

KEEWAYWIN FIRST NATION  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2014

KEEWAYWIN FIRST NATION  
MARCH 31, 2014

COUNCIL

Chief	Chris Kakegamic
Councillor	Lawrence Mason
Councillor	Joe Meekis
Councillor	Rodney Kakegamic
Councillor	Eddie Meekis

FIRST NATION ADMINISTRATION

Financial Controller	Chandar Chahal
Finance Clerk	Janice Kakegamic
Social Services Administrator	Jason Kakegamic
Education Director	David Thompson
Health Director	James Kakepetum
Public Works Director	Lloyd Kakepetum
Housing Authority Manager	Raymond Mason
CEDO Officer	Lisa Meekis

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MARCH 31, 2014

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KEEWAYWIN FIRST NATION  
CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2014

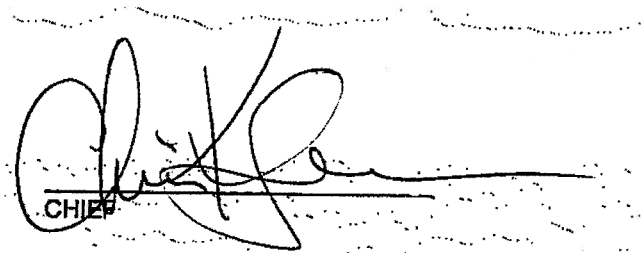
**MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS**

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

Management is responsible for the integrity and objectivity of the financial statements. Estimates are necessary in the preparation of these financial statements and, based on careful judgments, have been properly reflected. Management has established systems of internal control, which are designed to provide reasonable assurance that assets are safeguarded from loss or unauthorized use and to produce reliable accounting records for the preparation of financial information.

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

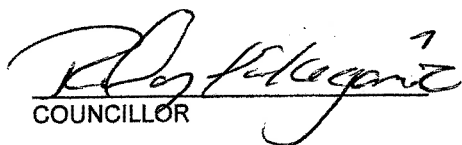
The consolidated financial statements have been audited by Holukoff Chiarella in accordance with Canadian generally accepted auditing standards on behalf of the Members. Holukoff Chiarella have full and free access to Council.



CHIEF



COUNCILLOR



COUNCILLOR



COUNCILLOR

# **Holukoff Chiarella**

CHARTERED ACCOUNTANTS

**EXHIBIT "A"**

Kevin Masse, B.Comm. (Hons), C.A.  
(Practising as Kevin Masse Chartered Accountant Ltd.)  
Ralph Orr, B.Comm. (Hons), C.A.  
(Practising as Ralph Orr Chartered Accountant Ltd.)  
Wayne H. Chiarella, B.A., C.A. (Retired 2011)  
Sam Holukoff, C.A. (Retired 2005)

101 - 1180 Pembina Highway  
Winnipeg, Manitoba R3T 2A4  
Telephone (204) 452-6449  
Fax (204) 452-3397

## **INDEPENDENT AUDITORS' REPORT**

To the Chief, Councillors and Members of  
Keewaywin First Nation

We have audited the accompanying financial statements of Keewaywin First Nation which comprise the consolidated statement of financial position as at March 31, 2014 and the consolidated statement of accumulated surplus, consolidated statement of operations, consolidated statement of change in net debt and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

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

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

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

# Holukoff Chiarella

CHARTERED ACCOUNTANTS

EXHIBIT "A"

Kevin Masse, B.Comm. (Hons), C.A.  
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## INDEPENDENT AUDITORS' REPORT, continued

### **Basis for Qualified Opinion**

The First Nation has undertaken to identify the total cost of tangible capital assets not previously recorded and any impairment or related amortization attributed to each of those assets. The full extent of these unrecorded assets and their appropriate amortization is not determinable as at the date of this audit report. As a result, we were unable to determine what further adjustments, if any, might be necessary to tangible capital assets, annual surplus and accumulated surplus.

Inventory consists of fuel purchased for the Keewaywin Power Authority. We did not observe the inventory count at the end of the year and alternative means did not provide us with the necessary assurance concerning the cost of inventory. As a result, we were unable to determine what adjustments, if any, might be necessary to assets, annual surplus (deficit) and accumulated surplus.

