

KEESECKOOWENIN FIRST NATION
Consolidated Financial Statements
Year Ended March 31, 2021

KEESECKOOWENIN FIRST NATION
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Year Ended March 31, 2021

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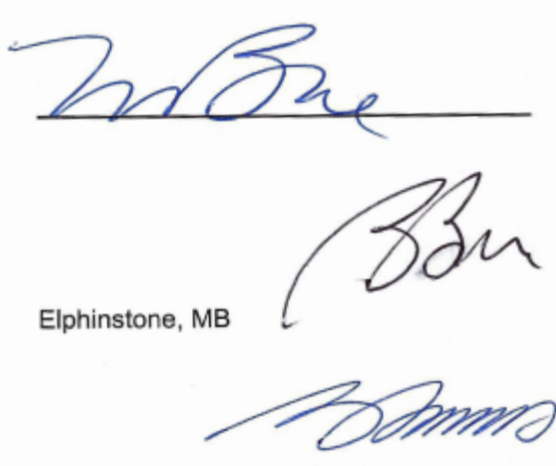
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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.

The First Nation Council is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Council meets periodically with management and the members' auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the First Nation Council approves the financial statements. The 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 generally accepted auditing standards.



Elphinstone, MB

INDEPENDENT AUDITOR'S REPORT

To the Members of Keeseekoowenin First Nation

Opinion

We have audited the consolidated financial statements of Keeseekoowenin First Nation (the First Nation), which comprise the consolidated statement of financial position as at March 31, 2021, and the consolidated statements of operations, changes in accumulated surplus, changes in net financial 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 the First Nation as at March 31, 2021, and the consolidated results of its operations and 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 the First Nation in accordance with 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PSAS, 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 the 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 the First Nation or to cease operations, or has no realistic alternative but to do so.

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

(continues)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 the 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 the 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 consolidated 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 the First Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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.



Winnipeg, MB
November 18, 2022

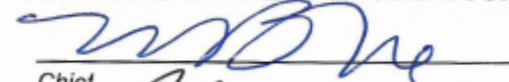
CHARTERED PROFESSIONAL ACCOUNTANTS

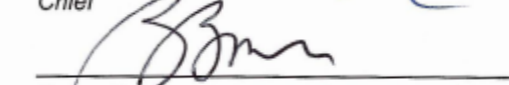
KEESECKOOWENIN FIRST NATION
Consolidated Statement of Financial Position
March 31, 2021


	2021	2020
ASSETS		
Cash (Note 4)	\$ 2,022,489	\$ 1,002,203
Accounts receivable (Note 5)	646,224	510,722
Long term investments (Note 6)	1,294,742	1,295,335
Ottawa trust funds (Note 7)	14,045	13,883
Restricted cash (Note 8)	37,440	45,222
	4,014,940	2,867,365
LIABILITIES		
Accounts payable and accrued liabilities (Note 9)	825,049	364,654
Deferred revenue (Note 10)	157,373	51,177
Short term debt	-	150,000
Long term debt (Note 11)	6,550,784	7,030,947
Obligations under capital lease (Note 12)	149,761	178,888
Moveable assets reserve (Note 13)	52,021	50,239
Construction advances (Note 14)	242,035	-
	7,977,023	7,825,905
NET FINANCIAL DEBT	(3,962,083)	(4,958,540)
NON-FINANCIAL ASSETS		
Inventory	22,964	-
Construction in progress (Note 14)	260,263	1,409,450
Tangible capital assets (Note 15)	16,366,288	14,536,207
	16,649,515	15,945,657
ACCUMULATED SURPLUS	\$ 12,687,432	\$ 10,987,117

CONTINGENT LIABILITY (Note 20)

APPROVED BY THE CHIEF AND COUNCIL


 Chief


 Councillor


 Councillor

 Councillor

 Councillor

KEESECKOOWENIN FIRST NATION
Consolidated Statement of Operations
Year Ended March 31, 2021

