

**Beardy's & Okemasis Band #96
& #97**

Consolidated Financial Statements

March 31, 2012

Beardy's & Okemasis Band #96 & #97

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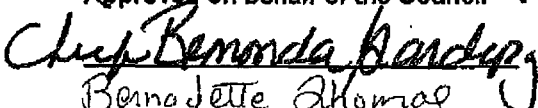
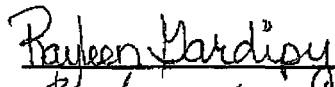
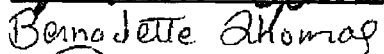
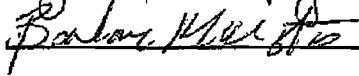
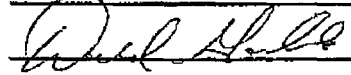
For the year ended March 31, 2012

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Beardy's & Okemasis Band #96 & #97
Consolidated Statement of Financial Position
As at March 31, 2012

	2012	2011
Financial assets		
Current		
Cash resources	48,138	477,796
Accounts receivable (Note 3)	850,530	544,001
Restricted cash (Note 4)	1,174,492	891
Subtotal of current assets	2,073,160	1,022,688
Restricted cash (Note 4)	-	239
Investment in Nation business entities (Note 5)	110,493	20,001
Funds held in trust (Note 6)	4,676	55,408
Total financial assets	2,188,329	1,098,336
Liabilities		
Current		
Bank indebtedness (Note 7)	214,506	299,928
Accounts payable and accruals (Note 8)	1,896,700	3,248,422
Deferred revenue (Note 9)	1,307,901	-
Current portion of long-term debt (Note 10)	1,049,326	1,248,908
Subtotal of current liabilities	4,468,433	4,797,258
Long-term debt (Note 10)	5,182,337	5,846,462
Total financial liabilities	9,650,770	10,643,720
Net debt	(7,462,441)	(9,545,384)
Contingency (Note 11)		
Non-financial assets		
Tangible capital assets (Note 12)	21,512,728	22,605,004
Prepaid expenses	9,205	47,381
Total non-financial assets	21,521,933	22,652,385
Accumulated surplus (Note 13)	14,059,492	13,107,001

Approved on behalf of the Council

	Chief		Councilor
	Councilor		Councilor
	Councilor	_____	Councilor
_____	Councilor	_____	Councilor

The accompanying notes are an integral part of these financial statements



Beardy's & Okemasis Band #96 & #97
Consolidated Statement of Operations
For the year ended March 31, 2012

	Schedules	2012 Budget (unaudited)	2012	2011
Revenue				
Aboriginal Affairs and Northern Development Canada (Note 16)		9,667,978	11,288,795	12,277,286
Health Canada		1,899,696	2,193,111	2,051,122
Recovery of loan interest		-	602,164	-
Rental		15,000	636,889	705,909
Canada Mortgage and Housing Corporation		-	283,341	239,028
Prairie Spirit School Division		325,000	254,713	361,652
Saskatchewan Indian Training Assessment Group Inc.		43,355	146,420	143,629
Saskatchewan Indian Institute of Technology		-	97,552	234,799
First Nations Trust		1,014,000	925,528	845,024
Other		91,110	517,319	390,454
Correction Services Canada		-	235,213	273,313
Northwest Nations Education Council		402,625	178,603	160,006
Northern Lights Community Development Corporation		67,000	163,057	40,000
Northwest Professional Services Corporation		240,000	142,570	-
Federation of Saskatchewan Indian Nations		105,000	114,500	166,807
Public Health Agency of Canada		114,150	114,150	122,150
Saskatchewan Justice		53,583	70,700	48,600
Saskatchewan Environment		30,957	34,864	37,165
Daycare fees		-	29,813	30,982
Department of Justice Canada		28,998	28,998	48,998
Child Tax Benefit		24,704	25,421	43,490
Ministry of Social Services		19,711	7,776	34,728
		14,142,867	18,091,497	18,255,122
Expenses				
Band Administration	3	1,403,122	1,930,856	1,990,134
Economic Development	4	146,500	56,720	389,222
Education	5	4,903,325	5,336,434	5,852,064
Justice	6	81,430	130,920	153,628
Kanawayihimitowin Child and Family Services Inc.	7	718,862	614,537	1,016,792
Land Management	8	185,206	320,262	340,041
Public Works	10	634,827	2,108,701	2,873,432
Social Development	11	2,792,376	3,571,277	4,330,728
Sports and Recreation	12	204,000	235,080	831,022
Willow Cree Health Services Corporation	13	2,173,067	2,637,423	2,445,495
		13,242,715	16,942,210	20,222,558
Surplus (deficit) before other items		900,152	1,149,287	(1,967,436)
Other expense				
Impairment writedown on capital assets		-	(196,796)	-
Surplus (deficit)		900,152	952,491	(1,967,436)
Accumulated surplus, beginning of year		-	13,107,001	15,074,437
Accumulated surplus, end of year		900,152	14,059,492	13,107,001

The accompanying notes are an integral part of these financial statements

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Beardy's & Okemasis Band #96 & #97
Consolidated Statement of Change in Net Debt
For the year ended March 31, 2012

	2012 Budget (unaudited)	2012	2011
Annual surplus (deficit)	-	952,491	(1,967,436)
Purchases of tangible capital assets	-	(431,578)	(2,645,697)
Amortization of tangible capital assets	-	1,218,929	1,051,851
Disposal of Tangible capital assets	-	304,925	-
Use of prepaid expenses	-	38,176	35,813
Decrease (increase) in Net debt	-	2,082,943	(3,525,469)
Net debt, beginning of year	-	(9,545,384)	(6,019,915)
Net debt, end of year	-	(7,462,441)	(9,545,384)

