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KINONJEOSHTEGON FIRST NATION  
CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024

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**KINONJEOSHTEGON FIRST NATION**  
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**MARCH 31, 2024**

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of Kinonjeoshtegon First Nation are the responsibility of management and have been approved by the Chief and Council.

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

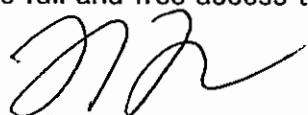
The First Nation maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the First Nation's assets are appropriately accounted for and adequately safeguarded.

The First Nation's Chief and Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

Management reviews the First Nation's financial statements with Chief and Council and recommends their approval. The Chief and Council meets periodically with management as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities and to review the annual report, the financial statements and the external auditors' report.

The consolidated financial statements have been audited by Baker Tilly HMA LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. Baker Tilly HMA LLP has full and free access to the Management and Chief and Council.

Chief



Councillor

William Patchinose  
Councillor

Henry Ross  
Councillor



**INDEPENDENT AUDITOR'S REPORT**

To the Chief, Council and Membership  
Kinonjeoshtegon First Nation

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**Opinion**

We have audited the accompanying consolidated financial statements of Kinonjeoshtegon First Nation, which comprise the consolidated statement of financial position as at March 31, 2024, and the consolidated statements of operations and accumulated surplus, changes in net debt and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Kinonjeoshtegon First Nation as at March 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

**Basis for Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of Kinonjeoshtegon First Nation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the 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.

In preparing the consolidated financial statements, management is responsible for assessing Kinonjeoshtegon First Nation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Kinonjeoshtegon First Nation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Kinonjeoshtegon First Nation's financial reporting process.

*(continued.....)*

### **Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Kinonjeoshtegon First Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Kinonjeoshtegon First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Kinonjeoshtegon First Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Baker Tilly HMA LLP*

Chartered Professional Accountants

Winnipeg, Manitoba  
September 24, 2025

# KINONJEOSHTEGON FIRST NATION

STATEMENT 1

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at MARCH 31

2024

2023

### FINANCIAL ASSETS

Cash and cash equivalents	\$ 5,196,156	\$ 4,835,753
Restricted cash (Note 4)	214,363	520,485
Accounts receivable (Note 5)	<u>667,254</u>	<u>625,200</u>
	<u>6,077,773</u>	<u>5,981,438</u>

### LIABILITIES

Accounts payable and accrued liabilities (Note 6)	3,215,698	2,379,453
Deferred revenue (Note 7)	1,007,990	2,086,588
Long-term debt (Note 9)	<u>2,952,776</u>	<u>3,207,258</u>
	<u>7,176,464</u>	<u>7,673,299</u>
NET DEBT	<u>( 1,098,691)</u>	<u>( 1,691,861)</u>

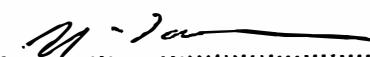
### NON-FINANCIAL ASSETS

TANGIBLE CAPITAL ASSETS (Note 17)	31,121,067	30,659,572
CONSTRUCTION IN PROCESS (Note 10)	<u>883,800</u>	<u>1,852,000</u>
	<u>32,004,867</u>	<u>32,511,572</u>
ACCUMULATED SURPLUS	<u>\$ 30,906,176</u>	<u>\$ 30,819,711</u>
CONTINGENCIES (Note 14)		

