

**KEESEEKOOWENIN FIRST NATION
Consolidated Financial Statements
Year Ended March 31, 2015**

KEESEEKOOWENIN FIRST NATION
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Year Ended March 31, 2015

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The consolidated financial statements of Keeseekoowenin First Nation have been prepared in accordance with Canadian public sector accounting standards. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of Keeseekoowenin First Nation's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

Chief and Council is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. Chief and Council meet periodically with management and the First Nation's auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, Chief and Council approve the financial statements. Chief and Council also approves the engagement or re-appointment of the external auditors.

The consolidated financial statements have been audited on behalf of the members by Lazer Grant LLP, in accordance with Canadian public sector accounting standards.



Elphinstone, MB

INDEPENDENT AUDITOR'S REPORT

To the Members of Keesekoowenin First Nation

We have audited the accompanying consolidated financial statements of Keesekoowenin First Nation, which comprise the consolidated statement of financial position as at March 31, 2015 and the consolidated statements of changes in net debt, revenues and expenses, accumulated surplus and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

(continues)

Independent Auditor's Report to the Members of Keesekooowenin First Nation *(continued)*

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Keesekooowenin First Nation as at March 31, 2015 and the results of its operations and its cash flow for the year then ended in accordance with Canadian public sector accounting standards.

Lazer Grant LLP

Winnipeg, MB
July 27, 2015

CHARTERED ACCOUNTANTS

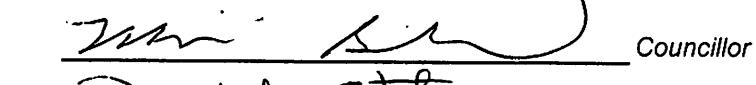
KEESEEKOOWENIN FIRST NATION
 Consolidated Statement of Financial Position
 March 31, 2015

	2015	2014
FINANCIAL ASSETS		
Accounts receivable (Note 4)	\$ 795,401	\$ 390,514
Loans receivable (Note 5)	204,318	204,318
Long term investments (Note 6)	1,281,069	1,276,069
Ottawa trust funds (Note 7)	12,564	12,090
Restricted cash (Note 11)	950,119	911,601
Restricted funds - moveable asset reserve (Note 12)	42,182	40,690
Total Financial Assets	3,285,653	2,835,282
LIABILITIES		
Bank indebtedness (Note 8)	275,989	565,681
Accounts payable and accrued liabilities (Note 9)	1,202,853	930,061
Long-term debt (Note 10)	3,338,988	3,743,047
Deferred revenue	-	19,000
Reserves (Note 11)	950,119	911,601
Moveable asset reserve (Note 12)	42,182	40,690
Due to Keeseekoowenin First Nation Trust	204,318	204,318
Total Liabilities	6,014,449	6,414,397
NET DEBT	(2,728,796)	(3,579,115)
NON-FINANCIAL ASSETS		
Capital assets (Note 13)	10,915,152	11,540,816
Prepaid expenses	18,084	-
Total Non-Financial Assets	10,933,236	11,540,816
Accumulated Surplus	\$ 8,204,440	\$ 7,961,700
ECONOMIC DEPENDENCE (Note 15)		

ON BEHALF OF THE MEMBERS

 Chief

 Councillor

 Councillor

 Donald Stry

KEESEEKOOWENIN FIRST NATION
Consolidated Statement of Changes In Net Debt
March 31, 2015

	2015	2014
Excess (deficiency) of revenues over expenses	\$ 183,851	\$ (812,637)
Amortization of capital assets	625,664	668,212
Acquisition of capital assets	-	(211,089)
Gain on disposal of capital assets	-	(20,200)
Proceeds on disposal of capital assets	-	20,200
Allocation to reserves	58,889	99,017
Decrease (increase) in prepaid expenses	(18,084)	-
	850,319	(256,498)
 Decrease (increase) in net debt	 850,319	 (256,498)
 Net debt - beginning of year	 \$ (3,579,115)	 \$ (3,322,617)
 Net debt - end of year	 \$ (2,728,796)	 \$ (3,579,115)

KEESEEKOOWENIN FIRST NATION
Consolidated Statement of Revenues and Expenses
Year Ended March 31, 2015