The accompanying notes are an integral part of these financial statements

Beardy's & Okemasis Band #96 & #97
Consolidated Statement of Cash Flows
For the year ended March 31, 2012

	2012	2011
Cash provided by (used for) the following activities		
Operating activities		
Surplus (deficit)	952,491	(1,967,436)
Non-cash items		
Amortization	1,218,929	1,051,851
Changes in working capital accounts		
Accounts receivable	(306,529)	495,851
Prepaid expenses	38,176	35,813
Accounts payable and accruals	(1,351,722)	1,719,679
Deferred revenue	1,307,901	(161,828)
	1,859,246	1,173,930
Financing activities		
Advances of long-term debt	26,348	5,566,828
Repayment of long-term debt	(890,055)	(3,599,471)
Decrease (increase) in bank indebtedness	(85,422)	(884,626)
	(949,129)	1,082,731
Capital activities		
Purchases of tangible capital assets	(431,578)	(2,645,697)
Disposal of Tangible capital assets	304,925	-
	(126,653)	(2,645,697)
Investing activities		
Increase in restricted cash	(1,173,362)	-
Decrease in restricted cash	-	582,193
Investment in Nation business entities	(90,492)	-
Decrease (increase) of funds held in trust	50,732	(2,447)
	(1,213,122)	579,746
Increase (decrease) in cash resources	(429,658)	190,710
Cash resources, beginning of year	477,796	287,086
Cash resources, end of year	48,138	477,796
Supplementary cash flow information		
Interest paid	571,339	694,706

Beardy's & Okemasis Band #96 & #97
Notes to the Consolidated Financial Statements
For the year ended March 31, 2012

1. Operations

The Beardy's & Okemasis Band #96 & #97 (the "Nation") is located in the province of Saskatchewan, and provides various services to its members. Beardy's & Okemasis Band #96 & #97 includes the Nation's members, government and all related entities that are accountable to the Nation and are either owned or controlled by the Nation.

2. Significant accounting policies

These financial statements are the representations of management, prepared in accordance with Canadian generally accepted accounting principle for government entities and include the following significant accounting policies:

Reporting entity

The financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity. The Beardy's Okemasis Treaty Land Entitlement Trust is administered by third parties on behalf of the members and is excluded from the Nation reporting entity.

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

- Beardy's & Okemasis Band # 96 & #97
- Willow Cree Health Services Corporation
- Kanaweyihimitowin Child and Family Services Inc.
- Beardy's Indian Band Section 95 Housing Society
- Beardy's & Okemasis Band #96 & #97 Band Revenue Fund
- Beardy's Property Management Group Inc.

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

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

- 101195638 Saskatchewan Ltd. - 100% ownership interest - for the period February 14, 2012 to March 31, 2012

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

- IMI Brokerage Inc. - 11% ownership interest and recorded on the cost basis
- South Hill Medical Clinic - 25% ownership interest and recorded by the cost method

Basis of presentation

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

Cash resources

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

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

Restricted Cash

Restricted cash consists of funds held in the CMHC replacement reserve and operating reserve bank accounts and the funds managed by a project manager. The project manager is responsible for the completion of the capital projects and the CMHC replacement and operating reserve are used to pay eligible expenditures of the CMHC housing units.

Funds held in Ottawa Trust Fund

Funds held in trust on behalf of Nation members by the Government of Canada in the Ottawa Trust Fund consist of:

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

Revenues from Trust Moneys are recognized when measurable, earned and collection is reasonably assured. These moneys are reported on by the Government of Canada.

Tangible capital assets

Tangible capital assets are initially recorded at cost based on historical cost accounting records. Contributed tangible assets are recorded at their fair value at the date of contribution.

Amortization

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

	Method	Rate
Automotive	declining balance	5 years
Buildings	declining balance	10-25 years
Equipment	declining balance	5-10 years
Heavy equipment	declining balance	10 years
Housing	declining balance	20 years
Infrastructure	declining balance	40 years
Roads	declining balance	40 years

Non-financial assets

The Nation's tangible capital assets and other non-financial assets are accounted for as assets because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the government unless they are sold.

Revenue recognition

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

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

2. Significant accounting policies (Continued from previous page)

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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 financial statements, and the reported amounts of revenue and expenditures during the reporting period. These estimates/assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the records in the periods in which they become known.

Accounts receivable, and amounts due from related Nation entities and departments, are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary.

Amortization is based on the estimated useful lives of tangible capital assets.

Segments

The Nation conducts its business through eleven reportable segments: Band Administration, Economic Development, Education, Justice, Kanawayihimitowin Child and Family Services, Land Management, Ottawa Trust, Public Works, Social Development, Sports and Recreation, and Willow Cree Health Services Corporation. These operating segments are established by senior management to facilitate the achievement of the Nation's long-term objectives to aid in resource allocation decisions and to assess operational performance.

For each reported segment, revenues and expenditures represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information. Administration fees have been apportioned based on a percentage of budgeted revenues, where permitted by the funder.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in the Significant Accounting Policies.