Approved by Chief and Council



Chief



Councillor



Councillor



Councillor



 **bakertilly**

# KINONJEOSHTEGON FIRST NATION

STATEMENT 2

## CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

YEAR ENDED MARCH 31

	BUDGET (UNAUDITED)	2024	2023
<b>REVENUE</b>			
Indigenous Services Canada	\$ 10,644,022	<b>\$ 10,644,022</b>	\$ 11,036,946
Canada Mortgage and Housing Corporation	650,000	<b>650,666</b>	289,631
Employment and Social Development Canada	125,000	<b>125,341</b>	184,221
Rental Income	350,000	<b>304,579</b>	367,027
Other revenue	6,000,000	<b>6,254,509</b>	1,713,123
Deferred from prior year	2,086,588	<b>2,086,588</b>	6,381,504
Deferred to subsequent year	(1,000,000)	<b>(1,007,990)</b>	(2,086,588)
	<b>18,855,610</b>	<b>19,057,715</b>	<b>17,885,864</b>
<b>EXPENDITURES</b>			
Band Administration	8,000,000	<b>8,202,942</b>	1,268,929
Capital Projects	1,000,000	<b>985,815</b>	2,278,956
Community and Economic Development	25,000	<b>25,199</b>	133,453
Community Services	1,100,000	<b>1,086,496</b>	1,304,447
Community Wellness	4,850,000	<b>4,848,485</b>	3,480,746
Education	2,350,000	<b>2,361,249</b>	2,281,708
Social Services	725,000	<b>736,803</b>	1,320,692
Employment and Training	150,000	<b>151,006</b>	278,649
Housing	550,000	<b>573,255</b>	568,936
	<b>18,750,000</b>	<b>18,971,250</b>	<b>12,916,516</b>
ANNUAL SURPLUS	<b>105,610</b>	<b>86,465</b>	<b>4,969,348</b>
ACCUMULATED SURPLUS, <i>beginning of year</i>	<b>30,819,711</b>	<b>30,819,711</b>	<b>25,850,363</b>
ACCUMULATED SURPLUS, <i>end of year</i>	<b>\$ 30,925,321</b>	<b>\$ 30,906,176</b>	<b>\$ 30,819,711</b>

# KINONJEOSHTEGON FIRST NATION

STATEMENT 3

## CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT

YEAR ENDED MARCH 31

	BUDGET (UNAUDITED)	2024	2023
Annual surplus	\$ 105,610	\$ 86,465	\$ 4,969,348
Acquisition of tangible capital assets and CIP - net	( 1,400,000)	( 1,395,590)	( 4,982,961)
Amortization of tangible capital assets	<u>1,900,000</u>	<u>1,902,295</u>	<u>1,753,233</u>
	<u>500,000</u>	<u>506,705</u>	<u>( 3,229,728)</u>
CHANGE IN NET DEBT FOR YEAR	605,610	593,170	1,739,620
NET DEBT, <i>beginning of year</i>	<u>( 1,691,861)</u>	<u>( 1,691,861)</u>	<u>( 3,431,481)</u>
NET DEBT, <i>end of year</i>	<u>\$ ( 1,086,251)</u>	<u>\$ ( 1,098,691)</u>	<u>\$ ( 1,691,861)</u>

## KINONJEOSHTEGON FIRST NATION

#### **STATEMENT 4**

## **CONSOLIDATED STATEMENT OF CASH FLOWS**

YEAR ENDED MARCH 31

2024

2023

## **OPERATING ACTIVITIES**

Cash receipts from funding agencies and other sources	\$ 17,937,063	\$ 13,431,420
Cash paid to suppliers	( 11,455,131)	( 6,281,798)
Cash paid to employees	( 4,715,407)	( 3,688,685)
Interest paid	<u>( 62,172)</u>	<u>( 62,474)</u>
	<u>1,704,353</u>	<u>3,398,463</u>

### *INVESTING ACTIVITY*

Acquisition of tangible capital assets and CIP - net **(1,395,590)** **(4,982,961)**

## **FINANCING ACTIVITIES**

Repayment of long-term debt	( <u>254,482</u> )	( <u>254,296</u> )
NET INCREASE (DECREASE) IN CASH DURING YEAR	<u>54,281</u>	( <u>1,838,794</u> )
CASH, <i>beginning of year</i>	<u>5,356,238</u>	<u>7,195,032</u>
CASH, <i>end of year</i>	<u>\$ 5,410,519</u>	<u>\$ 5,356,238</u>

## CASH COMPRISED OF

Cash	\$ 5,196,156	\$ 4,835,753
Restricted cash	<u>214,363</u>	<u>520,485</u>
	\$ 5,410,519	\$ 5,356,238

# KINONJEOSHTEGON FIRST NATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024

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### 1. OPERATIONS

The Kinonjeoshtegon First Nation (the "First Nation") is located in the province of Manitoba, and provides various services to its members. The Kinonjeoshtegon First Nation financial reporting entity includes all related entities which are accountable to the First Nation and are either owned or controlled by the First Nation.

### 2. SIGNIFICANT ACCOUNTING POLICIES

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

#### *BASIS OF PRESENTATION*

Sources of revenue and expenses are recorded using the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of the legal obligation to pay.

