

**KEESECKOOWENIN FIRST NATION**  
**Consolidated Financial Statements**  
**Year Ended March 31, 2022**

**KEESECKOOWENIN FIRST NATION**  
**Index to Consolidated Financial Statements**  
**Year Ended March 31, 2022**

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

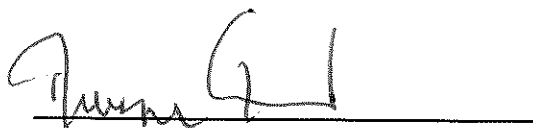
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The consolidated financial statements of Keeseekoowenin First Nation have been prepared in accordance with Canadian public sector accounting standards. When alternative accounting methods exist, management has chosen those it deems most appropriate 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

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## INDEPENDENT AUDITOR'S REPORT

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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, 2022, 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, 2022, 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  
September 20, 2023

CHARTERED PROFESSIONAL ACCOUNTANTS


**KEESECKOOWENIN FIRST NATION**  
**Consolidated Statement of Financial Position**

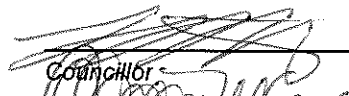
**March 31, 2022**

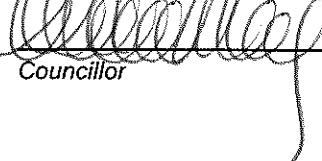
|                                                   | 2022                 | 2021                 |
|---------------------------------------------------|----------------------|----------------------|
| <b>ASSETS</b>                                     |                      |                      |
| Cash (Note 4)                                     | \$ 6,482,991         | \$ 2,022,489         |
| Accounts receivable (Note 5)                      | 279,777              | 646,224              |
| Long term investments (Note 6)                    | 1,299,544            | 1,294,742            |
| Ottawa trust funds (Note 7)                       | 14,315               | 14,045               |
| Restricted cash (Note 8)                          | 66,057               | 37,440               |
|                                                   | <b>8,142,684</b>     | <b>4,014,940</b>     |
| <b>LIABILITIES</b>                                |                      |                      |
| Accounts payable and accrued liabilities (Note 9) | 403,009              | 825,052              |
| Deferred revenue (Note 10)                        | 2,042,000            | 157,373              |
| Short term debt (Note 11)                         | 150,000              | -                    |
| Long term debt (Note 12)                          | 6,980,337            | 6,550,784            |
| Obligations under capital lease (Note 13)         | 118,980              | 149,761              |
| Construction advances (Note 15)                   | 4,611,000            | 242,035              |
|                                                   | <b>14,305,326</b>    | <b>7,925,005</b>     |
| <b>NET FINANCIAL DEBT</b>                         | <b>(6,162,642)</b>   | <b>(3,910,065)</b>   |
| <b>NON-FINANCIAL ASSETS</b>                       |                      |                      |
| Inventory (Note 14)                               | 29,238               | 22,964               |
| Construction in progress (Note 15)                | 3,393,000            | 260,263              |
| Tangible capital assets (Note 16)                 | 16,361,401           | 16,366,290           |
|                                                   | <b>19,783,639</b>    | <b>16,649,517</b>    |
| <b>ACCUMULATED SURPLUS</b>                        | <b>\$ 13,620,997</b> | <b>\$ 12,739,452</b> |


CONTINGENT LIABILITY (Note 23)