Provision for site rehabilitation

The Environmental Protection Act sets out the regulatory requirements to properly close and maintain active and inactive landfill sites. Under environmental law, there is a requirement for closure and post-closure care of solid waste landfill sites. Liabilities are recorded when environmental claims or remedial effort are probable, and the costs can be reasonably estimated. Expenditures that relate to an existing condition caused by past operations, and which do not contribute to future revenue generation, are expensed.

No liabilities has been recorded as of March 31, 2012 as the costs cannot be reasonably estimated.

Recent accounting pronouncements

Tax revenue

In February 2010, the Public Sector Accounting Board (PSAB) issued PS 3510 *Tax Revenue* to provide guidance on how to account for and report tax revenue in government financial statements. This section establishes recognition, measurement, presentation and disclosure requirements for tax revenue. As a result of the Department of Aboriginal Affairs and Northern Development Canada requiring First Nations to apply the Canadian public sector accounting standards, the First Nation must follow the requirements in this section. PS 3510 is effective for fiscal years beginning on or after April 1, 2012. The First Nation does not expect the adoption of the new section to have a material impact on its consolidated financial statements.

Liability for contaminated sites

In June 2010, the Public Sector Accounting Board (PSAB) issued PS 3260 *Liability for Contaminated Sites* to establish recognition, measurement and disclosure standards for liabilities associated with the remediation of contaminated sites. The new section defines activities included in a liability for remediation, establishes when to recognize and how to measure a liability for remediation, and provides the related financial statement presentation and disclosure requirements.

PS 3260 is effective for fiscal years beginning on or after April 1, 2014. The First Nation does not expect the adoption of the new section to have a material impact on its consolidated financial statements.

Beardy's & Okemasis Band #96 & #97
Notes to the Consolidated Financial Statements
For the year ended March 31, 2012

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

Government transfers

In March 2011, the Public Sector Accounting Board replaced and revised existing section PS 3410 *Government Transfers* with a newly amended section PS 3410. Newly issued PS 3410 establishes standards on how to account for and report government transfers to individuals, organizations and other governments from both a transferring government and a recipient government perspective. This section permits a recipient government to recognize government transfers as revenue when the transfer is authorized by the transferring government, unless the transfer creates a liability for the recipient. A liability is created as a result of the recipient government not yet meeting eligibility criteria or the existence of stipulations in the transfer agreement. When a government transfer results in recognition of a liability, revenue is recognized by a recipient government as the liability is settled. A transferring government recognizes an expense when the transfer is authorized and the recipient has met all eligibility criteria.

As a result of the Department of Aboriginal Affairs and Northern Development Canada requiring First Nations to apply the Canadian public sector accounting standards, the First Nation must follow the requirements of this section. Newly revised and issued PS 3410 may be applied prospectively or retroactively and is effective for fiscal years beginning on or after April 1, 2012; however, earlier adoption is encouraged. PS 3410 will be applied but the First Nation has not yet determined the effect of the newly issued section on its consolidated financial statements.

Asset classification

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

Net financial assets (net debt)

The First Nation's financial statements are presented so as to highlight net financial assets (net debt) as the measurement of financial position. The net financial assets (net debt) of the First Nation is determined by its financial assets less its liabilities.

3. Accounts receivable

	2012	2011
Aboriginal Affairs and Northern Development Canada	517,041	231,499
Land rental	347,127	388,694
Other	90,791	43,838
Prairie Spirit School Division	80,468	106,733
Federation of Saskatchewan Indian Nations Members	43,000	47,435
Health and Welfare Canada	32,383	38,292
Canada Mortgage and Housing Corporation	30,775	-
Goods and Services Tax	22,173	23,189
Public Health Agency of Canada	21,484	28,475
Saskatchewan Indian Training Assessment Group	20,417	8,000
Other government agencies	20,268	-
	13,735	56,335
	1,239,662	972,490
Allowance for doubtful accounts	(389,132)	(428,489)
	850,530	544,001

Beardy's & Okemasis Band #96 & #97
Notes to the Consolidated Financial Statements
For the year ended March 31, 2012

4. **Restricted cash**

	2012	2011
Current		
AANDC - Flood road repairs project	1,163,510	-
AANDC - Drainage project bank	10,982	891
	1,174,492	891
Long-term		
CMHC replacement reserve bank - Conexus Credit Union	-	191
CMHC operating reserve bank - Conexus Credit Union	-	(56)
CMHC replacement reserve bank - Affinity Credit Union	-	99
CMHC operating reserve bank - Affinity Credit Union	-	5
	-	239
	1,174,492	1,130

Beardy's & Okemasis Band #96 & #97
Notes to the Consolidated Financial Statements
For the year ended March 31, 2012

5. **Investments in First Nation business entities**

The First Nation has investments in the following entities:

	<i>Investment cost</i>	<i>Cumulative share of earnings (loss)</i>	<i>2012 Total investment</i>
Cost:			
IMI Brokerage inc.	20,000	-	20,000
South Medical Clinic	1	-	1
	20,001	-	20,001
Modified Equity:			
101105638 Saskatchewan Ltd.	55,401	35,091	90,492
	75,402	35,091	110,493

The First Nation's investment in 101195638 Saskatchewan Ltd. was established for the purposes of economic development and commenced operations on February 14, 2012.