### **Qualified Opinion**

In our opinion, except for the effect of adjustments, if any, which might have been determined to be necessary as a result of the matters in the preceding paragraph, these consolidated financial statements present fairly, in all material respects, the financial position of Keewaywin First Nation as at March 31, 2014, and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



WINNIPEG, MANITOBA  
August 15, 2014

CHARTERED ACCOUNTANTS  
LICENSED PUBLIC ACCOUNTANTS

KEEWAYWIN FIRST NATION  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT MARCH 31, 2014

	<u>2014</u>	<u>2013</u>
<b>FINANCIAL ASSETS</b>		
Cash, Note 2	\$ 502,600	370,883
Accounts receivable, Note 3	549,685	986,450
Inventory for resale, Note 3	913,549	517,191
Investments, Note 4	506,653	506,653
Restricted cash and trust funds, Note 6	<u>83,968</u>	<u>63,272</u>
Total financial assets	<u>2,556,455</u>	<u>2,444,449</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities, Note 7	723,340	654,542
Deferred revenue, Note 8	1,775	100,269
Long-term debt, Note 9	4,976,433	4,731,319
Reserves, Note 10	<u>68,593</u>	<u>48,277</u>
Total liabilities	<u>5,770,141</u>	<u>5,534,407</u>
<b>NET DEBT</b>	<u>(3,213,686)</u>	<u>(3,089,958)</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets, Note 11	16,105,913	16,930,421
Prepaid expenses	<u>3,726</u>	<u>          </u>
	<u>16,109,639</u>	<u>16,930,421</u>
<b>ACCUMULATED SURPLUS, Exhibit C</b>	<b>\$ <u>12,895,953</u></b>	<b><u>13,840,463</u></b>

APPROVED BY:

  
 CHIEF

  
 COUNCILLOR

  
 COUNCILLOR

  
 COUNCILLOR

EXHIBIT "C"

KEEWAYWIN FIRST NATION  
CONSOLIDATED STATEMENT OF ACCUMULATED SURPLUS  
FOR THE YEAR ENDED MARCH 31, 2014

	<u>2014</u>	<u>2013</u>
BALANCE AT BEGINNING OF YEAR	\$ 13,840,463	14,403,934
ANNUAL SURPLUS (DEFICIT), Exhibit "D"	<u>(944,510)</u>	<u>(563,471)</u>
BALANCE AT END OF YEAR	\$ <u><b>12,895,953</b></u>	<u><b>13,840,463</b></u>



EXHIBIT "D"

KEEWAYWIN FIRST NATION  
CONSOLIDATED STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED MARCH 31, 2014

	<u>2014</u>	<u>2013</u>
ANNUAL SURPLUS (DEFICIT), OPERATIONS, EXHIBIT "D-1"	\$ (249,211)	154,722
ANNUAL SURPLUS, TRUST/RESTRICTED, EXHIBIT "D-1"	<u>380</u>	<u>360</u>
ANNUAL SURPLUS (DEFICIT) BEFORE OTHER ITEMS	(248,831)	155,082
TRANSFER TO TANGIBLE CAPITAL ASSETS, FROM OPERATIONS	710,308	583,065
AMORTIZATION NOT EXPENSED IN OPERATIONS	(1,405,987)	(1,229,811)
INVESTMENT INCOME (LOSS)	<u>                    </u>	<u>(71,807)</u>
ANNUAL SURPLUS (DEFICIT)	\$ <u>(944,510)</u>	<u>(563,471)</u>