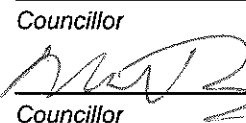
**APPROVED BY THE CHIEF AND COUNCIL**

  
 Chief

  
 Councillor

  
 Councillor

  
 Councillor

  
 Councillor

**KEESECKOOWENIN FIRST NATION**  
**Consolidated Statement of Operations**  
**Year Ended March 31, 2022**

|                                         | 2022              | 2021                |
|-----------------------------------------|-------------------|---------------------|
| <b>REVENUES</b>                         |                   |                     |
| Indigenous Services Canada              | \$ 11,331,620     | \$ 9,602,208        |
| Canada Mortgage and Housing Corporation | 526,374           | 725,484             |
| Parks Canada                            | 317,689           | 195,000             |
| First Peoples Development Inc.          | 319,023           | 212,040             |
| Province of Manitoba                    | 315,374           | 361,826             |
| Gas bar sales                           | 1,147,221         | 1,154,202           |
| Video lottery terminals                 | 1,061,433         | 1,008,763           |
| Gaming centre sales                     | 108,457           | 106,691             |
| Daycare fees                            | 19,734            | 8,219               |
| Rental                                  | 282,288           | 288,158             |
| Insurance proceeds (Note 20)            | 162,270           | -                   |
| Unconditional grant                     | 14,561            | 14,599              |
| User fees                               | 35,950            | 27,378              |
| Other (Note 21)                         | 566,014           | 1,052,557           |
| Deferred from prior year (Note 10)      | 157,373           | 51,177              |
| Deferred to subsequent year (Note 10)   | (2,042,000)       | (157,373)           |
|                                         | <b>14,323,381</b> | <b>14,650,929</b>   |
| <b>EXPENSES (Schedule 1)</b>            | <b>12,377,776</b> | <b>12,003,846</b>   |
| <b>SURPLUS FROM OPERATIONS</b>          | <b>1,945,605</b>  | <b>2,647,083</b>    |
| <b>OTHER EXPENSES</b>                   |                   |                     |
| Amortization                            | 1,112,437         | 1,047,933           |
| <b>ANNUAL SURPLUS</b>                   | <b>\$ 833,168</b> | <b>\$ 1,599,150</b> |

**KEESECKOOWENIN FIRST NATION**  
**Consolidated Statement of Changes in Accumulated Surplus**  
**Year Ended March 31, 2022**

|                                                       | 2022                 | 2021                 |
|-------------------------------------------------------|----------------------|----------------------|
| <b>ACCUMULATED SURPLUS - BEGINNING OF YEAR</b>        | <b>\$ 12,739,453</b> | <b>\$ 11,037,355</b> |
| ANNUAL SURPLUS                                        | <b>833,168</b>       | 1,599,150            |
|                                                       | <b>13,572,621</b>    | 12,636,505           |
| Replacement reserve transactions <i>(Note 17)</i>     | <b>46,541</b>        | 101,165              |
| Moveable assets reserve transactions <i>(Note 18)</i> | <b>1,835</b>         | 1,782                |
| <b>ACCUMULATED SURPLUS - END OF YEAR</b>              | <b>\$ 13,620,997</b> | <b>\$ 12,739,452</b> |



**KEESECKOOWENIN FIRST NATION**  
**Consolidated Statement of Changes in Net Financial Debt**  
**Year Ended March 31, 2022**

|                                                 | 2022                  | 2021                  |
|-------------------------------------------------|-----------------------|-----------------------|
| <b>ANNUAL SURPLUS</b>                           | <b>\$ 833,168</b>     | <b>\$ 1,599,150</b>   |
| Amortization of tangible capital assets         | 1,112,437             | 1,047,933             |
| Purchase of tangible capital assets             | (1,107,547)           | (2,930,340)           |
| Proceeds on disposal of tangible capital assets | -                     | 73,749                |
| Gain on sale of tangible capital assets         | -                     | (21,423)              |
| Decrease (increase) in construction in progress | (3,132,738)           | 1,149,187             |
| Increase in inventory                           | (6,274)               | (22,964)              |
| Replacement reserve transactions (Note 17)      | 46,542                | 101,165               |
| Moveable assets reserve transactions (Note 18)  | 1,835                 | 1,780                 |
|                                                 | (3,085,745)           | (600,913)             |
| Increase (decrease) in net financial assets     | (2,252,577)           | 998,237               |
| <b>NET FINANCIAL DEBT - BEGINNING OF YEAR</b>   | <b>(3,910,065)</b>    | <b>(4,908,302)</b>    |
| <b>NET FINANCIAL DEBT - END OF YEAR</b>         | <b>\$ (6,162,642)</b> | <b>\$ (3,910,065)</b> |