#### *PRINCIPLES OF CONSOLIDATION*

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

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

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

- Kinonjeoshtegon First Nation Government
- Kinonjeoshtegon First Nation Education Authority
- Kinonjeoshtegon First Nation Health Program
- Kinonjeoshtegon First Nation Employment and Training
- Kinonjeoshtegon First Nation Housing Authority

**2. SIGNIFICANT ACCOUNTING POLICIES *(continued)******REVENUE RECOGNITION***

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that the transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose.

Revenue related to fees or services received in advance of the fee being earned or the service performed is deferred and recognized when the fee is earned or service performed.

***SEGMENTS***

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

For each reported segment, revenue and expenses 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.

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.

***ASSET RETIREMENT OBLIGATIONS***

Liabilities are recognized for statutory, contractual, or legal obligations, associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development, or normal operations of the assets. The obligations are measured initially at management's best estimate at the present value of the estimated future cash flows required to settle the retirement obligation. In subsequent periods, the liability is adjusted for the accretion discount and any changes in the amount or timing of the underlying future cash flows. The capitalized asset retirement cost is amortized on the same basis as the related asset and the discount accretion is included in determining the results of operations.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****MARCH 31, 2024****2. SIGNIFICANT ACCOUNTING POLICIES *(continued)******FINANCIAL INSTRUMENTS*****Measurement**

The Kinonjeoshtegon First Nation measures all of its financial assets and financial liabilities at cost or amortized cost, except for the following, which are measured at fair value without any adjustment for transaction costs: derivatives, marketable securities in equity instruments that are quoted in an active market and the marketable securities that the Nation has elected to measure at fair value. The effective interest rate method is used to determine interest revenue or expenses for financial instruments measured at amortized cost.

Financial assets measured at amortized cost include cash, accounts receivable and federal trust funds. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and long-term debt.

No financial assets are measured at fair value.

**Transaction costs**

Transaction costs attributable to financial instruments measured at fair value are recognized in the Statement of Operations in the period incurred. Transaction costs for financial instruments measured at cost or amortized cost are recognized in the original cost of the instrument.

**Impairment**

At the end of each reporting period, management assesses financial assets or groups of financial assets for evidence of objective impairment. An impairment loss is recognized in the Statement of Operations when there is a loss in value that is other than temporary. Future recoveries of impaired financial assets are recognized in the Statement of Operations when received.

***NON-FINANCIAL ASSETS***

The First 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.

***CASH AND CASH EQUIVALENTS***

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024

### 2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### *FUNDS HELD IN OTTAWA TRUST FUND*

Funds held in trust on behalf of the First Nation members by the Government of Canada on Ottawa Trust Fund are reported as restricted cash. Trust monies consists of:

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

These funds are held in trust in the Consolidated Revenue fund of the Government of Canada. The management of these funds is primarily governed by sections 63 to 69 of the Indian Act.

#### *TANGIBLE CAPITAL ASSETS*

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

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

Amortization is provided for on a straight-line basis over the expected useful life of the assets as follows:

	Rate
Works and infrastructure	20 to 40 years
Informatics hardware	2 to 5 years
Informatics software	1 to 10 years
Buildings	15 to 30 years
Motor vehicles	2 to 10 years
Machinery and equipment	5 to 15 years
Leasehold improvements	Shorter of lease term or useful life
Betterments	Shorter of useful life of betterment or asset

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

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

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****MARCH 31, 2024****2. SIGNIFICANT ACCOUNTING POLICIES *(continued)******LONG-LIVED ASSETS***

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

The Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount 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 the amount by which the asset's carrying amount exceeds its fair value. Any impairment is included in the statement of operations for the year in which the asset becomes impaired.

***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 liabilities. Net debt combined with non-financial assets comprises a second indicator of financial position, accumulated surplus.

***EMPLOYEE FUTURE BENEFITS***

The First Nation's employee future benefit program consists of a defined contribution pension plan. The First Nation's contributions to the defined contribution plan are expensed as incurred.

***PROVISION FOR SITE REHABILITATION***

Environmental law requires appropriate closure and post-closure care of landfill sites. This would include covering and landscaping of the site an ongoing environmental monitoring, site inspection and maintenance. No liability has been recorded as of March 31, 2024 as funding from agencies will offset any cost associated with the closure of landfill sites.