Summary financial information for 101105638 Saskatchewan Ltd., accounted for using the modified equity method, is as follows:

	<i>101195638 Saskatchewan Ltd. As at March 31, 2012</i>
Assets	
Cash	56,035
Accounts receivable	28,651
Inventory	43,412
Property, plant and equipment	13,240
Total assets	141,338
Liabilities	
Accounts payable and accruals	40,037
Long-term debt	10,809
Total liabilities	50,846
Equity	90,492
Total revenue	294,741
Total expenses	259,650
Net income	35,091
Contributed capital	55,401
Surplus, end of year	90,492

Beardy's & Okemasis Band #96 & #97
Notes to the Consolidated Financial Statements
For the year ended March 31, 2012

6. Funds held in trust

Trust fund accounts arise from moneys derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada. The management of these funds is primarily of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

	2012	2011
Capital Trust		
Balance, beginning of year	5,818	5,818
Less: Transfers to Nation	1,800	-
<hr/>		
Balance, end of year	4,018	5,818
Revenue Trust		
Balance, beginning of year	49,590	47,143
Interest	607	2,447
Land leases	17,360	-
<hr/>		
	67,557	49,590
Less: Transfers to Nation	66,899	-
<hr/>		
Balance, end of year	658	49,590
<hr/>		
	4,676	55,408

Transfers to Nation:

BCR 2010/2011-58	\$ 31,899	Collection on outstanding land lease paid to Ottawa Trust then reimbursed to the First Nation
BCR 2011/2012-70	\$ 35,000	Equity contribution for start-up costs for Blackhawks Gas Station

7. Bank indebtedness

Total bank indebtedness represents bank balances less outstanding cheques.

8. Accounts payable

	2012	2011
Trade	1,376,658	2,172,088
Silverstar Contracting	-	560,000
Pension remittances	206,588	272,349
Receiver General of Canada	313,453	243,985
<hr/>		
	1,896,699	3,248,422

Beardy's & Okemasis Band #96 & #97
Notes to the Consolidated Financial Statements
For the year ended March 31, 2012

9. Deferred revenue

	2012	2011
Land lease deposits	78,525	-
Drainage Project	65,866	-
Flood road repairs project	1,163,510	-
	1,307,901	-

10. Long Term Debt

	2012	2011
Affinity Credit Union loan with principal and interest payments of \$150,239 quarterly, bearing interest at bank prime plus 5.50% due September 2012. Secured by funding from First Nations Trust.	290,878	704,883
Affinity Credit Union loan with principal and interest payments of \$58,874 monthly, bearing interest at bank prime plus 7.50%, due December 2015. Secured by funding from Aboriginal Affairs and Northern Development Canada and Royal Canadian Mounted Police.	2,177,688	2,628,580
Peace Hills Trust loan with principal and interest payments of \$5,021 monthly, bearing interest at 5.85%, due July 2015. Secured by Section 10 housing having a net book value of \$103,340.	394,013	429,767
All Credit Canada Limited loan with monthly payments of \$785 including interest at a rate of 1.99%, due May 2014.	19,188	-
All Credit Canada Limited loan with principal payments of \$522 monthly, with a 0% interest rate, due October 2013.	9,396	15,659
Bank of Nova Scotia mortgage for CMHC Phase I housing, payable in monthly instalments of \$2,852 including interest at 6.65% and due July 2013. Secured by a ministerial guarantee.	128,817	153,700
Peace Hills Trust mortgage for CMHC Phase II housing, payable in monthly instalments of \$4,736 including interest at 7.14% and due July 2012. Secured by a ministerial guarantee.	209,602	249,438
Bank of Nova Scotia mortgage for CMHC Phase III housing, payable in monthly instalments of \$322 including interest at 4.45% and due October 2012. Secured by a ministerial guarantee.	2,225	5,908
Canada Mortgage and Housing Corporation mortgage for CMHC Phase IV housing, payable in monthly instalments of \$2,267 including interest at 1.80% and due October 2012. Secured by a ministerial guarantee.	349,359	365,615
Canada Mortgage and Housing Corporation mortgage for CMHC Phase V housing, payable in monthly instalments of \$2,200 including interest at 4.28% and due December 2012. Secured by a ministerial guarantee.	305,060	316,048
Canada Mortgage and Housing Corporation mortgage for CMHC Phase VI housing, payable in monthly instalments of \$1,547 including interest at 3.90% and due March 2013. Secured by a ministerial guarantee.	221,892	230,139
Canada Mortgage and Housing Corporation mortgage for CMHC Phase VII housing, payable in monthly instalments of \$1,909 including interest at 2.61% and due September 2014. Secured by a ministerial guarantee.	320,135	332,635

Beardy's & Okemasis Band #96 & #97
Notes to the Consolidated Financial Statements
For the year ended March 31, 2012

10. Long-term debt *(Continued from previous page)*

	2012	2011
Canada Mortgage and Housing Corporation mortgage for CMHC Phase VIII housing, payable in monthly instalments of \$2,766 including interest at 2.39% and due September 2015. Secured by a ministerial guarantee.	587,204	603,434
Canada Mortgage and Housing Corporation mortgage for CMHC Phase IX housing, payable in monthly instalments of \$6,902 including interest at 2.97%. Secured by a ministerial guarantee.	1,216,206	1,059,564
	6,231,663	7,095,370
Less: current portion	1,049,326	1,248,908
	5,182,337	5,846,462

Principal repayments on long-term debt in each of the next five years, assuming long-term debt subject to refinancing is renewed with similar terms, are estimated as follows:

2013	1,049,326
2014	822,641
2015	881,481
2016	777,002
2017	224,886

11. Contingency

The Nation has been named as defendant in a claim filed by a contractor who alleges the Nation terminated the individual's contract to provide septic services to the Nation over a 5 year period. The defendant is seeking total damages of \$390,000. Any amount awarded as a result of action will be recorded when reasonably estimable. However, the Nation is of the opinion that they do not have to pay the defendant the damages being sought.