**KEESECKOOWENIN FIRST NATION**  
**Consolidated Statement of Cash Flows**  
**Year Ended March 31, 2022**

|                                                 | 2022                | 2021                |
|-------------------------------------------------|---------------------|---------------------|
| <b>OPERATING ACTIVITIES</b>                     |                     |                     |
| Annual surplus                                  | \$ 833,168          | \$ 1,599,150        |
| Items not affecting cash:                       |                     |                     |
| Amortization of tangible capital assets         | 1,112,437           | 1,047,933           |
| Gain on sale of tangible capital assets         | -                   | (21,423)            |
| Replacement reserve transactions                | 46,541              | 101,165             |
| Moveable assets reserve transactions            | 1,836               | 1,782               |
|                                                 | <b>1,993,982</b>    | <b>2,728,607</b>    |
| Changes in non-cash working capital             | <b>1,822,753</b>    | <b>408,129</b>      |
| Cash flow from operating activities             | <b>3,816,735</b>    | <b>3,136,736</b>    |
| <b>INVESTING ACTIVITIES</b>                     |                     |                     |
| Purchase of tangible capital assets             | (1,107,547)         | (2,930,340)         |
| Proceeds on disposal of tangible capital assets | -                   | 73,749              |
| Decrease (increase) in long term investments    | (4,802)             | 593                 |
| Increase in Ottawa trust funds                  | (270)               | (162)               |
| Decrease in restricted funds                    | (28,617)            | 7,782               |
| Decrease (increase) in construction in progress | (3,132,737)         | 1,149,187           |
| Cash flow used by investing activities          | <b>(4,273,973)</b>  | <b>(1,699,191)</b>  |
| <b>FINANCING ACTIVITIES</b>                     |                     |                     |
| Proceeds from (repayment of) short term debt    | 150,000             | (150,000)           |
| Increase in construction advances               | 4,368,965           | 242,035             |
| Proceeds from long term financing               | 937,124             | -                   |
| Repayment of long term debt                     | (507,568)           | (480,167)           |
| Repayment of obligations under capital lease    | (30,781)            | (29,127)            |
| Cash flow from (used by) financing activities   | <b>4,917,740</b>    | <b>(417,259)</b>    |
| <b>INCREASE IN CASH</b>                         | <b>4,460,502</b>    | <b>1,020,286</b>    |
| Cash - beginning of year                        | <b>2,022,489</b>    | <b>1,002,203</b>    |
| <b>CASH - END OF YEAR</b>                       | <b>\$ 6,482,991</b> | <b>\$ 2,022,489</b> |

**KEESECKOOWENIN FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2022**

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**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 (PSAS) 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.

Financial instruments

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.

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 this entity is recorded at acquisition cost and is increased or decreased for the proportionate share of earnings or losses and distributions.

Other investments are recorded at cost.

*(continues)*

**KEESECKOOWENIN FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2022**

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

Inventory

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

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 |
| Equipment                | 20%      | declining balance method |
| Housing                  | 25 years | straight-line method     |
| Roads and infrastructure | 3%       | declining balance method |
| Vehicles                 | 20%      | declining balance method |

The First Nation regularly reviews its tangible capital assets to eliminate obsolete items.

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, 2022**

**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, 2022.

**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, 2022, \$40,000 (2021 - \$40,000) of this line of credit remained unused.

**5. ACCOUNTS RECEIVABLE**

|                                         | <b>2022</b>       | <b>2021</b>       |
|-----------------------------------------|-------------------|-------------------|
| Indigenous Services Canada              | \$ -              | \$ 175,526        |
| Canada Mortgage and Housing Corporation | <b>74,167</b>     | 241,043           |
| First Peoples Development Inc.          | <b>1,213</b>      | 31,756            |
| Province of Manitoba                    | <b>45,429</b>     | 92,986            |
| Other government agencies               | <b>31,224</b>     | 4,511             |
| Members                                 | <b>151,819</b>    | 148,058           |
| Other                                   | <b>42,863</b>     | 19,487            |
| Subtotal                                | <b>346,715</b>    | 713,367           |
| Allowance for doubtful accounts         | <b>(66,938)</b>   | (67,143)          |
|                                         | <b>\$ 279,777</b> | <b>\$ 646,224</b> |

**KEESECKOOWENIN FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2022**

**6. LONG TERM INVESTMENTS**

|                           | <b>2022</b>         | <b>2021</b>  |
|---------------------------|---------------------|--------------|
| KRW Limited Partnership   | <b>\$ 1,280,411</b> | \$ 1,275,609 |
| Paintings                 | <b>14,133</b>       | 14,133       |
| Treaty 2 Development Inc. | <b>5,000</b>        | 5,000        |
|                           | <b>\$ 1,299,544</b> | \$ 1,294,742 |