	2021	2020
REVENUES		
Indigenous Services Canada	\$ 9,602,208	\$ 7,649,851
Canada Mortgage and Housing Corporation	725,484	667,233
Parks Canada	195,000	201,734
First Peoples Development Inc.	212,040	340,215
Province of Manitoba	361,826	434,857
Video lottery terminals	1,008,763	2,445,609
Gaming centre sales	106,691	250,138
Gas bar sales	1,154,202	938,676
Daycare fees	8,219	40,061
Rental	288,158	278,912
Unconditional grant	14,599	14,599
User fees	27,378	30,633
Other (Note 18)	1,052,557	396,676
Deferred from prior year (Note 10)	51,177	-
Deferred to subsequent year (Note 10)	(157,373)	(51,177)
	14,650,929	13,638,017
EXPENSES (Schedule 1)	12,003,846	11,590,053
SURPLUS FROM OPERATIONS	2,647,083	2,047,964
OTHER EXPENSES		
Amortization	1,047,933	947,108
ANNUAL SURPLUS	\$ 1,599,150	\$ 1,100,856

KEESECKOOWENIN FIRST NATION
Consolidated Statement of Changes in Accumulated Surplus
Year Ended March 31, 2021

	2021	2020
ACCUMULATED SURPLUS - BEGINNING OF YEAR	\$ 10,987,117	\$ 9,743,880
ANNUAL SURPLUS	1,599,150	1,100,856
	12,586,267	10,844,736
Replacement reserve transactions <i>(Note 16)</i>	101,165	142,381
ACCUMULATED SURPLUS - END OF YEAR	\$ 12,687,432	\$ 10,987,117

KEESECKOOWENIN FIRST NATION
Consolidated Statement of Changes in Net Financial Debt
Year Ended March 31, 2021

	2021	2020
ANNUAL SURPLUS	\$ 1,599,150	\$ 1,100,856
Amortization of tangible capital assets	1,047,933	947,108
Purchase of tangible capital assets	(2,930,340)	(2,455,039)
Proceeds on disposal of tangible capital assets	73,749	-
Gain on sale of tangible capital assets	(21,423)	-
Decrease in construction in progress	1,149,187	22,788
Increase in inventory	(22,964)	-
Replacement reserve transactions	101,165	142,381
	(602,693)	(1,342,762)
Increase (decrease) in net financial assets	996,457	(241,906)
NET FINANCIAL DEBT - BEGINNING OF YEAR	(4,958,540)	(4,716,634)
NET FINANCIAL DEBT - END OF YEAR	\$ (3,962,083)	\$ (4,958,540)

KEESECKOOWENIN FIRST NATION
Consolidated Statement of Cash Flows
Year Ended March 31, 2021

	2021	2020
OPERATING ACTIVITIES		
Annual surplus	\$ 1,599,150	\$ 1,100,856
Items not affecting cash:		
Amortization of tangible capital assets	1,047,933	947,108
Gain on sale of tangible capital assets	(21,423)	-
Replacement reserve transactions	101,165	142,381
	2,726,825	2,190,345
Changes in non-cash working capital	650,164	(496,150)
Cash flow from operating activities	3,376,989	1,694,195
INVESTING ACTIVITIES		
Purchase of tangible capital assets	(2,930,340)	(2,259,889)
Proceeds on disposal of tangible capital assets	73,749	-
Decrease (increase) in long term investments	593	(8,406)
Increase in Ottawa trust funds	(162)	(220)
Decrease in restricted funds	7,782	191,971
Decrease in construction in progress	1,149,187	22,786
Cash flow used by investing activities	(1,699,191)	(2,053,758)
FINANCING ACTIVITIES		
Proceeds from (repayment of) short term debt	(150,000)	150,000
Increase in moveable assets reserve	1,782	1,730
Proceeds from long term financing	-	828,564
Repayment of long term debt	(480,167)	(457,096)
Repayment of obligations under capital lease	(29,127)	(16,262)
Cash flow from (used by) financing activities	(657,512)	506,936
INCREASE IN CASH	1,020,286	147,373
Cash - beginning of year	1,002,203	854,830
CASH - END OF YEAR	\$ 2,022,489	\$ 1,002,203

KEESECKOOWENIN FIRST NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2021

1. NATURE OF ENTITY

Keeseekoowenin First Nation is located in the province of Manitoba and operates as the governing entity in providing services to its community members.