12. Tangible capital assets

The tangible capital assets reconciliation is included in Schedule 1.

Beardy's & Okemasis Band #96 & #97
Notes to the Consolidated Financial Statements
For the year ended March 31, 2012

13. Accumulated surplus

Accumulated surplus consists of the following:

	2012	2011
Funds held in trust	4,675	55,407
CMHC operating reserves	742,073	601,941
Capital	16,878,562	17,871,665
Investments in nation business entities	110,493	20,001
Operating	(3,676,311)	(5,442,013)
	14,059,492	13,107,001

14. Economic dependence

Beardy's & Okemasis Band #96 & #97 receives a significant portion of its revenues from Aboriginal Affairs and Northern Development Canada (AANDC) as a result of Treaties entered into with the government of Canada. These treaties are administered by AANDC under the terms and conditions of the Indian Act. The ability of the Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these treaties.

Due to certain deficiencies in its operation fund position, the Nation is also party to a Remedial Management Plan agreement with Aboriginal Affairs and Northern Development Canada that expires when certain financial indicators are met by the Nation. Under the terms of the agreement, funding from the Remedial Management Plan can be suspended if the Nation does not comply with the terms of the agreement.

15. Canada Mortgage and Housing Corporation Reserves

Under agreements with Canada Mortgage and Housing Corporation (CMHC) the Nation established the following:

- A replacement reserve, established to ensure replacement of capital equipment and for major repairs to the housing units, requires an annual allocation to the reserve. At March 31, 2012 \$572,410 (2011 - \$506,164) has been set aside to fund this reserve. At March 31, 2012 the reserve is underfunded by \$572,410 (2011 - \$505,164).
- A operating reserve established for housing units under the post 1997 Fixed Subsidy Program require surpluses to be retained to offset future operating losses. At March 31, 2012 \$169,663 (2011 - \$124,956) has been retained. At March 31, 2012 the reserve is underfunded by \$169,663 (2011- \$124,956).

Beardy's & Okemasis Band #96 & #97
Notes to the Consolidated Financial Statements
For the year ended March 31, 2012

16. Aboriginal Affairs and Northern Development Canada Funding Reconciliation

Funding per Aboriginal Affairs and Northern Development Canada confirmation	11,954,421
2011 National Child Benefit Reinvestment reconciliation	(100,991)
2011 Summer Work Experience reconciliation	891
2011 Basic Needs reconciliation	(61,308)
2011 Indian Registry Administrators reconciliation	(6,579)
2011 Special Needs reconciliation	(6,363)
Kanaweyihimitowin Child and Family Services Inc. funding	622,349
Deferred revenue - Drainage Project	(65,866)
Deferred revenue Flood Road Repair Project	(1,163,510)
2012 Band Employee Benefits reconciliation	45,571
2012 Basic Needs reconciliation	98,653
2012 Early Childhood Intervention Program reconciliation	(6,363)
2012 National Child Benefit Reinvestment reconciliation	<u>(22,110)</u>
 AANDC funding per financial statements	 <u>11,288,795</u>

17. Comparative figures

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

18. Budget information

The disclosed budget information is unaudited and has been approved by the First Nation's Chief and Council and subsequently adjusted for additional expectations.

Beardy's & Okemasis Band #96 & #97
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2012

	<i>Assets under construction</i>	<i>Automotive</i>	<i>Buildings</i>	<i>Equipment</i>	<i>Heavy equipment</i>	<i>Housing</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	163,876	1,066,716	17,804,515	439,338	599,491	8,715,289	28,789,225
Acquisition of tangible capital assets	9,332	328,751	2,595	61,000	29,900	-	431,578
Disposal of tangible capital assets	-	-	(91,184)	(152,509)	-	(162,369)	(406,062)
Balance, end of year	173,208	1,395,467	17,715,926	347,829	629,391	8,552,920	28,814,741
Accumulated amortization							
Balance, beginning of year	-	807,781	10,438,255	356,969	328,242	4,121,761	16,053,008
Annual amortization	-	164,017	577,819	11,598	58,168	317,097	1,128,699
Accumulated amortization on disposals	-	-	(3,647)	(97,490)	-	-	(101,137)
Balance, end of year	-	971,798	11,012,427	271,077	386,410	4,438,858	17,080,570
Net book value of tangible capital assets	173,208	423,669	6,703,499	76,752	242,981	4,114,062	11,734,171
2011 Net book value of tangible capital assets	163,876	258,935	7,366,260	82,369	271,249	4,593,528	12,736,217

Beardy's & Okemasis Band #96 & #97
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2012

	<i>Subtotal</i>	<i>Infrastructure</i>	<i>Land - 50,197 acres</i>	<i>Roads</i>	<i>2012</i>	<i>2011</i>
Cost						
Balance, beginning of year	28,789,225	3,012,641	6,986,194	691,865	39,479,925	36,834,228
Acquisition of tangible capital assets	431,578	-	-	-	431,578	2,645,697
Disposal of tangible capital assets	(406,062)	-	-	-	(406,062)	-
Balance, end of year	28,814,741	3,012,641	6,986,194	691,865	39,505,441	39,479,925
Accumulated amortization						
Balance, beginning of year	16,053,008	719,148	-	102,765	16,874,921	15,823,072
Annual amortization	1,128,699	75,316	-	14,914	1,218,929	1,051,849
Accumulated amortization on disposals	(101,137)	-	-	-	(101,137)	-
Balance, end of year	17,080,570	794,464	-	117,679	17,992,713	16,874,921
Net book value of tangible capital assets	11,734,171	2,218,177	6,986,194	574,186	21,512,728	22,605,004
2011 Net book value of tangible capital assets	12,736,217	2,293,493	6,986,194	589,100	22,605,004	