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:

|                 | <b>2022</b>      | <b>2021</b> |
|-----------------|------------------|-------------|
| Revenue account | <b>\$ 3,728</b>  | \$ 3,458    |
| Capital account | <b>10,587</b>    | 10,587      |
|                 | <b>\$ 14,315</b> | \$ 14,045   |

**8. RESTRICTED CASH**

|                                                     | <b>2022</b>      | <b>2021</b> |
|-----------------------------------------------------|------------------|-------------|
| CMHC replacement reserve                            | <b>\$ 13,429</b> | \$ 7,365    |
| CMHC operating reserve                              | <b>251</b>       | 5,356       |
| Moveable assets reserve                             | <b>52,377</b>    | 24,354      |
| Indigenous Services Canada new housing construction | <b>-</b>         | 365         |
|                                                     | <b>\$ 66,057</b> | \$ 37,440   |

**KEESECKOOWENIN FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2022**

**9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

|                    | <b>2022</b>       | <b>2021</b>       |
|--------------------|-------------------|-------------------|
| Trade and other    | \$ 323,027        | \$ 801,958        |
| Wages and benefits | 79,982            | 15,988            |
| Source deductions  | -                 | 7,106             |
|                    | <b>\$ 403,009</b> | <b>\$ 825,052</b> |

**10. DEFERRED REVENUE**

As at March 31, 2023, the following Indigenous Services Canada funded programs had not yet commenced or incurred costs and have therefore been deferred to the subsequent year:

|                                           | <b>2022</b>         | <b>2021</b>       |
|-------------------------------------------|---------------------|-------------------|
| Emergency Shelters (Women's' Shelter)     | \$ 400,000          | \$ -              |
| Planning - Housing Capacity Development   | 70,000              | -                 |
| Construction - New Housing                | 1,211,000           | -                 |
| Major Renovations, Extensions and Repairs | 336,000             | -                 |
| Capacity Enhancement - Top-Up             | 25,000              | -                 |
| Assembly of Manitoba Chiefs               | -                   | 157,373           |
|                                           | <b>\$ 2,042,000</b> | <b>\$ 157,373</b> |

**11. SHORT TERM DEBT**

The First Nation has a \$150,000 loan with the Sunrise Credit Union to assist with the construction of various housing projects. The loan is due on April 1, 2022, bears interest at 5.45% per annum, and is secured by equipment. The loan was repaid on April 1, 2022.

**12. LONG TERM DEBT**

|                                                                                                                                                                                                                                                           | <b>2022</b> | <b>2021</b> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-------------|
| Sunrise Credit Union loan bearing interest at prime plus 2.75% 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. | \$ 233,952  | \$ 368,558  |
| 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.                                         | 93,108      | 130,543     |
| Canada Mortgage and Housing Corporation loan bearing interest at 1.57% per annum, repayable in monthly blended payments of \$1,249. The loan matures on December 1, 2026 and is secured by a Ministerial Guarantee.                                       | 68,568      | 82,445      |

*(continues)*

**KEESECKOOWENIN FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2022**

12. LONG TERM DEBT *(continued)*

|                                                                                                                                                                                                                      | 2022             | 2021      |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|-----------|
| 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.       | <b>123,112</b>   | 137,717   |
| 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. | <b>260,015</b>   | 282,270   |
| 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.  | <b>470,784</b>   | 506,244   |
| 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.  | <b>252,647</b>   | 271,318   |
| Canada Mortgage and Housing Corporation loan bearing interest at 1.13% per annum, repayable in monthly blended payments of \$1,598. The loan matures on November 1, 2035 and is secured by a Ministerial Guarantee.  | <b>242,731</b>   | 259,282   |
| Canada Mortgage and Housing Corporation loan bearing interest at 1.13% per annum, repayable in monthly blended payments of \$1,700. The loan matures on December 1, 2040 and is secured by a Ministerial Guarantee.  | <b>344,704</b>   | 361,417   |
| 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.  | <b>571,717</b>   | 600,263   |
| Canada Mortgage and Housing Corporation loan bearing interest at 1.88% per annum, repayable in monthly blended payments of \$7,379. The loan matures on February 1, 2037 and is secured by a Ministerial Guarantee.  | <b>1,151,411</b> | 1,219,978 |
| 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.  | <b>476,825</b>   | 495,267   |
| 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.  | <b>1,010,463</b> | 1,049,542 |
| 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 January 4, 2044 and is secured by a Ministerial Guarantee.   | <b>359,210</b>   | 372,255   |