KEEWAYWIN FIRST NATION  
CONSOLIDATED STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED MARCH 31, 2014

Special Reports Schedule		Revenue				Total	Expenses	Surplus (Deficit)
		AANDC	Other	(to) from	Deferred			
1	Band Management	\$ 430,842	532,984	16,500		980,326	1,022,994	(42,668)
2	Social Services	258,942	2,011,296			2,270,238	2,278,207	(7,969)
3	Educational Services	1,544,753	71,283		29,268	1,645,304	1,653,528	(8,224)
4	Economic Development	50,000				50,000	50,000	
5	Public Works	920,010	174,317	8,746		1,103,073	1,207,584	(104,511)
6	Capital		267,200	88,191	35,000	390,391	390,391	
7	Health Services		886,552			886,552	886,552	
8	Operating Programs	238,086	654,031	25,865	34,226	952,208	948,083	4,125
9	Casino Rama		882,184	(461,111)		421,073	421,073	
10	Keewaywin Power Authority	248,012	968,460	405,000		1,621,472	1,846,900	(225,428)
11	Keewaywin Housing Authority	221,998	569,603	(83,191)		708,410	572,946	135,464
12	CMHC Housing		310,334	5,654		315,988	315,988	
	TOTAL OPERATIONS FUND	3,912,643	7,328,244	5,654	98,494	11,345,035	11,594,246	(249,211)
	TRUST/RESTRICTED FUND							
16	Ottawa Trust Funds		380			380		380
	Grand Totals	\$ 3,912,643	7,328,624	5,654	98,494	11,345,415	11,594,246	(248,831)
	OTHER ITEMS							
	Transfer to Tangible Capital Assets from operations							710,308
	Amortization							(1,405,987)
	Investment (income loss)							
							\$	<u>(944,510)</u>

KEEWAYWIN FIRST NATION  
CONSOLIDATED STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED MARCH 31, 2014

	<u>2014</u>	<u>2013</u>
<b>REVENUE</b>		
Federal Government		
AANDC	\$ 3,912,643	3,952,372
Health Canada	848,543	931,455
Canada Mortgage and Housing Corporation	214,934	171,950
Provincial Government	2,306,027	1,834,086
Ontario First Nations Limited Partnership	882,176	890,462
Other	<u>3,181,092</u>	<u>3,448,022</u>
	<u>11,345,415</u>	<u>11,228,347</u>
<b>EXPENSES</b>		
Band Management	1,022,994	1,016,355
Social Services	2,278,207	1,865,549
Education Services	1,653,528	1,654,026
Economic Development	50,000	50,000
Public Works	1,207,584	1,282,477
Capital	390,391	224,551
Health Services	886,552	998,414
Operating Programs	948,083	930,925
Casino Rama	421,073	614,702
Keewaywin Power Authority	1,846,900	1,813,659
Keewaywin Housing Authority	572,946	373,955
CMHC Housing	<u>315,988</u>	<u>155,711</u>
	<u>11,594,246</u>	<u>10,980,324</u>
<b>ANNUAL SURPLUS (DEFICIT) BEFORE OTHER ITEMS</b>	(248,831)	248,023
<b>OTHER ITEMS</b>		
Transfer to tangible capital assets	710,308	583,065
Amortization	(1,405,987)	(1,322,752)
Investment income (loss), Note 5	<u>                    </u>	<u>(71,807)</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	\$ <u>(944,510)</u>	<u>(563,471)</u>

KEEWAYWIN FIRST NATION  
CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT  
FOR THE YEAR ENDED MARCH 31, 2014

	<u>2014</u>	<u>2013</u>
ANNUAL SURPLUS (DEFICIT)	\$ (944,510)	(491,664)
Acquisition of tangible capital assets	(710,308)	(1,463,065)
Amortization of tangible capital assets	1,534,816	1,192,752
Prepaid expenses	(3,726)	
Investment income (loss)	<u>                    </u>	<u>(71,807)</u>
INCREASE IN NET DEBT	(123,728)	(833,784)
NET DEBT AT BEGINNING OF YEAR	<u>(3,089,958)</u>	<u>(2,256,174)</u>
NET DEBT AT END OF YEAR	\$ <u><b>(3,213,686)</b></u>	<u><b>(3,089,958)</b></u>

KEEWAYWIN FIRST NATION  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED MARCH 31, 2014