Beardy's & Okemasis Band #96 & #97
Schedule 2 - Consolidated Schedule of Expenses by Object
For the year ended March 31, 2012

	2012 Budget (unaudited)	2012	2011
Consolidated expenses by object			
Administration	45,736	30,181	41,090
Amortization	-	1,218,929	1,051,851
Automotive	212,139	249,137	239,041
Bad debts	6,155	24,322	8,658
Bank charges and interest	341,422	415,579	505,058
CMHC rent subsidy	-	-	9,237
Child maintenance	168,759	85,092	203,458
Community donations	2,200	4,187	18,964
Community events	53,000	129,273	285,691
Contracted services	688,503	1,075,841	1,546,547
Education	22,500	21,485	35,435
Elder's History	-	-	47,000
Elders and veterans	-	1,650	11,380
Equipment rental	15,000	18,206	14,629
Furniture and equipment	115,437	23,819	52,665
Graduation and awards	30,000	22,858	32,771
Group insurance	56,723	56,723	72,997
Honorarium	43,688	58,396	149,071
Insurance	49,037	155,760	189,648
Interest on long-term debt	-	457,282	354,085
Junior Rangers Forestry Program	-	38,086	51,407
Lease payments	12,144	27,605	17,633
Medical supplies and prescriptions	3,395	21,046	43,505
Miscellaneous	175,748	134,385	317,714
National child benefit - projects	-	501,123	699,659
Pension	-	177,776	157,785
Professional fees	168,345	317,691	354,965
Promotion	8,398	45,604	9,731
Recovery of prior year surplus	-	-	34,854
Rent	20,125	14,525	30,900
Repairs and maintenance	83,727	376,135	807,209
Salaries and benefits	6,146,464	6,292,578	7,037,354
Social assistance	2,590,376	2,604,059	2,702,993
Student assistance	500,000	567,235	632,413
Student expenses	1,200	12,441	6,415
Supplies	512,188	507,348	686,426
Telephone	38,737	65,243	88,010
Training	249,702	227,718	350,680
Travel	300,551	231,016	474,834
Tuition costs	300,000	357,675	316,976
Upgrading allowance	71,031	126,739	121,768
Utilities	210,285	247,467	385,051
Willow Cree Broadcasting	-	-	25,000
	13,242,715	16,942,215	20,222,558

Beardy's & Okemasis Band #96 & #97
Band Administration
Schedule 3 - Schedule of Revenue and Expenses
For the year ended March 31, 2012

	2012 Budget (unaudited)	2012	2011
Revenue			
Aboriginal Affairs and Northern Development Canada	720,368	975,433	914,721
Recovery of loan interest	-	602,164	-
Rental	-	-	16,230
Federation of Saskatchewan Indian Nations	-	-	50,872
First Nations Trust	925,000	925,528	-
Northern Lights Community Development Corporation	-	108,924	40,000
Northwest Professional Services Corporation	120,000	72,263	-
Other	-	270,994	220,287
	1,765,368	2,955,306	1,242,110
Expenses			
Administration	-	(7,302)	-
Automotive	5,000	4,361	4,668
Bad debts	-	4,262	-
Bank charges and interest	330,000	368,508	440,173
CMHC rent subsidy	-	-	9,237
Community events	-	20,891	18,085
Contracted services	120,000	124,497	161,500
Elders and veterans	-	150	11,380
Equipment rental	15,000	18,116	14,484
Furniture and equipment	10,000	825	-
Group insurance	56,723	56,723	72,997
Honorarium	7,000	22,066	44,372
Insurance	6,000	-	31,165
Interest on long-term debt	-	282,194	192,686
Miscellaneous	5,000	5,271	76,275
Pension	-	177,776	157,785
Professional fees	65,000	145,888	205,286
Repairs and maintenance	6,000	8,201	7,872
Salaries and benefits	728,699	533,248	237,619
Supplies	38,000	44,873	123,396
Telephone	3,000	4,967	25,576
Training	5,000	31,615	72,572
Travel	2,700	44,408	55,441
Utilities	-	39,318	2,565
Willow Cree Broadcasting	-	-	25,000
	1,403,122	1,930,856	1,990,134
Surplus (deficit) before transfers	362,246	1,024,450	(748,024)
Transfers between programs	-	(134,813)	27,136
Surplus (deficit)	362,246	889,637	(720,888)

Beardy's & Okemasis Band #96 & #97
Economic Development
Schedule 4 - Schedule of Revenue and Expenses
For the year ended March 31, 2012

	2012 Budget (unaudited)	2012	2011
Revenue			
Aboriginal Affairs and Northern Development Canada	-	-	122,600
Rental	-	1,395	18,802
Northwest Professional Services Corporation	120,000	70,307	-
Other	-	65,665	31,471
	120,000	137,367	172,873
Expenses			
Automotive	300	255	119
Bank charges and interest	-	-	585
Community donations	-	-	6,000
Contracted services	1,000	400	50,800
Honorarium	2,000	1,500	15,880
Miscellaneous	60,000	11,390	91,532
Professional fees	-	2,500	14,965
Repairs and maintenance	600	291	120
Salaries and benefits	51,400	43,022	141,366
Supplies	1,200	687	23,202
Telephone	-	281	-
Training	6,000	(3,980)	24,303
Travel	24,000	-	18,030
Utilities	-	374	2,320
	146,500	56,720	389,222
Surplus (deficit) before transfers	(26,500)	80,647	(216,349)
Transfers between programs	-	35,000	-
Surplus (deficit)	(26,500)	115,647	(216,349)