	Budget (Unaudited)		
	2015	2015	2014
REVENUES			
Aboriginal Affairs and Northern Development			
Canada	\$ 4,727,786	\$ 5,493,813	\$ 4,885,397
Aboriginal Capacity Development	-	7,800	38,248
Canada Mortgage and Housing Corporation	288,000	281,605	317,638
First Peoples Development Inc.	369,748	333,962	336,627
Health Canada	1,003,089	1,243,139	1,180,271
Manitoba Education First Nation Resource			
Centre	-	30,000	30,224
Manitoba Hydro	-	-	66,135
Parks Canada	196,000	197,206	239,744
Province of Manitoba	123,200	64,189	245,433
Solicitor General	33,626	33,626	33,626
Administration fees	125,905	52,773	149,454
Building rental	37,728	159,187	73,668
Daycare fees	7,200	678	6,418
First Nation Trust Funds	-	75,253	-
Income tested rent (Note 14)	-	86,511	166,189
Non-tested rent (Note 14)	228,000	167,236	170,830
Other	32,700	207,251	270,858
Rebates	-	9,449	11,090
Unconditional grant	-	-	17,847
User fees	43,450	12,797	54,149
Video lottery terminals	1,595,000	1,662,041	1,844,590
Work opportunity program	-	15,148	37,993
Deferred from prior year	-	19,000	104,000
Deferred to subsequent year	-	-	(19,000)
Decommissioned funding and recoveries	-	(19,000)	(15,331)
	8,811,432	10,133,664	10,246,098
EXPENSES	8,588,771	9,324,149	10,581,412
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE TRANSFERS	222,661	809,515	(335,314)
TRANSFERS			
Transfer to capital assets	-	-	190,889
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE AMORTIZATION	222,661	809,515	(144,425)
AMORTIZATION	309,384	625,664	668,212
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ (86,723)	\$ 183,851	\$ (812,637)

KEESEEKOOWENIN FIRST NATION

Consolidated Expenses

Year Ended March 31, 2015

	Budget (Unaudited)	2015	2014
	2015		
Administration	\$ 159,747	\$ 158,673	\$ 175,651
Advertising and promotion	7,885	6,683	11,193
Allocation to operating reserve	-	-	40,128
Allocation to replacement reserve	22,800	58,889	58,889
Allowances	332,821	387,857	393,001
Band projects	86,724	76,066	46,660
Donations	46,698	60,658	70,403
Employee benefits	1,500	10,853	26,965
Equipment rentals	-	-	5,146
Flood emergency services	-	8,529	-
Fuel	93,735	149,675	178,188
Funeral	6,000	17,310	30,084
Graduation	32,550	20,215	17,349
Homemakers	87,360	64,352	113,813
Honoraria	195,992	198,946	277,383
Housing programs	12,000	116,908	92,034
Income support - employable (Note 14)	581,460	559,345	505,664
Income support - unemployable (Note 14)	581,468	596,432	570,256
Insurance	251,846	98,929	302,981
Interest and bank charges	40,200	71,760	91,557
Interest on long term debt	18,000	87,293	110,013
Manitoba Lotteries Commission share	36,000	69,311	75,283
Meetings	16,500	11,393	223
Memberships	1,500	3,549	14,465
Moveable asset reserve allocation	-	1,492	1,492
Non-treaty assistance	115,200	61,901	81,083
Office and miscellaneous	76,908	64,296	74,840
Pension	-	29,848	52,886
Professional and consulting fees	233,433	109,722	337,115
Program support	38,837	31,540	41,798
Property taxes	4,170	7,500	7,203
Rent	42,553	154,030	193,913
Repairs and maintenance	278,380	214,339	244,624
Special activities and events	77,190	62,647	97,816
Special needs	31,118	35,437	34,525
Student expenses	28,262	19,351	22,941
Sub-contracts	217,660	625,890	485,220
Supplies	272,359	371,785	423,223
Telephone	66,480	66,913	61,572
Training	228,427	71,224	160,767
Transportation	-	58,943	51,640
Travel	217,868	202,204	263,374
Tuition	632,959	727,840	695,554
Utilities	103,250	89,600	169,646
Video lottery terminal payouts	1,228,150	1,288,195	1,408,979
Wages and employee benefits	2,082,781	2,165,028	2,395,406
Work opportunity program	-	30,798	68,466
	\$ 8,588,771	\$ 9,324,149	\$ 10,581,412