	<u>2014</u>	<u>2013</u>
OPERATING TRANSACTIONS		
Annual surplus (deficit)	\$ (944,510)	(563,471)
Non-cash item		
Amortization	1,534,816	1,192,752
Changes to financial assets/liabilities		
Accounts receivable	436,765	(250,899)
Inventory	(396,358)	150,467
Restricted cash and trust funds	(20,696)	(30,618)
Accounts payable and accrued liabilities	68,798	(167,747)
Deferred revenue	(98,494)	59,459
Prepaid expenses	(3,726)	
	<u>576,595</u>	<u>389,943</u>
CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets	(710,308)	(1,463,065)
FINANCING TRANSACTIONS		
Proceeds from long term debt	1,545,000	2,129,000
Repayment of long term debt	(1,299,886)	(1,008,641)
	<u>245,114</u>	<u>1,120,359</u>
INVESTING TRANSACTIONS		
Replacement reserve transfer	25,970	21,437
Operating reserve transfer	(5,654)	5,020
(Increase) decrease in Investments	71,807	71,807
	<u>20,316</u>	<u>98,264</u>
NET CHANGE IN CASH POSITION	131,717	145,501
CASH POSITION AT BEGINNING OF YEAR	<u>370,883</u>	<u>225,382</u>
CASH POSITION AT END OF YEAR	\$ <u>502,600</u>	<u>370,883</u>
CASH CONSISTS OF THE FOLLOWING:		
Bank accounts, Note 2	\$ <u>502,600</u>	<u>370,883</u>

KEEWAYWIN FIRST NATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2014

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local government entities, as defined in the Public Sector Accounting and Auditing handbook of the Canadian Institute of Chartered Accountants.

a) Nature and Purpose

The First Nation manages and administers all aspects of the Keewaywin First Nation. The First Nation operates with a Chief and Council, who are ultimately responsible for the establishment and administration of all programs of the First Nation.

b) Fund Accounting

The Keewaywin First Nation uses fund accounting procedures which result in a self-balancing set of accounts for each fund established. The various funds have been amalgamated for the purpose of presentation in the Consolidated Financial Statements. Details of the operations of each fund are set out in the supplementary statements. The First Nation maintains the following funds:

- The Operations Fund which reports the general activities of the First Nation.
- The Ottawa Trust Funds which reports on trust funds owned by the First Nation and held by third parties.
- The Enterprise Fund which reports the First Nation's investments.

c) Reporting Entity and Principles of Financial Reporting

Keewaywin First Nation reporting entity includes the Keewaywin First Nation government and all related entities which are accountable to the First Nation and are either owned or controlled by the First Nation.

These financial statements consolidate the assets, liabilities and results of operations for these entities, which all use accounting principles which lend themselves to consolidations.

All inter-entity balances have been eliminated on consolidation, but in order to present the results of operations for each specific fund, transactions amongst funds have not necessarily been eliminated on the individual statements.

Incorporated business entities, which are owned or controlled by the Keewaywin First Nation Council and which are not dependent on the First Nation for their continuing operations, are included in the consolidated financial statements using the modified equity method. The Keewaywin First Nation does not have any entities to report using the modified equity method.

Long-term investments in non-controlled entities are recorded at the lower of cost or net realizable value.

d) Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the weighted average cost method.

**KEEWAYWIN FIRST NATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2014**

**1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES, continued**

**e) Revenue Recognition**

The First Nation follows the deferral method of accounting for revenue. Revenue is recognized as it becomes receivable under the terms of applicable funding agreements and can be reasonably estimated and collection is reasonably assured. Funding received under the funding arrangements which relates to a subsequent fiscal period is reflected as deferred revenue in the year of receipt and classified as such on the balance sheet.

Other income, primarily fees for service and sales of fuel, are recognized upon transfer of title of the product or upon performance of the service and when collectability is reasonably assured.

**f) Tangible Capital Assets**

Tangible capital assets include acquired, built, developed and improved tangible capital assets, whose useful life extends beyond one year and which are intended to be used on an ongoing basis for producing goods and delivering services. The First Nation does not capitalize computer software.

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

**g) Amortization**

Amortization is provided for on a straight-line basis over the expected useful life of the assets commencing in the year the asset is put into service. One-half of the annual amortization is charged in the year of addition and in the year of disposal.

Buildings	20 years
Vehicles	3 years
Equipment	3 years
Heavy equipment	4 years
Band housing	20 years
Infrastructure	20 years
CMHC housing	20 years

**h) Net Debt/Net Financial Assets**

The First Nation's financial statements are presented so as to highlight net debt/net financial assets as the measurement of financial position. The net debt/net financial assets of the First Nation are determined by its financial assets less its liabilities. Net debt is comprised of two components, non-financial assets and accumulated surplus.

**i) Financial Instruments**

The First Nation's financial instruments consist of cash, funds on deposit, accounts receivable, investments, accounts payable, accrued liabilities and long term debt. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, currency or credit risk arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

**KEEWAYWIN FIRST NATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2014**

**1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES, continued**

j) Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the reported period. Actual results could differ from management's best estimates as additional information becomes available in the future.