*(continues)*



**KEESECKOOWENIN FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2022**

**12. LONG TERM DEBT (continued)**

|                                                                                                                                                                                                                    | <b>2022</b>         | 2021                |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| 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.   | <b>395,105</b>      | 413,685             |
| Canada Mortgage and Housing Corporation loan bearing interest at 1.12% per annum, repayable in monthly blended payments of \$2,626. The loan matures on October 1, 2036 and is secured by a Ministerial Guarantee. | <b>423,861</b>      | -                   |
| Canada Mortgage and Housing Corporation loan bearing interest at 2.02% per annum, repayable in monthly blended payments of \$2,131. The loan matures on March 1, 2047 and is secured by a Ministerial Guarantee.   | <b>502,124</b>      | -                   |
|                                                                                                                                                                                                                    | <b>\$ 6,980,337</b> | <b>\$ 6,550,784</b> |

Principal repayment terms are approximately:

|            |                            |
|------------|----------------------------|
| 2023       | \$ 548,687                 |
| 2024       | 504,493                    |
| 2025       | 395,710                    |
| 2026       | 384,964                    |
| 2027       | 386,867                    |
| Thereafter | 4,759,616                  |
|            | <u><b>\$ 6,980,337</b></u> |

**13. OBLIGATIONS UNDER CAPITAL LEASE**

|                                                                                                                                                                                                                                                                        | <b>2022</b>       | 2021              |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| 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 have a combined carrying value of \$66,936. | <b>\$ 118,980</b> | <b>\$ 149,761</b> |

Future minimum capital lease payments are approximately:

|                        |                          |
|------------------------|--------------------------|
| 2023                   | \$ 38,298                |
| 2024                   | 38,298                   |
| 2025                   | 38,298                   |
| 2026                   | 15,968                   |
|                        | <u>130,862</u>           |
| Total minimum payments | 130,862                  |
| Less interest          | <u>(11,882)</u>          |
|                        | <u><b>\$ 118,980</b></u> |

**KEESECKOOWENIN FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2022**

**14. INVENTORY**

|                                         | <b>2022</b>      | 2021             |
|-----------------------------------------|------------------|------------------|
| Supplies - Keeseekoowenin Gaming Centre | \$ 6,902         | \$ -             |
| Supplies - Keeseekoowenin Gas Bar       | 22,336           | 22,964           |
|                                         | <b>\$ 29,238</b> | <b>\$ 22,964</b> |

Included in fuel and supplies expense is a net increase in inventory of \$6,274 (2021 - \$22,964)

**15. CONSTRUCTION IN PROGRESS**

During the year, the First Nation commenced construction of multiple new CMHC projects. As at March 31, 2022, the following costs have been incurred:

|                                       | <b>2022</b>         | 2021              |
|---------------------------------------|---------------------|-------------------|
| 15 Unit Rapid housing project         | \$ 2,230,000        | \$ -              |
| 4 Unit housing project                | 1,026,000           | -                 |
| 2 Unit housing project                | 137,000             | -                 |
| 6 Unit Rehabilitation housing project | -                   | 260,263           |
|                                       | <b>\$ 3,393,000</b> | <b>\$ 260,263</b> |

The 15 Unit Rapid housing project, 4 Unit housing project, and the 2 Unit housing project are expected to be completed in the following year. All 2021 projects were completed in 2022.

The First Nation received advances of \$146,000 and \$4,465,000 (2021 - \$242,035) from Canada Mortgage and Housing Corporation to assist with the construction of the 2 Unit housing project and 15 Unit Rapid housing project respectively.

**KEESECKOOWENIN FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2022**

**16. TANGIBLE CAPITAL ASSETS**

| Cost                          | 2021<br>Balance      | Additions           | Disposals        | 2022<br>Balance      |
|-------------------------------|----------------------|---------------------|------------------|----------------------|
| Land                          | \$ 170,000           | \$ -                | \$ -             | \$ 170,000           |
| Buildings                     | 7,918,832            | -                   | -                | 7,918,832            |
| Equipment                     | 913,198              | -                   | 25,802           | 887,396              |
| Equipment under capital lease | 195,150              | -                   | -                | 195,150              |
| Housing                       | 15,892,257           | 914,447             | -                | 16,806,704           |
| Lagoon                        | 2,888,682            | -                   | -                | 2,888,682            |
| Roads                         | 2,129,877            | -                   | -                | 2,129,877            |
| Vehicles                      | 2,258,370            | 193,100             | -                | 2,451,470            |
|                               | <b>\$ 32,366,366</b> | <b>\$ 1,107,547</b> | <b>\$ 25,802</b> | <b>\$ 33,448,111</b> |