Keeseekoowenin First Nation reporting entity includes all entities which are either owned or controlled by the First Nation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The consolidated financial statements were prepared in accordance with Canadian public sector accounting standards and include the assets, liabilities, revenues and expenses of the following departments and entities:

- Keeseekoowenin First Nation Band Operations
- Keeseekoowenin First Nation Housing
- Keeseekoowenin First Nation Education
- Keeseekoowenin First Nation Gaming Centre
- Keeseekoowenin First Nation Gas Bar
- Keeseekoowenin First Nation Health and Wellness
- Keeseekoowenin First Nation Human Resources Development
- Keeseekoowenin First Nation Social Development
- Keeseekoowenin First Nation Special Projects

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.

Long term investments

Investment in the KRW Limited Partnership is recorded on a modified equity basis. Under this basis, the equity method of accounting is modified only to the extent that the partnership's accounting principles are not adjusted to conform with those of the First Nation. Keeseekoowenin First Nation's investment in these entities is recorded at acquisition cost and is increased or decreased for the proportionate share of earnings or losses and distributions.

Inventory

Inventory of goods for resale is valued at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis.

(continues)

KEESECKOOWENIN FIRST NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2021

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

Tangible capital assets

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

Land		non-amortizable
Buildings	4%	declining balance method
CMHC Housing		annual principal reduction
Equipment	20%	declining balance method
Equipment under capital lease	30%	declining balance method
Lagoon	3%	declining balance method
Roads	3%	declining balance method
Vehicles	30%	declining balance method

The First Nation regularly reviews its tangible capital assets to eliminate obsolete items. Government grants are treated as a reduction of tangible capital assets cost.

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

Revenue recognition

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

Revenue from sales of goods is recognized when title passes to the customer, which generally coincides with the delivery and acceptance of goods.

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.

KEESECKOOWENIN FIRST NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2021

3. FINANCIAL INSTRUMENTS

The First Nation 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 First Nation's risk exposure and concentration as of March 31, 2021.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The First Nation is exposed to credit risk from funders and members. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The First Nation is exposed to this risk mainly in respect of its receipt of funds from its funders and other related sources, deferred revenue, construction advances, reserves, long term debt, obligations under capital leases, 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 First Nation manages exposure through its normal operating and financing activities. The First Nation is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

4. CASH

The First Nation has a line of credit on its operating account with Sunrise Credit Union in the amount of \$40,000 which is repayable on demand, bears interest at the Sunrise Credit Union prime rate plus 3.5% per annum, and is secured by a general security agreement and Band Council Resolution. As at March 31, 2021, \$40,000 (2020 - \$40,000) of this line of credit remained unused.

5. ACCOUNTS RECEIVABLE

	2021	2020
Indigenous Services Canada	\$ 175,526	\$ 193,814
Canada Mortgage and Housing Corporation	241,043	39,838
First Peoples Development Inc.	31,756	-
Province of Manitoba	92,986	81,112
Other government agencies	4,511	51,177
Members	148,058	132,507
Other	19,487	28,067
Subtotal	713,367	526,515
Allowance for doubtful accounts	(67,143)	(15,793)
	\$ 646,224	\$ 510,722

KEESECKOOWENIN FIRST NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2021

6. LONG TERM INVESTMENTS

	2021	2020
KRW Limited Partnership	\$ 1,275,609	\$ 1,276,201
Paintings	14,133	14,134
Treaty 2 Development Inc.	5,000	5,000
	\$ 1,294,742	\$ 1,295,335

The First Nation'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 First Nation 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 Accounts 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 funds held in trust consisted of the following balances:

	2021	2020
Revenue account	\$ 3,458	\$ 3,296
Capital account	10,587	10,587
	\$ 14,045	\$ 13,883