Beardy's & Okemasis Band #96 & #97
Education
Schedule 5 - Schedule of Revenue and Expenses
For the year ended March 31, 2012

	2012 Budget (unaudited)	2012	2011
Revenue			
Aboriginal Affairs and Northern Development Canada	4,606,170	4,708,043	4,631,163
Prairie Spirit School Division	325,000	254,713	361,652
Saskatchewan Indian Institute of Technology	-	97,552	234,799
Northwest Nations Education Council	402,625	178,603	160,006
Federation of Saskatchewan Indian Nations	80,000	89,500	90,935
Other	-	33,002	9,269
	5,413,795	5,361,413	5,487,824
Expenses			
Administration	36,000	20,246	-
Amortization	-	497,713	486,692
Automotive	131,500	148,403	131,946
Bad debts	-	28,546	-
Bank charges and interest	5,400	40,993	23,409
Community donations	2,200	3,873	1,180
Community events	-	-	850
Contracted services	80,400	73,686	154,392
Education	22,500	21,485	35,435
Elder's History	-	-	47,000
Furniture and equipment	51,400	17,910	43,327
Graduation and awards	30,000	22,858	32,771
Honorarium	-	370	23,042
Insurance	-	5,075	5,723
Interest on long-term debt	-	-	7,381
Miscellaneous	63,509	60,442	62,116
Promotion	-	-	750
Rent	-	-	600
Repairs and maintenance	12,000	-	1,301
Salaries and benefits	3,242,773	3,175,066	3,433,643
Student assistance	500,000	567,235	632,413
Student expenses	1,200	12,441	6,415
Supplies	223,743	151,932	191,936
Telephone	13,500	22,713	15,156
Training	34,700	3,748	20,887
Travel	24,500	6,183	41,192
Tuition costs	300,000	357,675	316,976
Utilities	128,000	97,841	135,531
	4,903,325	5,336,434	5,852,064
Surplus (deficit)	510,470	24,979	(364,240)

Beardy's & Okemasis Band #96 & #97
Justice
Schedule 6 - Schedule of Revenue and Expenses
For the year ended March 31, 2012

	2012 Budget (unaudited)	2012	2011
Revenue			
Department of Justice Canada	28,998	28,998	48,998
Other	-	4,640	32,399
Saskatchewan Justice	53,583	70,700	48,600
	82,581	104,338	129,997
Expenses			
Automotive	-	60	2,719
Bad debts	-	2,710	-
Contracted services	8,000	3,385	25,800
Honorarium	3,900	1,575	15,159
Insurance	3,000	-	1,018
Interest on long-term debt	-	-	18,364
Miscellaneous	-	-	192
Professional fees	2,000	-	-
Repairs and maintenance	-	50,243	601
Salaries and benefits	55,173	57,131	57,757
Supplies	1,254	3,347	5,174
Telephone	1,243	3,844	3,844
Training	3,360	2,545	16,022
Travel	3,500	6,080	6,867
Utilities	-	-	111
	81,430	130,920	153,628
Surplus (deficit)	1,151	24,971	(23,631)

Beardy's & Okemasis Band #96 & #97
Kanawayihimitowin Child and Family Services Inc.
Schedule 7 - Schedule of Revenue and Expenses
For the year ended March 31, 2012

	2012 Budget (unaudited)	2012	2011
Revenue			
Aboriginal Affairs and Northern Development Canada	674,774	622,349	1,156,756
Child Tax Benefit	24,704	25,421	43,490
Ministry of Social Services	19,711	7,776	34,728
Other	49,730	1,270	18,861
	768,919	656,816	1,253,835
Expenses			
Amortization	-	-	5,307
Bad debts	-	286	-
Bank charges and interest	70	164	97
Child maintenance	168,759	85,092	203,458
Community events	-	787	5,260
Contracted services	35,583	57,305	103,339
Furniture and equipment	1,167	-	-
Honorarium	7,000	10,000	13,750
Insurance	1,400	1,484	3,712
Lease payments	6,300	5,268	9,371
Miscellaneous	24,704	5,652	25,622
Professional fees	85,750	37,002	67,905
Promotion	2,917	7,730	4,020
Rent	13,125	6,000	22,500
Repairs and maintenance	4,200	3,177	6,854
Salaries and benefits	236,752	221,102	327,702
Supplies	3,792	7,352	9,446
Telephone	4,900	6,541	9,608
Training	10,929	20,698	8,086
Travel	32,900	8,190	60,459
Upgrading allowance	71,031	126,739	121,768
Utilities	7,583	3,968	8,528
	718,862	614,537	1,016,792
Surplus before other items	50,057	42,279	237,043
Other expense			
Impairment writedown on capital assets	-	(93,458)	-
Surplus (deficit)	50,057	(51,179)	237,043

Beardy's & Okemasis Band #96 & #97
Land Management
Schedule 8 - Schedule of Revenue and Expenses
For the year ended March 31, 2012