| Accumulated Amortization      | 2021<br>Balance      | Amortization        | Accumulated<br>Amortization<br>on Disposals | 2022<br>Balance      |
|-------------------------------|----------------------|---------------------|---------------------------------------------|----------------------|
| Land                          | \$ -                 | \$ -                | \$ -                                        | \$ -                 |
| Buildings                     | 4,262,296            | 146,261             | -                                           | 4,408,557            |
| Equipment                     | 757,235              | 31,192              | 25,802                                      | 762,625              |
| Equipment under capital lease | 99,527               | 28,687              | -                                           | 128,214              |
| Housing                       | 6,280,962            | 643,708             | -                                           | 6,924,670            |
| Lagoon                        | 912,223              | 59,294              | -                                           | 971,517              |
| Roads                         | 1,914,009            | -                   | -                                           | 1,914,009            |
| Vehicles                      | 1,773,824            | 203,294             | -                                           | 1,977,118            |
|                               | <b>\$ 16,000,076</b> | <b>\$ 1,112,436</b> | <b>\$ 25,802</b>                            | <b>\$ 17,086,710</b> |

| Net book value                | 2022                 | 2021                 |
|-------------------------------|----------------------|----------------------|
| Land                          | \$ 170,000           | \$ 170,000           |
| Buildings                     | 3,510,275            | 3,656,536            |
| Equipment                     | 124,771              | 155,963              |
| Equipment under capital lease | 66,936               | 95,623               |
| Housing                       | 9,882,034            | 9,611,295            |
| Lagoon                        | 1,917,165            | 1,976,459            |
| Roads                         | 215,868              | 215,868              |
| Vehicles                      | 474,352              | 484,546              |
|                               | <b>\$ 16,361,401</b> | <b>\$ 16,366,290</b> |

**KEESECKOOWENIN FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2022**

**17. 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 \$71,776 (2021 - \$68,309) 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, 2022 the Replacement Reserve bank accounts had a balance of \$13,428 (2021 - \$7,365) and was underfunded by \$616,913 (2021 - \$576,434).

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, 2022 the Operating Reserve bank account had a balance of \$251 (2021 - \$5,356) and was underfunded by \$667,691 (2021 - \$662,586).

During the year, net replacement reserve transactions totaling \$46,542 (2021 - \$101,165) 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  | 2022         | 2021         |
|----------------------------|----------|------------|------------|--------------|--------------|
| Balance, beginning of year | \$ -     | \$ 583,799 | \$ 667,942 | \$ 1,251,741 | \$ 1,150,576 |
| Annual allocation          | -        | 71,776     | -          | 71,776       | 68,309       |
| Interest                   | -        | 4          | -          | 4            | 13           |
| Surplus allocation         | -        | -          | -          | -            | 79,091       |
| Expenses                   | -        | (25,238)   | -          | (25,238)     | (46,248)     |
|                            | -        | 630,341    | 667,942    | 1,298,283    | 1,251,741    |
| Maturing units adjustment  | -        | -          | -          | -            | -            |
|                            | -        | 630,341    | 667,942    | 1,298,283    | 1,251,741    |
|                            | \$ -     | \$ 630,341 | \$ 667,942 | \$ 1,298,283 | \$ 1,251,741 |

**KEESECKOOWENIN FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2022**

**18. 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, 2022, the moveable assets reserve bank account had a balance of \$52,377 (2021 - \$24,354) and was underfunded by \$1,479 (2021 - \$27,667).

|                                          | <b>2022</b>      | 2021      |
|------------------------------------------|------------------|-----------|
| Balance beginning of year                | \$ 52,021        | \$ 50,239 |
| Amount provided in agreement for MAR     | 1,835            | 1,782     |
| Subtotal                                 | <b>53,856</b>    | 52,021    |
| Revenues generated                       | -                | -         |
| Expenses (acquisitions and replacements) | -                | -         |
|                                          | <b>\$ 53,856</b> | \$ 52,021 |

**19. RECONCILIATION OF INDIGENOUS SERVICES CANADA REVENUES**

|                                                     | <b>2022</b>          | 2021         |
|-----------------------------------------------------|----------------------|--------------|
| Indigenous Services Canada per financial statements | <b>\$ 11,331,620</b> | \$ 9,602,208 |
| Indigenous Services Canada per confirmation         | <b>\$ 11,331,620</b> | \$ 9,602,208 |

**20. INSURANCE PROCEEDS**

A claim for damages to the building and contents of one home were submitted to the insurance providers. The First Nation received \$162,270 to cover the repair costs.