8. RESTRICTED CASH

	2021	2020
CMHC replacement reserve	\$ 7,365	\$ 8,543
CMHC operating reserve	5,356	3,151
Moveable assets replacement reserve	24,354	24,332
Indigenous Services Canada new housing construction	365	9,196
	\$ 37,440	\$ 45,222

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2021	2020
Trade and other	\$ 801,955	\$ 298,190
Wages and benefits	15,988	62,507
Source deductions	7,106	3,957
	\$ 825,049	\$ 364,654

KEESECKOOWENIN FIRST NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2021

10. DEFERRED REVENUE

The First Nation received funding from Assembly of Manitoba Chiefs through an Early Learning Child Care program, \$157,373 of which was allocated to Human Resources Development/Playcare. As at March 31, 2021, no expenditures were incurred by the department and the program is carried over to the following year.

11. LONG TERM DEBT

	2021	2020
Canada Mortgage and Housing Corporation loan bearing interest at 1.69% per annum, repayable in monthly blended payments of \$3,279. The loan matures on August 1, 2024 and is secured by a Ministerial Guarantee.	\$ 130,543	\$ 167,359
Canada Mortgage and Housing Corporation loan bearing interest at 1.31% per annum, repayable in monthly blended payments of \$1,241. The loan matures on December 1, 2026 and is secured by a Ministerial Guarantee.	82,445	96,165
Canada Mortgage and Housing Corporation loan bearing interest at 0.69% per annum, repayable in monthly blended payments of \$1,292. The loan matures on May 1, 2030 and is secured by a Ministerial Guarantee.	137,717	152,094
Canada Mortgage and Housing Corporation loan bearing interest at 1.84% per annum, repayable in monthly blended payments of \$2,270. The loan matures on September 1, 2032 and is secured by a Ministerial Guarantee.	282,270	304,133
Canada Mortgage and Housing Corporation loan bearing interest at 0.71% per annum, repayable in monthly blended payments of \$3,240. The loan matures on November 1, 2034 and is secured by a Ministerial Guarantee.	506,244	539,505
Canada Mortgage and Housing Corporation loan bearing interest at 0.96% per annum, repayable in monthly blended payments of \$1,766. The loan matures on November 1, 2034 and is secured by a Ministerial Guarantee.	271,318	289,527
Canada Mortgage and Housing Corporation loan bearing interest at 0.45% per annum, repayable in monthly blended payments of \$1,523. The loan matures on November 1, 2035 and is secured by a Ministerial Guarantee.	259,282	275,508
Canada Mortgage and Housing Corporation loan bearing interest at 0.45% per annum, repayable in monthly blended payments of \$1,594. The loan matures on December 1, 2040 and is secured by a Ministerial Guarantee.	361,417	377,747
Canada Mortgage and Housing Corporation loan bearing interest at 0.71% per annum, repayable in monthly blended payments of \$2,726. The loan matures on November 1, 2040 and is secured by a Ministerial Guarantee.	600,263	627,672
		<i>(continues)</i>

KEESECKOOWENIN FIRST NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2021

11. LONG TERM DEBT *(continued)*

	2021	2020
Canada Mortgage and Housing Corporation loan bearing interest at 1.44% per annum, repayable in monthly blended payments of \$7,149. The loan matures on February 1, 2037 and is secured by a Ministerial Guarantee.	1,219,978	1,287,766
Canada Mortgage and Housing Corporation loan bearing interest at 1.97% per annum, repayable in monthly blended payments of \$2,333. The loan matures on December 1, 2042 and is secured by a Ministerial Guarantee.	495,267	513,373
Canada Mortgage and Housing Corporation loan bearing interest at 1.97% per annum, repayable in monthly blended payments of \$4,944. The loan matures on December 1, 2042 and is secured by a Ministerial Guarantee.	1,049,542	1,087,910
Canada Mortgage and Housing Corporation loan bearing interest at 1.86% per annum, repayable in monthly blended payments of \$1,653. The loan matures on April 1, 2044 and is secured by a Ministerial Guarantee.	372,255	385,076
Canada Mortgage and Housing Corporation loan bearing interest at 1.72% per annum, repayable in monthly blended payments of \$2,127. The loan matures on March 1, 2040 and is secured by a Ministerial Guarantee.	413,685	431,967
Sunrise Credit Union loan bearing interest at 6.7% per annum, repayable in monthly blended payments of \$12,810. The loan matures on November 1, 2023 and is secured by vehicles, Band Council Resolutions and a general security agreement.	368,558	495,145
	\$ 6,550,784	\$ 7,030,947