<b>2. CASH/BANK INDEBTEDNESS</b>	<u><b>2014</b></u>	<u><b>2013</b></u>
Administration		
CIBC - General account	\$	58,875
- Deposit account		593
- Capital Reserve account		(3)
RBC - General account	55,976	69,041
- Deposit account	86,276	1
- Capital Reserve account	138,536	5,935
Education Services		
CIBC - General account		20,688
RBC - General account	43,889	(14,830)
Social Services		
CIBC - General account		78
- Special account		(13,200)
RBC - General account	77,003	83,500
Health Services		
CIBC - General account		11,282
RBC - General account	27,285	32,260
Public Works		
CIBC - General account		10,881
RBC - General account	39,446	39,326
Casino Rama		
CIBC - General account		887
- Reserve account		(4)
RBC - General account	4,882	
- Reserve account	1,206	6,194
CMHC Housing		
CIBC - General account		(12)
- Reserve account		(3)
RBC - General account	1,185	3,894
- Reserve account	2,025	9,651
Housing Authority		
CIBC - General account		4,797
RBC - General account	9,133	19,942
Power Authority		
Cash	1,267	
CIBC - General account		13,955
Northern Store savings account	2,256	5
RBC - General account	<u>12,235</u>	<u>7,150</u>
	<b>\$ 502,600</b>	<b>370,883</b>



**KEEWAYWIN FIRST NATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2014**

**EXHIBIT "G"**

**3. ACCOUNTS RECEIVABLE**

	<u>2014</u>	<u>2013</u>
Administration		
AANDC	\$ 86,868	117,207
Trade receivables	51,415	75,886
GST	<u>90,264</u>	<u>130,471</u>
	<u>228,547</u>	<u>323,564</u>
Education Authority		
Trade receivables	—	<u>222</u>
Housing Authority		
Social Services - Band housing	<u>77,560</u>	<u>98,160</u>
CMHC Housing		
CMHC - subsidies	<u>17,911</u>	<u>17,911</u>
Social Services		
Comsoc	<u>67,822</u>	<u>77,116</u>
Keewaywin Power Authority		
Hydro and fuel, customer accounts	330,882	594,033
Allowance for doubtful accounts	<u>(181,977)</u>	<u>(181,976)</u>
	148,905	412,057
Social Services	<u>148,905</u>	<u>21,450</u>
	<u>148,905</u>	<u>433,507</u>
Public Works		
MNDM		<u>31,050</u>
Health Services		
Trade receivables	8,940	3,800
Band members	<u>8,940</u>	<u>1,120</u>
	<u>8,940</u>	<u>4,920</u>
<b>TOTAL ACCOUNTS RECEIVABLE</b>	<b>\$ <u>549,685</u></b>	<b><u>986,450</u></b>

**4. INVENTORY FOR RESALE**

	<u>2014</u>	<u>2013</u>
Keewaywin Power Authority, fuel	\$ <u>913,549</u>	<u>517,191</u>

KEEWAYWIN FIRST NATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2014

EXHIBIT "G"

5. INVESTMENTS

Long-term investment Wasaya Group Inc./ Wasaya Partnership.

	<u>2014</u>	<u>2013</u>
Balance beginning of year	\$ 506,653	578,460
Current year loss		(55,058)
Investment re buyout, Wescan Terminds LL	<u>          </u>	<u>(16,749)</u>
Balance, end of year	\$ <b><u>506,653</u></b>	<b><u>506,653</u></b>

6. RESTRICTED CASH AND TRUST FUNDS

	<u>2014</u>	<u>2013</u>
Capital Fund		
CMHC replacement reserve fund, Note 10	\$ 68,593	43,257
CMHC Operating Reserve, Note 10		5,020
Trust Fund		
Ottawa Trust Funds	<u>15,375</u>	<u>14,995</u>
	\$ <b><u>83,968</u></b>	<b><u>63,272</u></b>

Cash is subject to the restrictions imposed upon by outside parties and can only be used for the purposes specified.