	2012 <i>Budget</i> <i>(unaudited)</i>	2012	2011
Revenue			
Aboriginal Affairs and Northern Development Canada	233,655	233,655	243,530
Rental	-	459,050	454,010
Other	-	11,418	7,227
	233,655	704,123	704,767
Expenses			
Amortization	-	7,400	7,400
Bad debts	-	(11,481)	(7,520)
Bank charges and interest	-	-	222
Community events	-	2,300	250
Honorarium	-	14,678	15,712
Junior Rangers Forestry Program	-	38,086	51,407
Miscellaneous	-	44,473	27,597
Professional fees	-	9,361	29,955
Repairs and maintenance	-	44,522	20,477
Salaries and benefits	150,706	160,440	179,684
Supplies	30,000	-	-
Training	-	-	167
Travel	4,500	10,483	14,690
	185,206	320,262	340,041
Surplus before transfers	48,449	383,861	364,726
Transfers between programs	-	(33,551)	(201,487)
Surplus	48,449	350,310	163,239

Beardy's & Okemasis Band #96 & #97
Ottawa Trust
Schedule 9 - Schedule of Revenue and Expenses
For the year ended March 31, 2012

	2012 Budget (unaudited)	2012	2011
Revenue			
Rental	-	17,360	-
Other	-	607	2,447
Surplus before transfers	-	17,967	2,447
Transfers between programs	-	(68,699)	-
Surplus (deficit)	-	(50,732)	2,447

Beardy's & Okemasis Band #96 & #97
Public Works
Schedule 10 - Schedule of Revenue and Expenses
For the year ended March 31, 2012

	2012 <i>Budget</i> <i>(unaudited)</i>	2012	2011
Revenue			
Aboriginal Affairs and Northern Development Canada	612,668	1,378,303	1,738,103
Canada Mortgage and Housing Corporation	-	283,341	239,028
Rental	-	144,697	216,867
Other	12,000	62,197	31,840
Saskatchewan Environment	30,957	34,864	37,165
	655,625	1,903,402	2,263,003
Expenses			
Administration	-	1,353	30,090
Amortization	-	558,719	467,056
Automotive	40,200	44,221	63,707
Bank charges and interest	-	-	4,995
Contracted services	304,200	421,538	606,169
Equipment rental	-	90	104
Furniture and equipment	5,000	5,085	-
Honorarium	-	(103)	300
Insurance	1,670	118,237	104,778
Interest on long-term debt	-	175,087	135,655
Miscellaneous	-	(2,532)	3,490
Professional fees	-	112,769	15,585
Repairs and maintenance	23,717	239,411	664,500
Salaries and benefits	185,415	335,006	452,973
Supplies	22,500	25,963	129,087
Telephone	1,000	5,189	11,480
Training	5,000	2,137	1,723
Travel	9,625	9,828	32,656
Utilities	36,500	56,703	149,084
	634,827	2,108,701	2,873,432
Deficit before other items	20,798	(205,299)	(610,429)
Other expense			
Impairment writedown on capital assets	-	(103,339)	-
Transfers between programs	-	4,835	64,774
Surplus (deficit)	20,798	(303,803)	(545,655)

Beardy's & Okemasis Band #96 & #97
Social Development
Schedule 11 - Schedule of Revenue and Expenses
For the year ended March 31, 2012

	2012 <i>Budget</i> <i>(unaudited)</i>	2012	2011
Revenue			
Aboriginal Affairs and Northern Development Canada	2,820,343	3,371,012	3,453,025
Correction Services Canada	-	235,213	273,313
	2,820,343	3,606,225	3,726,338
Expenses			
Administration	9,736	15,885	11,000
Bank charges and interest	-	-	27,110
Community donations	-	(347)	11,784
Community events	-	6,900	11,300
Contracted services	-	213,237	220,926
Elders and veterans	-	1,500	-
Honorarium	-	213	300
Medical supplies and prescriptions	3,395	21,046	43,505
National child benefit - projects	-	501,123	699,659
Salaries and benefits	154,369	155,421	482,564
Social assistance	2,590,376	2,604,059	2,702,993
Supplies	6,000	7,050	4,594
Training	-	35,246	63,608
Travel	28,500	9,944	51,385
	2,792,376	3,571,277	4,330,728
Surplus (deficit)	27,967	34,948	(604,390)

Beardy's & Okemasis Band #96 & #97
Sports and Recreation
Schedule 12 - Schedule of Revenue and Expenses
For the year ended March 31, 2012

	2012 Budget (unaudited)	2012	2011
Revenue			
Rental	15,000	14,388	-
First Nations Trust	89,000	-	845,024
Northern Lights Community Development Corporation	67,000	54,134	-
Other	21,000	20,884	13,630
	192,000	89,406	858,654
Expenses			
Automotive	1,250	1,031	1,685
Bank charges and interest	-	-	81
Community donations	-	662	-
Community events	53,000	98,394	249,945
Contracted services	1,500	1,266	75,091
Equipment rental	-	-	41
Furniture and equipment	-	-	6,150
Honorarium	700	695	7,073
Miscellaneous	-	-	5,101
Repairs and maintenance	21,000	7,031	82,598
Salaries and benefits	89,850	88,099	286,660
Supplies	7,000	6,834	13,041
Telephone	4,000	3,959	5,035
Training	-	-	7,576
Travel	700	717	25,085
Utilities	25,000	26,392	65,860
	204,000	235,080	831,022
Surplus (deficit) before transfers	(12,000)	(145,674)	27,632
Transfers between programs	-	145,674	109,577
Surplus (deficit)	(12,000)	-	137,209