**21. OTHER INCOME**

|                                                   | <b>2022</b>       | 2021         |
|---------------------------------------------------|-------------------|--------------|
| Assembly of Manitoba Chiefs                       | \$ -              | \$ 343,051   |
| Heritage Canada                                   | -                 | 64,754       |
| Manitoba First Nations Education Resources Centre | <b>51,000</b>     | 30,000       |
| Southeast Resource Development Council            | <b>27,650</b>     | -            |
| Southern Chiefs' Organization                     | <b>61,948</b>     | 15,816       |
| West Region Child and Family Services             | <b>35,500</b>     | -            |
| Keeseekoowenin First Nation Trust                 | <b>60,000</b>     | 22,800       |
| Donations and community support                   | <b>308,856</b>    | 411,793      |
| Trade and other                                   | <b>21,060</b>     | 164,343      |
|                                                   | <b>\$ 566,014</b> | \$ 1,052,557 |

**KEESECKOOWENIN FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2022**

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**22. PENSION PLAN**

The First Nation has an employee registered defined contribution pension plan. The organization matches the employees' contributions. During the year expenses totaling \$91,403 (2021 - \$84,374) were made to the pension plan.

**23. 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 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.

**24. ECONOMIC DEPENDENCE**

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

**25. 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, 2022**

|                                              | <b>2022</b>          | <b>2021</b>          |
|----------------------------------------------|----------------------|----------------------|
| Administration                               | \$ 37,887            | \$ 33,779            |
| Bad debts                                    | -                    | 8,984                |
| Band projects                                | 55,939               | 61,447               |
| Community support                            | 425,949              | 855,305              |
| Equipment rentals                            | 3,300                | 3,300                |
| Fuel (Note 14)                               | 144,938              | 102,807              |
| Funerals                                     | 42,692               | 59,281               |
| Graduations                                  | 39,502               | 16,644               |
| Homemakers                                   | 115,730              | 34,458               |
| Honoraria                                    | 292,500              | 244,232              |
| Income support                               | 1,503,821            | 1,733,374            |
| Insurance                                    | 419,382              | 344,137              |
| Interest and bank charges                    | 23,941               | 17,676               |
| Interest on long term debt                   | 108,435              | 122,958              |
| Interest on obligations under capital lease  | 7,517                | 9,171                |
| Manitoba Lotteries Commission share          | 23,128               | 21,120               |
| Medical transportation                       | 30,331               | 15,367               |
| Moveable assets reserve allocation (Note 18) | 1,835                | 1,782                |
| Non-treaty assistance                        | 57,983               | 22,024               |
| Office and miscellaneous                     | 131,599              | 66,035               |
| Professional fees                            | 203,494              | 197,277              |
| Programs and special activities              | 392,410              | 305,299              |
| Rent                                         | 85,052               | 84,468               |
| Repairs and maintenance                      | 518,140              | 557,627              |
| Replacement reserve allocations (Note 17)    | 71,776               | 147,400              |
| Special needs                                | -                    | 54,623               |
| Student allowances                           | 450,524              | 532,605              |
| Sub-contracts                                | 1,125,898            | 872,753              |
| Supplies (Note 14)                           | 1,522,133            | 1,610,883            |
| Telephone                                    | 59,549               | 57,640               |
| Training                                     | 108,754              | 45,272               |
| Travel                                       | 292,969              | 196,755              |
| Tuition                                      | 225,884              | 182,210              |
| Utilities                                    | 141,042              | 121,104              |
| Video lottery terminal payouts               | 842,861              | 805,099              |
| Wages and employee benefits (Note 22)        | 2,870,881            | 2,458,950            |
|                                              | <b>\$ 12,377,776</b> | <b>\$ 12,003,846</b> |