***USE OF ESTIMATES***

The preparation of the 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 receivables are stated after estimates as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

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

Asset retirement obligations are estimated based on the present value of the required cost at retirement of specific assets.

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

**3. CHANGE IN ACCOUNTING POLICY*****ASSET RETIREMENT OBLIGATIONS***

On April 1, 2022, the Kinonjeoshtegon First Nation adopted the PSAS Section (PS 3280) "Asset Retirement Obligations". The new standard includes the requirement for the recognition, measurement, presentation, and disclosure of asset retirement obligations and is effective for the years beginning on or after April 1, 2022. There was no significant impact on these consolidated financial statements as a result of the adoption of this standard as no legal or constructive obligations were identified.

***FINANCIAL INSTRUMENTS***

On April 1, 2022, the Kinonjeoshtegon First Nation adopted the PSAS Section (PS 3450) "Financial Instruments". The new standard establishes standards for recognizing and measuring financial assets, financial liabilities, and non-financial derivatives. There was no significant impact on these consolidated financial statements as result of the adoption of these standards.

As part of adoption of PSAS 3450, on April 1, 2022 the Kinonjeoshtegon First Nation was also required to adopt PSAS section (PS 3041) "Portfolio Investments" which has removed the distinction between temporary and portfolio investments, PSAS Section (PS 2601)"Foreign Currency Translation" which requires unrealized gains and losses to be presented on the statement of re-measurement gains and losses and PSAS Section (PS 1201)"Financial Statement Presentation" which required a new statement of re-measurement gains and losses separate from the statement of operations. The adoption of these standards/amendments had no significant impact on the Nation's consolidated financial statements and there are no remeasurement gains and losses, so no statement has been presented.

# KINONJEOSHTEGON FIRST NATION

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024

### 4. RESTRICTED CASH

	2 0 2 4	2 0 2 3
Ottawa Trust	\$ 6,276	\$ 6,069
CMHC Replacement Reserve	199,995	200,031
Water Treatment Plant Project	<u>8,092</u>	<u>314,385</u>
	<u><u>\$ 214,363</u></u>	<u><u>\$ 520,485</u></u>

### 5. ACCOUNTS RECEIVABLE

	2 0 2 4	2 0 2 3
Indigenous Services Canada	\$ 424,045	\$ 96,178
Canada Mortgage and Housing Corporation	129,540	209,952
First Peoples Development Inc.	113,669	38,847
Penn-Co Construction Canada Ltd.	<u>280,223</u>	<u>625,200</u>
	<u><u>667,254</u></u>	<u><u>625,200</u></u>

### 6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2 0 2 4	2 0 2 3
Trade payables	\$ 3,139,740	\$ 2,303,256
Indigenous Services Canada	71,455	71,455
CMHC accrued mortgage interest	<u>4,503</u>	<u>4,742</u>
	<u><u>\$ 3,215,698</u></u>	<u><u>\$ 2,379,453</u></u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****MARCH 31, 2024**

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7. DEFERRED REVENUE	2 0 2 4	2 0 2 3
Indigenous Services Canada:		
CFS Prevention	255,520	
FN School Targeted HCSE	20,771	
Operations - CFS	32,903	
FN Representative Service	21,967	
Renovation	10,481	
Monitoring - CSMWG Step 10 (LSM School Soil Remediation)	10,492	
LEDSP Non-Block Core	23,285	
Roads and bridges	190,096	278,000
Instructional Services - FN School Formula	13,610	71,000
ESE Implen/Expan Ad Edu	81,749	112,907
Post Secondary Student Support Program	92,128	
Service delivery	177,990	153,486
Jordan's Principle - Respite Care	18,688	
HCC - Service Delivery	58,310	705,973
Leadership governance capacity development		175,000
Capacity development		25,000
Capacity development HR management governance		22,500
School capital funding ventilation		31,067
ICSF Emergency management assistance program		73,173
Jordan's principle		182,202
Mental health		25,830
Facility operations and maintenance		230,450
	<hr/>	<hr/>
	<u>\$ 1,007,990</u>	<u>\$ 2,086,588</u>

**8. ECONOMIC DEPENDENCE**

The government of Kinonjeoshtegon First Nation receives a major portion of its revenue from Indigenous Services Canada. The nature and extent of this revenue is of such significance that the First Nation is economically dependent on this source of revenue.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024

