meetings, per diems	-	51,928	66,035
Telephone	-	3,399	4,139
Utilities	-	4,729	8,408
Transfer to assets	-	(73,796)	-
	-	1,441,325	1,099,868
Surplus before transfers	-	143,219	466,065
Unexpended funding transferred to deferred revenue	-	(327,850)	(371,436)
Transfers - Amortization		(40,464)	(40,464)
Surplus (deficit)	\$ -	\$ (225,095)	\$ 54,165

KEESEEKOOSE FIRST NATION

Schedule 10 - Revenue and Expenses of CMHC Operations
For the year ended March 31, 2018, with comparative information for 2017
(Unaudited)

	Budget	2018	2017
Revenue:			
CMHC - subsidy	\$ -	\$ 170,396	\$ 262,744
CMHC - rental income	-	115,367	103,160
Interest income	-	35	46
	-		
	-	285,798	365,950
Expenses:			
Consulting fees	-	-	12,941
Interest and bank charges	-	412	617
Interest on long-term debt	-	48,597	47,847
Interest on overdue accounts	-	3,646	5,605
Insurance	-	33,308	45,074
Professional Fees	-	12,060	-
Repairs and maintenance	-	35,095	82,966
Supplies	-	-	1,114
	-	133,118	196,164
Surplus before transfers	-	152,680	169,786
Transfers - Amortization	-	(458,240)	(436,910)
Deficit	\$ -	\$ (305,560)	\$ (267,124)

KEESECKOOSE FIRST NATION

Schedule 11 - Revenue and Expenses of Band Programs

For the year ended March 31, 2018, with comparative information for 2017

(Unaudited)

	Budget	2018	2017
Revenue:			
Administrative fees - internal allocation	\$ -	\$ 279,313	\$ 375,747
First Nations Trust	-	799,134	787,707
INAC – flexible	-	304,252	-
Income from funds held by federal govt.	-	9,848	42,576
Other income	-	127,864	189,661
Painted Hand Development Corporation	-	112,138	155,541
Pelly Haylands trust	-	408,647	395,861
Store rebates	-	-	18,099
Unexpected funds - prior year	-	3,000	-
Yorkton Tribal Council	-	168,893	195,560
Write off - old payables	-	114,614	148,575
	-	2,327,703	2,309,327
Expenses:			
Administration	-	39,938	10,000
Assistance to band members	-	111,050	61,042
Bad debts recovery	-	(15,332)	(14,556)
CDC expenses	-	22,468	37,832
Consulting fees	-	1,420	1,000
Cultural programs	-	58,357	54,856
Fire Fighting	-	31,224	19,800
Gas station expenses	-	34,625	-
Interest and bank charges	-	825	47,446
Interest on long-term debt	-	297,701	315,967
Interest on overdue accounts	-	6,173	1,173
Insurance	-	4,924	2,400
Other expenses	-	12,922	-
Professional fees	-	3,702	26,464
Program expense	-	5,260	-
Recreational activities	-	84,183	74,976
Repairs and maintenance	-	2,376	-
Salaries and benefits	-	167,886	152,573
Supplies	-	57,758	7,877
Travel, meetings, per diems	-	11,885	1,181
Telephone	-	3,976	3,676
Utilities	-	9,075	724
Transfer to assets	-	(9,000)	-
Impairment of tangible capital assets	-	266,726	-
	-	1,210,122	804,431

KEESECKOOSE FIRST NATION

Schedule 11 - Revenue and Expenses of Band Programs (Continued)

For the year ended March 31, 2018, with comparative information for 2017

(Unaudited)

Surplus before transfers and other items	-	1,117,581	1,504,896			
Unexpended funding transferred to deferred revenue	-	(304,252)	(3,000)			
Transfers to Indian Government Support	-	(476,657)	(322,005)			
Transfers - Amortization	-	(56,092)	(32,207)			
Surplus	\$	-	\$	280,580	\$	1,147,684

KEESEEKOOSE FIRST NATION

Schedule 12 - Revenue and Expenses of Amortization
For the year ended March 31, 2018, with comparative information for 2017
(Unaudited)

	Budget		2018	2017
Revenue	\$	-	\$	-
Expenses:				
CMHC Section 95		-	458,240	436,910
Community infrastructure		-	437,034	410,899
Daycare		-	5,480	5,480
Group home		-	22,227	22,227
Headstart		-	2,250	4,500
Health services		-	40,464	40,464
Keeseekoose Land Holdings Corp.		-	18,448	18,448
School operations and maintenance		-	377,262	377,262
		-	1,361,405	1,316,190
Deficit before transfers		-	(1,361,405)	(1,316,190)
Transfer - programs		-	1,361,405	1,316,190
Current Surplus	\$	-	\$	-

KEESEEKOOSE FIRST NATION

Schedule 13 - Revenue and Expenses of Claims
For the year ended March 31, 2018, with comparative information for 2017
(Unaudited)

	Budget		2018	2017
Revenue	\$	-	\$ -	\$ -
Expenses:				
Interest on long-term debt		-	60,285	29,000
Insurance		-	113,436	419,416
Professional fees		-	258,901	426,782
		-	432,622	875,198
Deficit	\$	-	\$ (432,622)	\$ (875,198)