Principal repayment terms are approximately:

2022	\$ 497,181
2023	510,044
2024	466,408
2025	354,764
2026	342,830
Thereafter	4,379,557
	<u>\$ 6,550,784</u>

KEESECKOOWENIN FIRST NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2021

12. OBLIGATIONS UNDER CAPITAL LEASE

	2021	2020
CWB National Leasing lease bearing interest at 5.535% per annum, repayable in monthly blended payments of \$3,191. The lease matures on August 1, 2025 and is secured by a 2006 Case Backhoe and a 2008 Volvo Grader which has a carrying value of \$95,624.	\$ 149,761	\$ 178,888

Future minimum capital lease payments are approximately:

2022	\$ 38,298
2023	38,298
2024	38,298
2025	38,298
2026	15,966
	<hr/>
Total minimum payments	169,158
Less interest	<u>(19,397)</u>
	<u>\$ 149,761</u>

13. MOVEABLE ASSETS RESERVE

Under the terms of the Health Services Block Funding Agreement the initial lump sum, interest, and annual amounts are to be placed in a reserve for the replacement of assets. Expenses for the replacement are to be charged to the reserve during the year.

As at March 31, 2021, the moveable asset reserve bank account had a balance of \$24,354 (2020 - \$24,332) and was underfunded by \$27,667 (2020 - \$25,907).

	2021	2020
Balance beginning of year	\$ 50,239	\$ 48,509
Amount provided in agreement for MAR	1,782	1,730
	<hr/>	<hr/>
Subtotal	52,021	50,239
Revenues generated	-	-
Expenses (acquisitions and replacements)	-	-
	<hr/>	<hr/>
	\$ 52,021	\$ 50,239

KEESECKOOWENIN FIRST NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2021

14. CONSTRUCTION IN PROGRESS

During the year, the First Nation commenced construction of a 6 unit housing rehabilitation project. As at March 31, 2021, the following costs have been incurred:

	2021	2020
6 Unit Rehabilitation housing project	\$ 260,263	\$ -
Youth recreation centre	-	793,842
Jordan's Principle building	-	615,608
	\$ 260,263	\$ 1,409,450

The 6 Unit Rehabilitation housing project is expected to be completed in the following year. All 2020 projects were completed in 2021.

The First Nation received advances of \$242,035 from Canada Mortgage and Housing Corporation to assist with the construction of the 6 Unit Rehabilitation project.

KEESECKOOWENIN FIRST NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2021

15. TANGIBLE CAPITAL ASSETS

Cost	2020 Balance	Additions	Disposals	2021 Balance
Land	\$ 170,000	\$ -	\$ -	\$ 170,000
Buildings	6,342,748	1,576,083	-	7,918,831
CMHC Housing	14,908,013	984,244	-	15,892,257
Equipment	892,243	20,955	-	913,198
Equipment under capital lease	195,150	-	-	195,150
Lagoon	2,888,682	-	-	2,888,682
Roads	2,129,877	-	-	2,129,877
Vehicles	1,984,061	349,058	74,749	2,258,370
	\$ 29,510,774	\$ 2,930,340	\$ 74,749	\$ 32,366,365

Accumulated Amortization	2020 Balance	Amortization	Accumulated Amortization on Disposals	2021 Balance
Land	\$ -	\$ -	\$ -	\$ -
Buildings	4,109,940	152,356	-	4,262,296
CMHC Housing	5,693,517	587,445	-	6,280,962
Equipment	718,245	38,991	-	757,236
Equipment under capital lease	58,545	40,982	-	99,527
Lagoon	851,095	61,128	-	912,223
Roads	1,914,009	-	-	1,914,009
Vehicles	1,629,216	167,033	22,425	1,773,824
	\$ 14,974,567	\$ 1,047,935	\$ 22,425	\$ 16,000,077