## 9. LONG TERM DEBT

	2 0 2 4	2 0 2 3
(1) Canada Mortgage and Housing Corporation; interest at 4.51% per annum, repayable at \$2,641 per month including interest; secured by loan guarantee from Indigenous Services Canada.	\$ 79,537	\$ 107,197
(2) Canada Mortgage and Housing Corporation; interest at 1.22% per annum repayable at \$2,008 per month including interest; secured by loan guarantee from Indigenous Services Canada.	113,035	135,599
(3) Canada Mortgage and Housing Corporation; interest at 1.12% per annum repayable at \$4,570 per month including interest; secured by loan guarantee from Indigenous Services Canada.	615,554	663,206
(4) Canada Mortgage and Housing Corporation; interest at 3.45% per annum repayable at \$3,186 per month including interest; secured by loan guarantee from Indigenous Services Canada.	398,580	422,672
(5) Canada Mortgage and Housing Corporation; interest at 3.09% per annum repayable at \$3,957 per month including interest; secured by loan guarantee from Indigenous Services Canada.	521,584	552,500
(6) Canada Mortgage and Housing Corporation; interest at 0.80% per annum repayable at \$6,558 per month including interest; secured by loan guarantee from Indigenous Services Canada.	840,495	912,155
(7) Canada Mortgage and Housing Corporation; interest at 1.30% per annum repayable at \$2,862 per month including interest; secured by loan guarantee from Indigenous Services Canada.	383,991	413,143
(8) Peace Hills Trust mortgage; repayable at \$1,836 per month plus interest at 3.45% per annum, compounded semi-annually, secured by ministerial guarantee.	-	786
	<u>\$ 2,952,776</u>	<u>\$ 3,207,258</u>

Principal repayment terms are approximately:

2025	\$ 258,177
2026	263,156
2027	257,707
2028	240,702
2029	240,606
Thereafter	<u>1,692,428</u>
	<u>\$ 2,952,776</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024

## 10. CONSTRUCTION IN PROGRESS

	2 0 2 4	2 0 2 3
CMHC project	\$ 584,800	\$
Roads and bridges project	299,000	1,171,000
Immediate needs project		348,000
CMHC Section 95 housing		333,000
Adaptation project	-	333,000
	<u>883,800</u>	<u>1,852,000</u>

Construction in progress will be transferred to tangible capital assets upon completion and will be amortized accordingly.

## 11. SEGMENTS

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

**Band Administration** - includes administration and governance activities.

**Capital Projects** - includes activities related to the development and sustainment of on-reserve housing, mitigation and repairs of flood damage.

**Community and Economic Development** - reports on the Nation's funding related to development of the community.

**Community Services** - includes activities for the maintenance of the community and its infrastructure.

**Community Wellness** - reports on the Nation's funding related to health and wellness.

**Education** - includes the operations of the education programs.

**Employment programs** - provide employment opportunities for Community members.

**Housing** - includes activities related to the development and sustainment of on-reserve housing.

**Social Services** - activities include delivering social programs.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****MARCH 31, 2024****12. EXPENSES BY OBJECT**

The following is a summary of expenses by object:

	<b>2 0 2 4</b>	<b>2 0 2 3</b>
Amortization	\$ 1,902,295	\$ 1,753,233
Bank charges and interest	62,172	62,474
Compensation and benefits	4,715,407	3,688,685
Insurance	340,869	296,722
Professional fees	1,607,250	377,898
Supplies and services	6,695,587	3,033,873
Repair and maintenance	1,443,445	1,917,262
Social assistance	495,898	479,723
Support to community and members	1,281,537	340,607
Travel, accommodation, and related costs	414,766	789,227
Tuition	<u>12,024</u>	<u>176,812</u>
	<u><u>\$ 18,971,250</u></u>	<u><u>\$ 12,916,516</u></u>

**13. RECONCILIATION OF ISC FUNDING**

	<b>2 0 2 4</b>	<b>2 0 2 3</b>
ISC funding per funding confirmation	<u><u>\$10,644,022</u></u>	<u><u>\$11,036,946</u></u>
TOTAL ISC REVENUE PER FINANCIAL STATEMENTS	<u><u>\$10,644,022</u></u>	<u><u>\$11,036,946</u></u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**MARCH 31, 2024**

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### 14. CONTINGENCIES

Kinonjeoshtegon 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 the normal course of its operations, Kinonjeoshtegon 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 Kinonjeoshtegon First Nation's financial statements.