KEESEEKOOWENIN FIRST NATION
Consolidated Statement of Accumulated Surplus
Year Ended March 31, 2015

	2015	2014
ACCUMULATED SURPLUS - BEGINNING OF YEAR	\$ 7,961,700	\$ 8,675,320
Allocation to operating reserve	-	40,128
Allocation to replacement reserve	58,889	58,889
Excess (deficiency) of revenues over expenses	183,851	(812,637)
ACCUMULATED SURPLUS - END OF YEAR	\$ 8,204,440	\$ 7,961,700

KEESEEKOOWENIN FIRST NATION
Consolidated Statement of Cash Flow
Year Ended March 31, 2015

	2015	2014
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ 183,851	\$ (812,637)
Items not affecting cash:		
Amortization	625,664	668,212
Gain on disposal of capital assets	-	(20,200)
Allocation to reserves	58,889	99,017
	868,404	(65,608)
Changes in non-cash working capital:		
Accounts receivable	(411,704)	172,246
Accounts payable and accrued liabilities	272,793	228,940
Prepaid expenses	(18,084)	-
GST payable (receivable)	6,817	(6,027)
Deferred revenue	(19,000)	(85,000)
Moveable asset reserve	1,492	1,492
Due to replacement reserve	38,518	93,436
	(129,168)	405,087
Cash flow from operating activities	739,236	339,479
INVESTING ACTIVITIES		
Purchase of capital assets	-	(211,089)
Proceeds on disposal of capital assets	-	20,200
Increase in restricted cash	(38,518)	(93,436)
Decrease (increase) in long term investments	(5,000)	6,253
Increase in restricted - moveable asset reserve	(1,492)	(1,492)
Increase in Ottawa Trust Funds	(474)	(161)
Cash flow used by investing activities	(45,484)	(279,725)
FINANCING ACTIVITIES		
Proceeds from long term financing	27,357	-
Repayment of long term debt	(431,417)	(386,080)
Cash flow used by financing activities	(404,060)	(386,080)
INCREASE (DECREASE) IN CASH	289,692	(326,326)
Deficiency - beginning of year	(565,681)	(239,355)
DEFICIENCY - END OF YEAR	\$ (275,989)	\$ (565,681)

1. DESCRIPTION OF THE ORGANIZATION

The Keeseekoowenin First Nation is a non-profit Indian Band as defined by The Indian Act (Canada). The objective of the First Nation is to operate as the governing entity in providing services in all areas of the community.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**Basis of presentation**

The consolidated financial statements were prepared in accordance with Canadian public sector accounting standards.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

The long term investments in the Keeseekoowenin Gaming Centre and in KRW Limited Partnership are recorded on a modified equity basis

Long term investments in entities not owned, controlled, or influenced by the organization are recorded at cost less any provision for other than temporary impairment.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization. Capital assets are amortized over their estimated useful lives at the following rates and methods:

Buildings	4%	declining balance method
CMHC Housing		annual principle reduction
Equipment	20%	declining balance method
Lagoon	3%	declining balance method
Motor vehicles	30%	declining balance method
Roads	3%	declining balance method

The organization regularly reviews its capital assets to eliminate obsolete items.

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Capital assets acquired under Canada Mortgage and Housing Corporation sponsored housing projects are amortized at a rate equivalent to the annual principal reduction in related long term debt, as required for CMHC reporting purposes.

Revenue recognition

Revenue from government agencies is recognized as it becomes receivable under the terms of applicable funding agreements.

Rent revenue is recognized when the tenants' rent is invoiced at the start of each month based on the details of each signed lease agreement.

Other revenues are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

3. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of March 31, 2015.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization is exposed to credit risk from members and others. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The organization has a significant number of members which minimizes concentration of credit risk.