Ottawa Trust Funds

The Ottawa Trust Funds arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

Changes in Ottawa Trust Funds

	<u>Revenue</u>	<u>Capital</u>	<u>Total</u>
Balance at March 31, 2013	\$ 13,246	1,749	14,995
Amounts Placed On Deposit During the Year	<u>380</u>	<u>          </u>	<u>380</u>
Balance at March 31, 2014	\$ <b><u>13,626</u></b>	<b><u>1,749</u></b>	<b><u>15,375</u></b>

KEEWAYWIN FIRST NATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2014

EXHIBIT "G"

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2014</u>	<u>2013</u>
Administration		
Trade payables	\$ 96,411	90,628
Receiver General - E.I.	6,301	6,033
Accrued payroll		<u>28,563</u>
	<u>102,712</u>	<u>125,224</u>
 Educational Services		
Trade payables	55,686	
Receiver General - source deductions		76,038
Accrued payroll		(273)
Fuel deductions		25,976
London Life Group Insurance		150
Pension plan		(852)
Casino Rama		654
		<u>901</u>
	<u>55,686</u>	<u>102,594</u>
 Housing Authority		
Trade payables	9,925	88,534
Receiver General - E.I.	419	338
	<u>10,344</u>	<u>83,872</u>
 Public Works		
Trade payables	61,313	72,070
Accrued payroll		10,381
Hydro deductions		1,150
Receiver General - E.I.	1,723	2,047
	<u>63,036</u>	<u>85,648</u>
 Social Services		
Trade payables	8,992	7,752
Receiver General - E.I. deductions	5,009	5,009
Band Housing	77,560	98,160
Emergency deductions		1,240
Power Authority		21,450
Casino Rama		(8,901)
	<u>91,561</u>	<u>124,710</u>
 Balance carried forward	\$ <u>323,339</u>	<u>522,048</u>

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**EXHIBIT "G"**

**7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES, continued**

	<u>2014</u>	<u>2013</u>
Balance brought forward	\$ <u>323,339</u>	<u>522,048</u>
Health Services		
Miscellaneous		565
Accrued payroll		18,127
Trade payables	11,418	
Receiver General - E.I.	2,090	2,834
Band housing		
Emergency deductions		
Power Authority		
	<u>13,508</u>	<u>21,526</u>
Keewaywin Power Authority		
Trade payables	386,493	100,941
Receiver General - E.I.		408
Emergency fund deductions		<u>5,820</u>
	<u>386,493</u>	<u>107,169</u>
Casino Rama		
Trade payables	<u>          </u>	<u>3,799</u>
<b>TOTAL ACCOUNTS PAYABLE AND ACCRUED LIABILITIES</b>	<b>\$ <u>723,340</u></b>	<b><u>654,542</u></b>

**8. DEFERRED REVENUE**

Funding received or receivable in the current period to be applied against subsequent period programs are recorded as deferred revenue in the financial statements.

Deferred revenue consists of the following:

	Schedule	Opening Balance	Funding	Revenue	Closing Balance
	<u>No.</u>	<u>March 31, 2013</u>	<u>Received</u>	<u>Recognized</u>	<u>March 31, 2014</u>
FNSSP	3-2	\$ 29,268	21,000	50,268	
Northern Store, rent		1,775	43,167	43,167	1,775
NAN	6-1	35,000		35,000	
Province of Ontario	8-4	<u>34,226</u>	<u>4,865</u>	<u>39,091</u>	<u>          </u>
		<b>\$ <u>100,269</u></b>	<b><u>69,032</u></b>	<b><u>167,526</u></b>	<b><u>1,775</u></b>

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9. LONG-TERM DEBT	<u>2014</u>	<u>2013</u>
Royal Bank demand instalment loan repayable at \$79,166.67 per month plus interest at RBC prime plus 2.65%. Secured by security agreement granting a first security interest and Band Council resolution, due March 4, 2014.	\$	950,000
Equipment loan payable - SMS Equipment repayable at \$5,954.99 per month including interest at 1.50%. Secured by Komatsu Crawler Dozer, due February 24, 2014.		65,017
Equipment loan payable - SMS Equipment repayable at \$2,831.50 per month including interest at 1.50%. Secured by Komatsu Backhoe/Loader, due February 24, 2014.		30,551
Equipment loan payable - Komatsu Financial repayable at \$4,803.79 per month including interest at 1.5%, due February 15, 2016.	113,511	169,000
RBC demand installment loan repayable at \$102,083.34 per month plus interest at 5.05% per year. Secured by security agreement granting a first security and a Band Council resolution.	1,225,000	
RBC demand installment loan repayable at \$6,667 per month plus interest at 5.05% per year.	250,000	
The First Nation obtained financing to build houses. Through this program the First Nation receives CMHC government assistance to operate the houses as rental units. These loans are secured by a guarantee from the Minister of Aboriginal Affairs and Northern Development Canada.		
CMHC loan payable. Interest at 1.92% per annum, repayable at \$2,184.14 per month principal and interest, maturing April 1, 2019.	437,473	455,401
CMHC loan payable. Interest at 2.97% per annum, repayable at \$6,169.93 per month principal and interest, maturing April 1, 2016.	1,200,013	1,238,197