A claim has been filed with the Court of King's Bench by Minty's Moving Ltd. who commenced an action against the First Nation for the amount of \$320,000. The outcome of this claim was not certain as at March 31, 2024.

Another claim has been filed with the court of King's bench by Sundance Construction & Safety v. A.D. Hanslip Excavating and Demo. This matter concerns a claim by Sundance for unpaid invoices related to the Lagoon upgrade project. Pleadings were filed and there has been no activity of significance since February 2021 (when the Government of Canada filed its statement of defence). KFN cross claimed against A.D. Hanslip Excavating & Demo and filed a Third Party claim against AECOM Canada Ltd. Sundance claim was approximately \$140,000. As of March 31, 2024 it was too soon to determine any prospective outcome. (The matter was settled in October 2024 after KFN, Canada and A.D. Hanslip all brought motion to strike the claim for long delay)

Another claim has been filed with the Canada Industrial Relations Board ("CIRB") against the First Nation for the amount of \$400,000. The claim is being defended by the First Nation and there may be some exposure to liability in the range of approximately \$150,000.

### 15. COMPARATIVE FIGURES

Certain prior year comparative amounts have been reclassified where necessary to conform to the presentation adopted for the current year.

### 16. BUDGET INFORMATION

The disclosed budget information has been approved by the Chief and Council of Kinonjeoshtegon First Nation. The budget figures have not been audited, reviewed or otherwise verified and consequently we do not express an opinion on them.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**MARCH 31, 2024**

**17. TANGIBLE CAPITAL ASSETS**

	Cost			Accumulated Amortization			Net Book Value	
	Opening Balance	Additions	Closing Balance	Opening Balance	Amortization	Closing Balance	March 31, 2024	March 31, 2023
Band buildings	\$ 6,672,377	\$ 1,171,000	\$ 7,843,377	\$ 4,857,400	\$ 392,169	\$ 5,249,569	\$ 2,593,808	\$ 1,814,977
CMHC buildings	5,955,540	348,000	6,303,540	2,107,784	253,696	2,361,480	3,942,060	3,847,756
Waste transfer station	206,523		206,523	127,575	10,326	137,901	68,622	78,948
School buses	55,000		55,000	55,000		55,000		
Vehicles	1,200,509	336,195	1,536,704	489,030	307,341	796,371	740,333	711,479
Furniture and equipment	329,240	30,172	359,412	329,240	2,011	331,251	28,161	
Infrastructure	26,615,278	333,000	26,948,278	2,948,221	866,475	3,814,696	23,133,582	23,667,057
Boats and component parts	153,549	145,423	298,972	27,606	19,931	47,537	251,434	125,942
Heavy equipment	503,459		503,459	90,046	50,346	140,392	363,067	413,413
	<u>\$ 41,691,475</u>	<u>\$ 2,363,790</u>	<u>\$ 44,055,265</u>	<u>\$ 11,031,902</u>	<u>\$ 1,902,295</u>	<u>\$ 12,934,197</u>	<u>\$ 31,121,067</u>	<u>\$ 30,659,572</u>

# KINONJEOSHTEGON FIRST NATION

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024

### 18. SEGMENTED DISCLOSURE

Kinonjeoshtegon First Nation provides a range of services to its members. For management reporting purposes, operations and activities are reported by department. For each segment separately reported, the segment revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The presentation by segment is based on the same accounting policies as described in the summary of Significant Accounting Policies as described in Note 2. The segment results for the year are as follows:

	ADMINISTRATION		CAPITAL PROJECTS		COMMUNITY AND ECONOMIC DEVELOPMENT		COMMUNITY SERVICES		COMMUNITY WELLNESS	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
<b>Revenues</b>										
Federal Government										
ISC	\$ 2,149,753	\$ 900,445	\$ 911,450	\$ 1,796,562	\$ 48,484	\$ 48,484	\$ 1,004,631	\$ 669,243	\$ 3,448,584	\$ 3,720,811
Others	<u>6,243,488</u>	<u>1,632,299</u>	_____	_____	_____	_____	<u>4,160</u>	_____	<u>311,440</u>	_____
Subtotal	8,393,241	2,532,744	911,450	1,796,562	48,484	48,484	1,008,791	669,243	3,760,024	3,720,811
Deferred from prior year	222,500	207,330		3,427,763			278,000	467,308	1,144,455	1,656,402
Deferred to next year	<u>( 331,160)</u>	<u>( 222,500)</u>	<u>( 20,973)</u>	_____	<u>(23,285)</u>	_____	<u>( 190,096)</u>	<u>(278,000)</u>	<u>( 140,059)</u>	<u>(1,144,455)</u>
Total revenue	<u>8,284,581</u>	<u>2,517,574</u>	<u>890,477</u>	<u>5,224,325</u>	<u>25,199</u>	<u>48,484</u>	<u>1,096,695</u>	<u>858,551</u>	<u>4,764,420</u>	<u>4,232,758</u>
<b>Expenditures</b>										
Amortization	2,011		745,440	696,820			373,598	356,278	170,809	160,487
Debt servicing	6,289	7,546								
Other	6,775,705	822,899	178,173	1,445,643	25,199	61,959	518,049	872,609	1,758,921	1,832,710
Salaries	<u>1,418,937</u>	<u>438,484</u>	<u>62,202</u>	<u>136,493</u>	_____	<u>71,494</u>	<u>194,849</u>	<u>75,560</u>	<u>2,918,755</u>	<u>1,487,549</u>
Total expenditures	<u>8,202,942</u>	<u>1,268,929</u>	<u>985,815</u>	<u>2,278,956</u>	<u>25,199</u>	<u>133,453</u>	<u>1,086,496</u>	<u>1,304,447</u>	<u>4,848,485</u>	<u>3,480,746</u>
Surplus (Deficit)	\$ <u>81,639</u>	\$ <u>1,248,645</u>	\$ <u>( 95,338)</u>	\$ <u>2,945,369</u>	\$ <u>-</u>	\$ <u>( 84,969)</u>	\$ <u>10,199</u>	\$ <u>( 445,896)</u>	\$ <u>( 84,065)</u>	\$ <u>752,012</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024

### 18. SEGMENTED DISCLOSURE *(continued)*

	EDUCATION		SOCIAL SERVICES		EMPLOYMENT AND TRAINING		HOUSING		TOTAL	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
<b>Revenues</b>										
Federal Government										
ISC	\$ 2,329,031	\$ 2,319,148	\$ 752,089	\$ 1,582,253	\$ 125,341	\$ 184,221	\$ 650,666	\$ 289,631	\$ 10,644,022	\$ 11,036,946
CMHC										
ESDC										
Other										
Subtotal	2,329,031	2,349,073	752,089	1,582,253	125,341	184,221	650,666	707,557	17,979,117	13,590,948
Deferred from prior year	214,974	533,113	226,659	89,588					2,086,588	6,381,504
Deferred to next year	(13,610)	(214,974)	(196,679)	(226,659)	(92,128)				(1,007,990)	(2,086,588)
<b>Total revenue</b>	<b>2,530,395</b>	<b>2,667,212</b>	<b>782,069</b>	<b>1,445,182</b>	<b>33,213</b>	<b>184,221</b>	<b>650,666</b>	<b>707,557</b>	<b>19,057,715</b>	<b>17,885,864</b>
<b>Expenditures</b>										
Amortization	350,969	286,419					259,468	253,229	1,902,295	1,753,233
Debt servicing							55,883	54,928	62,172	62,474
Other	1,994,774	894,430	695,136	1,047,752	88,560	173,343	256,859	260,779	12,291,376	7,412,124
Salaries	15,506	1,100,859	41,667	272,940	62,446	105,306	1,045		4,715,407	3,688,685
<b>Total expenditures</b>	<b>2,361,249</b>	<b>2,281,708</b>	<b>736,803</b>	<b>1,320,692</b>	<b>151,006</b>	<b>278,649</b>	<b>573,255</b>	<b>568,936</b>	<b>18,971,250</b>	<b>12,916,516</b>
<b>Surplus (Deficit)</b>	<b>\$ 169,146</b>	<b>\$ 385,504</b>	<b>\$ 45,266</b>	<b>\$ 124,490</b>	<b>\$ (117,793)</b>	<b>\$ (94,428)</b>	<b>\$ 77,411</b>	<b>\$ 138,621</b>	<b>\$ 86,465</b>	<b>\$ 4,969,348</b>