(continues)

KEESEEKOOWENIN FIRST NATION**Notes to Consolidated Financial Statements****Year Ended March 31, 2015****3. FINANCIAL INSTRUMENTS (continued)****Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its receipt of funds from its funders and other related sources, bank indebtedness, long-term debt, due to Keesekooowenin First Nation Trust, and accounts payable and accrued liabilities.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the organization manages exposure through its normal operating and financing activities. The organization is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

4. ACCOUNTS RECEIVABLE

	2015	2014
AANDC - Recovery	\$ 31,494	\$ -
AANDC - Recovery - PAYE	55,840	-
AANDC - Low Cost Special Education - PAYE	17,556	1,964
AANDC - Tuition Agreement - PAYE	365,209	97,289
AANDC - Prov Schools - Direct Services - PAYE	23,972	15,512
AANDC - Community Planning	-	19,000
Canada Mortgage and Housing Corporation	20,419	36,719
Health Canada	-	6,011
Goods and services tax	39,306	46,123
Other government agencies	147,834	113,778
Members	42,580	32,104
Other	62,359	33,182
	806,569	401,682
Allowance for doubtful accounts	(11,168)	(11,168)
	\$ 795,401	\$ 390,514

KEESEEKOOWENIN FIRST NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2015

5. LOANS RECEIVABLE

	2015	2014
Keeseekoowenin First Nation Trust loan, non-interest bearing and unsecured. The loan matures on December 31, 2019.	\$ 35,133	\$ 35,133
Keeseekoowenin First Nation Trust loan, non-interest bearing and unsecured. The loan matures on December 31, 2020.	45,061	45,061
Keeseekoowenin First Nation Trust loan, non-interest bearing and unsecured. The loan matures on December 31, 2021.	61,681	61,681
Keeseekoowenin First Nation Trust loan, non-interest bearing and unsecured. The loan matures on December 31, 2022.	24,817	24,817
Keeseekoowenin First Nation Trust loan, non-interest bearing and unsecured. The loan matures on December 31, 2023.	37,626	37,626
	\$ 204,318	\$ 204,318

6. LONG TERM INVESTMENTS

	2015	2014
KRW Limited Partnership	\$ 1,263,996	\$ 1,263,996
Keeseekoowenin Gaming Centre	(2,061)	(2,061)
Paintings	14,134	14,134
Treaty 2 Development Inc.	5,000	-
	\$ 1,281,069	\$ 1,276,069

The organization's investment in KRW Limited Partnership was established to develop, lease, manage, and operate real property for the purposes of pursuing economic development opportunities on lands acquired at 1-11-19WPM (the "Brandon Lands"). The organization shares interest in the partnership along with Rolling River First Nation and Waywayseecappo First Nation. The partnership had no development activity during the current year.

7. OTTAWA TRUST FUNDS

The Ottawa Trust Funds arise from monies 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 and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

As at the end of the year, the trust funds consisted of the following balances:

	2015	2014
Capital account	\$ 10,587	\$ 10,587
Revenue account	1,977	1,503
	\$ 12,564	\$ 12,090

KEESEEKOOWENIN FIRST NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2015

8. BANK INDEBTEDNESS

The organization has a line of credit on its operating account in the amount of \$200,000 which is repayable on demand, bears interest at 7.0%, and is secured by a general security agreement and band council resolution. An interest rate of 24% is charged on balances in excess of the maximum line of credit and on overdrafts on all other bank accounts. As at March 31, 2015, \$16,802 (2014 - \$Nil) of this line of credit remained unused.

The excess of bank indebtedness over the maximum operating loan is a result of outstanding cheques issued at March 31, 2015.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2015	2014
Aboriginal Affairs and Northern Development Canada	\$ 57,630	\$ 57,630
Trade and other	1,069,275	771,067
Source deductions	6,137	5,430
Wages and benefits	69,811	95,934
	<hr/> \$ 1,202,853	<hr/> \$ 930,061