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9. LONG-TERM DEBT, continued	<u>2014</u>	<u>2013</u>
CMHC loan payable.	\$ 793,745	822,734
Interest at 1.49% per annum, repayable at \$3,413.59		
Per month principal and interest, maturing January 21, 2017.		
CMHC loan payable.	956,691	1,000,419
Interest at 1.53% per annum, repayable at \$4,885.40		
Per month principal and interest, maturing December 1, 2017.		
	<u>4,976,433</u>	<u>4,731,319</u>
Current portion	<u>1,914,022</u>	<u>1,196,162</u>
	<b>\$ <u>3,062,411</u></b>	<b><u>3,535,157</u></b>

Estimated principal payments for the next four years are as follows:

2015	\$ 1,914,022
2016	251,583
2017	1,274,940
2018	<u>1,535,888</u>
	<b>\$ <u>4,976,433</u></b>

#### 10. RESERVES

The First Nation establishes reserves for legal, contractual or voluntary basis as follows:

	<u>2014</u>	<u>2013</u>
Replacement Reserve - Social Housing	\$ 69,227	43,257
Agreement with Canada Mortgage and Housing Corporation provide for the accumulation of a replacement reserve.		
Operating Fund Reserve - Social Housing		
Post 1996 Section 95 Programs	(634)	5,020
Under the terms of the agreement with Canada Mortgage and Housing Corporation, any surplus remaining after the payment of all costs and expenses, including the allocation to the Replacement Reserve, should be retained by the First Nation in an Operating Fund Reserve. These funds, along with the 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 mutually agreed by the First Nation and CMHC. The funds in this account may only be used for the ongoing operating costs of the project. Accordingly, future years' deficits may be recovered from this reserve. Withdrawals are credited to interest first and then principal		
These reserves were funded at March 31, 2014	<b>\$ <u>68,593</u></b>	<b><u>48,277</u></b>

**KEEWAYWIN FIRST NATION**  
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**11. TANGIBLE CAPITAL ASSETS**

	2014				
	Cost Mar. 31/13	Additions (Disposals)	Cost Mar. 31/14	Accumulated Amortization	Net Book Value
Buildings	\$ 1,112,788		1,112,788	598,392	514,396
Vehicles	279,925	31,467	311,392	238,268	73,124
Equipment	131,628		131,628	119,203	12,425
Heavy equipment	1,427,496	305,950	1,733,446	1,216,244	517,202
Band housing	4,288,538		4,288,538	1,458,538	2,830,000
Infrastructure	11,238,335		11,238,335	3,216,031	8,022,304
CMHC housing	4,595,920		4,595,920	832,349	3,763,571
Asset under construction		372,891	372,891		372,891
	<b>\$ 23,074,630</b>	<b>710,308</b>	<b>23,784,938</b>	<b>7,679,025</b>	<b>16,105,913</b>

	2013				
	Cost Mar. 31/12	Additions (Disposals)	Cost Mar. 31/13	Accumulated Amortization	Net Book Value
Buildings	\$ 1,112,788		1,112,788	542,752	570,036
Vehicles	214,971	64,954	279,925	166,230	113,695
Equipment	131,628		131,628	103,172	28,456
Heavy equipment	1,252,496	175,000	1,427,496	1,003,638	423,858
Band housing	4,288,538		4,288,538	1,246,110	3,042,428
Infrastructure	11,238,335		11,238,335	2,654,114	8,584,221
CMHC housing	3,372,809	1,223,111	4,595,920	428,193	4,167,727
	<b>\$ 21,611,565</b>	<b>1,463,065</b>	<b>23,074,630</b>	<b>6,144,209</b>	<b>16,930,421</b>

**12. ECONOMIC DEPENDENCE**

The First Nation receives a major portion of its revenues pursuant to a funding arrangement with Aboriginal Affairs Northern Development Canada.