Net book value	2021	2020
Land	\$ 170,000	\$ 170,000
Buildings	3,656,535	2,232,808
CMHC Housing	9,611,295	9,214,496
Equipment	155,962	173,998
Equipment under capital lease	95,623	136,605
Lagoon	1,976,459	2,037,587
Roads	215,868	215,868
Vehicles	484,546	354,845
	\$ 16,366,288	\$ 14,536,207

KEESECKOOWENIN FIRST NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2021

16. REPLACEMENT 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 \$68,309 (2020 - \$68,159) 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, 2021 the Replacement Reserve bank accounts had a balance of \$7,365 (2020 - \$8,543) and was underfunded by \$576,435 (2020 - \$553,182).

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.

As at March 31, 2021 the Operating Reserve bank account had a balance of \$5,356 (2020 - \$3,151) and was underfunded by \$662,586 (2020 - \$583,985).

During the year, net replacement reserve transactions totalling \$101,1651 (2020 - \$142,381) were charged to the reserve. These transactions include the annual allocation, surplus allocation, supplemental assistance and any expenses charged directly to the reserve.

Replacement reserves expenses have been made in accordance with Schedule "D" of the operating agreement with CMHC.

	Pre-1997	Post-1996	Operating	2021	2020
Balance, beginning of year	\$ -	\$ 561,725	\$ 588,851	\$ 1,150,576	\$ 1,058,254
Annual allocation	-	68,309	-	68,309	68,159
Interest	-	13	-	13	-
Surplus allocation	-	-	79,091	79,091	99,052
Expenses	-	(46,248)	-	(46,248)	(24,830)
	-	583,799	667,942	1,251,741	1,200,635
Maturing units adjustment	-	-	-	-	(50,059)
	-	583,799	667,942	1,251,741	1,150,576
	\$ -	\$ 583,799	\$ 667,942	\$ 1,251,741	\$ 1,150,576

KEESECKOOWENIN FIRST NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2021

17. RECONCILIATION OF INDIGENOUS SERVICES CANADA REVENUES

	2021	2020
Indigenous Services Canada per financial statements	\$ 9,602,208	\$ 7,649,851
Indigenous Services Canada per confirmation	9,602,208	4,713,099
First Nations & Inuit Health per confirmation	-	2,936,752
	\$ 9,602,208	\$ 7,649,851

18. OTHER INCOME

	2021	2020
Heritage Canada	\$ 64,754	\$ 62,623
Assembly of Manitoba Chiefs	343,051	112,254
Southern Chiefs' Organization	15,816	-
Manitoba First Nation Education & Resources	30,000	-
Manitoba Casino Trust	-	10,586
Keeseekoowenin First Nation Trust	22,800	-
Donations and community support	411,793	139,542
Trade and other	164,343	71,671
	\$ 1,052,557	\$ 396,676

19. PENSION PLAN

The First Nation has an employee registered defined contribution pension plan. The organization matches the employees' contributions. During the year, expenses totalling \$84,374 (2020 - \$87,968) were made to the pension plan.

20. CONTINGENT LIABILITY

The First Nation is contingently liable for loans from Canada Mortgage and Housing Corporation under the Residential Rehabilitation Assistance Program (RRAP). Since each loan is forgiven (usually over a 4 or 5 year period) no liability has been recorded in the these statements for these loans.

The consolidated financial statements are subject to review by the First Nation's funding agents. It is possible adjustments could be made based on their review, resulting in repayment or recovery of funding.