**KEESECKOOWENIN FIRST NATION**  
**Consolidated Segment Disclosure (Schedule 2)**  
**Year Ended March 31, 2022**

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:

|                                 | Governance & Operations |                  | Education          |                   | Health            |                     | Housing             |                   | Social Services   |                   | Business Enterprises |                   | Consolidated      |                     |
|---------------------------------|-------------------------|------------------|--------------------|-------------------|-------------------|---------------------|---------------------|-------------------|-------------------|-------------------|----------------------|-------------------|-------------------|---------------------|
|                                 | 2022                    | 2021             | 2022               | 2021              | 2022              | 2021                | 2022                | 2021              | 2022              | 2021              | 2022                 | 2021              | 2022              | 2021                |
| <b>Revenues</b>                 |                         |                  |                    |                   |                   |                     |                     |                   |                   |                   |                      |                   |                   |                     |
| Federal government              | \$ 3,444,616            | \$ 2,600,890     | \$ 932,868         | \$ 952,243        | \$ 3,760,545      | \$ 3,394,774        | \$ 2,254,024        | \$ 1,758,084      | \$ 2,102,653      | \$ 2,028,741      | \$ -                 | \$ -              | \$ 12,494,706     | \$ 10,734,732       |
| Provincial government           | 270,995                 | 303,619          | -                  | -                 | -                 | -                   | -                   | -                 | 44,379            | 58,207            | -                    | -                 | 315,374           | 361,826             |
| Economic activities             | -                       | -                | -                  | -                 | -                 | -                   | -                   | -                 | -                 | -                 | 2,317,111            | 2,269,656         | 2,317,111         | 2,269,656           |
| Other revenue                   | 454,555                 | 715,156          | -                  | 35,424            | 38,881            | 173,940             | 377,286             | 222,542           | 21,400            | -                 | 188,695              | 243,849           | 1,080,817         | 1,390,911           |
| Deferred revenue                | (242,627)               | (106,196)        | -                  | -                 | -                 | -                   | (1,642,000)         | -                 | -                 | -                 | -                    | -                 | (1,884,627)       | (106,196)           |
| Total Revenue                   | 3,927,539               | 3,513,469        | 932,868            | 987,667           | 3,799,426         | 3,568,714           | 989,310             | 1,980,626         | 2,168,432         | 2,086,948         | 2,505,806            | 2,513,505         | 14,323,381        | 14,650,929          |
| <b>Expenses</b>                 |                         |                  |                    |                   |                   |                     |                     |                   |                   |                   |                      |                   |                   |                     |
| Wages and benefits              | 836,724                 | 516,070          | 72,019             | 52,695            | 1,652,009         | 1,549,077           | 40,299              | 36,872            | 51,619            | 44,759            | 218,211              | 259,477           | 2,870,881         | 2,458,950           |
| Amortization                    | 333,397                 | 340,133          | 53,385             | 57,253            | 77,410            | 57,431              | 643,708             | 587,445           | -                 | -                 | 4,537                | 5,671             | 1,112,437         | 1,047,933           |
| Debt servicing                  | 34,112                  | 42,261           | 5,874              | 5,153             | 2,103             | 1,070               | 89,930              | 96,282            | 1,531             | 474               | 6,343                | 4,565             | 139,893           | 149,805             |
| Other expenses                  | 2,362,401               | 2,524,374        | 860,702            | 876,308           | 1,206,988         | 875,710             | 897,366             | 942,638           | 1,753,212         | 1,926,491         | 2,286,333            | 2,249,570         | 9,367,002         | 9,395,091           |
| Total Expenses                  | 3,566,634               | 3,422,838        | 991,980            | 991,409           | 2,938,510         | 2,483,288           | 1,671,303           | 1,663,237         | 1,806,362         | 1,971,724         | 2,515,424            | 2,519,283         | 13,490,213        | 13,051,779          |
| <b>Annual Surplus (Deficit)</b> | <b>\$ 360,905</b>       | <b>\$ 90,631</b> | <b>\$ (59,112)</b> | <b>\$ (3,742)</b> | <b>\$ 860,916</b> | <b>\$ 1,085,426</b> | <b>\$ (681,993)</b> | <b>\$ 317,389</b> | <b>\$ 362,070</b> | <b>\$ 115,224</b> | <b>\$ (9,618)</b>    | <b>\$ (5,778)</b> | <b>\$ 833,168</b> | <b>\$ 1,599,150</b> |