KEESEEKOOWENIN FIRST NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2015

10. LONG TERM DEBT	2015	2014
Canada Mortgage and Housing Corporation loan bearing interest at 1.71% per annum, repayable in monthly blended payments of \$3,243. The loan matures on July 1, 2017 and is secured by a Ministerial Guarantee.	\$ 88,953	\$ 126,009
Canada Mortgage and Housing Corporation loan bearing interest at 2.04% per annum, repayable in monthly blended payments of \$3,154. The loan matures on March 1, 2019 and is secured by a Ministerial Guarantee.	145,278	179,789
Canada Mortgage and Housing Corporation loan bearing interest at 1.64% per annum, repayable in monthly blended payments of \$3,095. The loan matures on October 1, 2018 and is secured by a Ministerial Guarantee.	132,072	166,741
Canada Mortgage and Housing Corporation loan bearing interest at 1.68% per annum, repayable in monthly blended payments of \$1,736. The loan matures on December 1, 2019 and is secured by a Ministerial Guarantee.	95,043	114,152
Canada Mortgage and Housing Corporation loan bearing interest at 1.82% per annum, repayable in monthly blended payments of \$3,289. The loan matures on August 1, 2024 and is secured by a Ministerial Guarantee.	341,442	373,738
Canada Mortgage and Housing Corporation loan bearing interest at 1.64% per annum, repayable in monthly blended payments of \$1,262. The loan matures on December 1, 2026 and is secured by a Ministerial Guarantee.	161,654	174,114
Canada Mortgage and Housing Corporation loan bearing interest at 1.39% per annum, repayable in monthly blended payments of \$1,337. The loan matures on May 1, 2030 and is secured by a Ministerial Guarantee.	219,008	230,580
Canada Mortgage and Housing Corporation loan bearing interest at 1.71% per annum, repayable in monthly blended payments of \$2,249. The loan matures on September 1, 2032 and is secured by a Ministerial Guarantee.	408,132	428,024
Canada Mortgage and Housing Corporation loan bearing interest at 1.83% per annum, repayable in monthly blended payments of \$3,496. The loan matures on November 1, 2034 and is secured by a Ministerial Guarantee.	690,833	719,513
Canada Mortgage and Housing Corporation loan bearing interest at 1.83% per annum, repayable in monthly blended payments of \$1,876. The loan matures on November 1, 2034 and is secured by a Ministerial Guarantee.	371,777	386,137

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KEESEEKOOWENIN FIRST NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2015

10. LONG TERM DEBT (continued)

	2015	2014
Canada Mortgage and Housing Corporation loan bearing interest at 2.17% per annum, repayable in monthly blended payments of \$1,761. The loan matures on November 1, 2035 and is secured by a Ministerial Guarantee.	351,303	364,722
Sunrise Credit Union loan bearing interest at 5.5% per annum, repayable in monthly blended payments of \$1,984. The loan matures on September 1, 2015 and is secured by general security agreement on Band Council Resolution.	10,118	32,659
Sunrise Credit Union loan bearing interest at 5.25% per annum, repayable in monthly blended payments of \$12,034. The loan matures on August 1, 2017 and is secured by general security agreement on Band Council Resolution.	323,375	446,869
	\$ 3,338,988	\$ 3,743,047

Principal repayment terms are approximately:

2016	\$ 406,559
2017	408,137
2018	304,736
2019	228,448
2020	164,105
Thereafter	<u>1,827,003</u>
	<u>\$ 3,338,988</u>

Canada Mortgage and Housing Corporation (CMHC) mortgages have maturity dates of 25 years and call for renewal every 5 years. Since CMHC will in all likelihood renew each mortgage at the renewal date, the repayment schedule reflects repayment over the entire period of the mortgage

KEESEEKOOWENIN FIRST NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2015

11. RESERVES

Under the terms of the agreement with Canada Mortgage and Housing Corporation (CMHC), the replacement reserve account is to be credited with an amount of \$58,889 (2014 - \$58,889) annually. These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC. Withdrawals are credited to interest first and then principal.

As at March 31, 2014, the Replacement Reserve Fund bank account had a balance of \$39,641 (2014 - \$86,507) and was underfunded by \$734,480 (2014 - \$649,096).

Surplus revenue from Post 1996 projects is to be retained by the organization within an operating reserve fund and interest earned must accrue to and be maintained in the operating reserve fund. Funds may be withdrawn to cover current operating deficits.

	Pre-1997 Operating	Post-1996 Replacement	2015	2014
Balance, beginning of year	\$ 237,612	\$ 324,444	\$ 911,601	\$ 818,165
Annual allocation Expenses	- - (20,371)	13,980 44,909 -	58,889 (20,371)	99,017 (5,581)
	237,612	318,053	950,119	911,601
	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 237,612	\$ 318,053	\$ 950,119	\$ 911,601

12. MOVEABLE ASSET RESERVE

Under the terms of the Health Services Transfer Agreement the initial lump sum, interest, and annual amounts are to be placed in a reserve for the replacement of Health and Wellness Centre assets. Expenses for the replacement are to be charged to the reserve during the year. In the current year no expenses were charged to the reserve.