21. ECONOMIC DEPENDENCE

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

22. COMPARATIVE FIGURES

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

KEESECKOOWENIN FIRST NATION
Consolidated Expenses (Schedule 1)

Year Ended March 31, 2021

	2021	2020
Administration	\$ 33,779	\$ 7,854
Bad debts	8,984	-
Band projects	61,447	143,816
Community support	855,305	135,612
Equipment rentals	3,300	-
Fuel	118,174	187,264
Funerals	59,281	22,088
Graduations	16,644	25,168
Homemakers	34,458	112,101
Honoraria	244,232	206,119
Income support	1,733,374	1,174,662
Insurance	344,137	201,458
Interest and bank charges	17,676	23,512
Interest on long term debt	122,958	145,031
Interest on obligations under capital lease	9,171	6,078
Manitoba Lotteries Commission share	21,120	84,850
Moveable assets reserve allocation (Note 13)	1,782	1,730
Non-treaty assistance	22,024	66,490
Office and miscellaneous	66,428	114,416
Professional fees	197,277	204,637
Programs and special activities	305,299	250,773
Rent	84,468	78,962
Repairs and maintenance	557,234	495,656
Replacement reserve allocations (Note 16)	147,400	167,211
Special needs	54,623	12,037
Student allowances	532,605	402,120
Sub-contracts	872,753	568,621
Supplies	1,610,883	1,442,749
Telephone	57,640	51,812
Training	45,272	323,355
Travel	196,755	325,966
Tuition	182,210	198,379
Utilities	121,104	157,416
Video lottery terminal payouts	805,099	1,905,703
Wages and employee benefits	2,458,950	2,346,407
	\$ 12,003,846	\$ 11,590,053

KEESECKOOWENIN FIRST NATION
Consolidated Segment Disclosure (Schedule 2)
Year Ended March 31, 2021

Segmented information presents the revenues generated and expenses incurred by major revenue type and main object of expense for the organization's distinguishable programs or activities.
The segment results for the period are as follows:

	Education		Health		Housing & Infrastructure		Band Government		Social Services		Business Enterprises		Consolidated	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Revenues														
Federal government	\$ 952,243	\$ 803,796	\$ 3,394,774	\$ 2,936,752	\$ 2,629,718	\$ 1,626,781	\$ 1,729,256	\$ 2,144,322	\$ 2,028,741	\$ 1,347,382	\$ -	\$ -	\$ 10,734,732	\$ 8,859,033
Provincial government	-	-	-	-	-	-	303,620	368,255	58,206	66,602	-	-	361,826	434,857
Economic activities	-	-	-	-	-	-	1,115,454	-	-	-	1,154,202	3,634,423	2,269,656	3,634,423
Other revenue	35,424	-	173,939	51,177	222,543	199,196	608,960	435,331	-	19,000	243,849	5,000	1,284,715	709,704
Total Revenue	987,667	803,796	3,568,713	2,987,929	2,852,261	1,825,977	3,757,290	2,947,908	2,086,947	1,432,984	1,398,051	3,639,424	14,650,929	13,638,017
Expenses														
Wages and benefits	52,695	78,967	1,549,077	1,215,124	223,706	179,814	415,110	530,559	44,759	54,370	173,603	287,573	2,458,950	2,346,407
Amortization	57,253	61,975	57,431	31,853	587,445	543,750	340,133	302,441	-	-	5,671	7,089	1,047,933	947,108
Debt servicing	5,153	5,360	1,070	1,878	101,688	108,614	37,499	52,109	474	2,226	3,921	4,435	149,805	174,621
Other expenses	876,307	686,870	875,710	946,378	1,471,996	1,435,674	3,043,088	958,797	1,926,489	1,440,749	1,201,501	3,600,557	9,395,091	9,069,025
Total Expenses	991,408	833,172	2,483,288	2,195,234	2,384,835	2,267,851	3,835,830	1,843,906	1,971,722	1,497,345	1,384,696	3,899,654	13,051,779	12,537,161
Annual Surplus (Deficit)	\$ (3,741)	\$ (29,376)	\$ 1,085,425	\$ 792,695	\$ 467,426	\$ (441,875)	\$ (78,540)	\$ 1,104,002	\$ 115,225	\$ (64,361)	\$ 13,355	\$ (260,230)	\$ 1,599,150	\$ 1,100,856