	2015	2014
Balance - beginning of year	\$ 40,690	\$ 39,198
Current year allocation	1,492	1,492
Balance - end of year	<hr/>	<hr/>
	\$ 42,182	\$ 40,690

KEESEEKOOWENIN FIRST NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2015

13. CAPITAL ASSETS

	2015		2014	
	Cost	Accumulated amortization	Cost	Accumulated amortization
Land	\$ 170,000	\$ -	\$ 170,000	\$ -
Buildings	6,342,748	3,604,359	6,342,748	3,490,259
CMHC Housing	8,494,743	3,338,875	8,494,743	2,999,085
Equipment	690,289	604,684	690,289	583,283
Lagoon	2,888,682	515,902	2,888,682	442,517
Motor vehicles	1,126,283	963,200	1,126,283	893,307
Roads	2,129,877	1,900,450	2,129,877	1,893,355
	\$ 21,842,622	\$ 10,927,470	\$ 21,842,622	\$ 10,301,806
Net book value	\$ 10,915,152		\$ 11,540,816	

14. RENTAL REVENUE

Rental revenues for wage earning tenants were not collected for the year. Since November 1987, all wage earning tenants were to pay their own repair and utility expenses in lieu of rent. Rental revenues for social assistance tenants however, were collected for the entire year and recorded as non-income tested rent. The Social Services department paid all utility costs for social assistance tenants. While a formal rental regime has not been implemented, the First Nation collects a nominal rent from employed band members living in band owned homes on reserve. Keeseekoowenin First Nation has agreed to cover any deficit incurred by Keeseekoowenin First Nation CMHC Housing.

15. ECONOMIC DEPENDENCE

The organization receives substantially all of its revenues from government sources.

**16. RECONCILIATION OF ABORIGINAL AFFAIRS
AND NORTHERN DEVELOPMENT CANADA (AANDC) REVENUES**

	2015	2014
AANDC revenues per financial statements	\$ 5,493,813	\$ 4,885,397
AANDC revenues per confirmation	\$ 5,493,813	\$ 4,885,397

17. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

18. SEGMENT DISCLOSURE

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 following table presents the expenses incurred and the revenue generated by main object of expense and by major revenue type.

The segment results for the period are as follows:

	Education		Health		Housing & Infrastructure		Band Government		Social Services		Business Enterprises		Consolidated	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Revenues														
Federal Government	\$ 2,405,923	\$ 2,277,702	\$ 1,243,139	\$ 1,194,271	\$ 1,147,313	\$ 1,170,689	\$ 1,439,607	\$ 1,049,905	\$ 1,347,369	\$ 1,288,814	\$ -	\$ -	\$ 7,583,351	\$ 6,981,381
Provincial Government	30,000	30,224	6,000	4,600	-	-	-	150,000	58,189	90,833	-	-	94,189	275,657
Economic Activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net income from investments in government businesses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other revenue	826	8,546	35,959	88,632	347,276	430,529	2,033,816	2,429,888	38,247	25,224	-	-	2,456,124	2,982,819
Total Revenue	2,436,749	2,316,472	1,285,098	1,287,503	1,494,589	1,601,218	3,473,423	3,629,793	1,443,805	1,404,871	-	-	10,133,664	10,239,857
Expenses														
Wages and benefits	644,387	693,785	732,561	777,666	245,536	225,485	534,703	656,085	48,542	42,385	-	-	2,205,729	2,395,406
Amortization	74,471	80,913	15,522	22,174	339,790	339,790	195,881	225,330	-	-	-	-	625,664	668,207
Debt servicing	6,554	7,340	3,009	5,375	70,177	80,692	71,081	106,496	8,232	1,664	-	-	159,053	201,567
Other expenses	1,585,618	1,566,269	503,451	573,242	652,483	1,063,262	2,845,860	3,174,015	1,371,975	1,410,526	-	-	6,959,367	7,787,314
Total Expenses	2,311,030	2,348,307	1,254,543	1,378,457	1,307,966	1,709,229	3,647,525	4,161,926	1,428,749	1,454,575	-	-	9,949,813	11,052,494
Annual Surplus (Deficit)	\$ 125,719	\$ (31,835)	\$ 30,555	\$ (90,954)	\$ 186,623	\$ (108,011)	\$ (174,102)	\$ (532,133)	\$ 15,056	\$ (49,704)	- \$	- \$	\$ 183,851	\$ (812,637)