**13. COMPARATIVE FIGURES**

Prior year's comparative amounts have been reclassified where necessary to conform to the current period's presentation. Certain comparative figures for the previous period have not been shown as the information is considered not to be meaningful for comparison with the current period. The budget figures are unaudited.

KEEWAYWIN FIRST NATION  
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## 14. SEGMENT DISCLOSURE

	Band Management		Social Services		Education	
	Budget	2014	Budget	2014	Budget	2014
REVENUE		2013		2013		2013
Federal government	\$ 430,842	430,842	245,500	258,942	1,544,753	1,487,738
Provincial government		424,203	1,800,000	2,011,296		
Economic activities		(71,807)				
Net income for investments in government business enterprises		380		(145,771)		
Other revenue	590,000	549,484			70,608	150,540
<b>TOTAL REVENUE</b>	<b>\$ 1,020,842</b>	<b>980,706</b>	<b>2,045,500</b>	<b>2,270,238</b>	<b>1,615,361</b>	<b>1,638,278</b>
<b>EXPENSES</b>						
Honoraria	290,000	292,045				
Chief and Councillors						
Elders and Board Members	166,164	172,700	47,045	47,045	866,796	903,961
Wages and benefits		1,405,981				
Amortization		(710,308)				
Tangible Capital Assets	5,500	7,028				
Interest	497,200	551,221	1,998,455	2,231,162	748,565	750,065
Other expenses						
<b>TOTAL EXPENSES</b>	<b>958,864</b>	<b>1,718,673</b>	<b>2,045,500</b>	<b>2,278,207</b>	<b>1,615,361</b>	<b>1,654,982</b>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ 61,978</b>	<b>(737,967)</b>	<b>(641,664)</b>	<b>(7,969)</b>	<b>(8,224)</b>	<b>(15,748)</b>



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## 14. SEGMENT DISCLOSURE, continued

	Economic Development		Public Works		Housing and Capital	
	Budget	2014	Budget	2014	Budget	2014
REVENUE						
Federal government	\$ 50,000	50,000	920,010	920,010	436,932	392,015
Provincial government						
Economic activities						
Net income for investments in government business enterprises						
Other revenue			398,834	183,063	152,800	977,857
						552,223
TOTAL REVENUE	50,000	50,000	1,318,844	1,103,073	152,800	944,238
EXPENSES						
Honoraria						
Chief and Councillors						
Elders and Board Members						
Wages and benefits	48,000	48,000	357,340	351,896	200,411	116,310
Amortization					128,829	92,941
Tangible Capital Assets						
Interest	2,000	2,000	2,500	4,821	5,000	91,684
Other expenses			959,004	850,867	987,800	546,223
TOTAL EXPENSES	50,000	50,000	1,207,584	1,207,584	992,800	847,158
ANNUAL SURPLUS (DEFICIT)	\$			(104,511)	(840,000)	97,080

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## 14. SEGMENT DISCLOSURE, continued

	Health		Total for Community Services		Total	
	Budget	2014	Budget	2014	Budget	2013
REVENUE						
Federal government	\$ 848,543	848,543	311,586	486,098	4,351,234	4,976,120
Provincial government			133,000	294,731	1,933,000	2,306,027
Economic activities						(71,807)
Net income for investments in government business enterprises						360
Other revenue	38,009	38,009	349,599	2,213,924	1,599,850	4,338,124
TOTAL REVENUE	886,552	886,552	794,185	2,994,753	7,884,084	11,345,415
						11,156,540
EXPENSES						
Honoraria					290,000	292,045
Chief and Councillors					4,000	4,250
Elders and Board Members			4,000	4,250		5,000
Wages and benefits	635,449	570,381	363,932	639,731	2,484,726	2,910,274
Amortization						1,534,816
Tangible Capital Assets						(710,308)
Interest						123,955
Other expenses	251,103	316,171	396,753	41,365	13,000	126,541
TOTAL EXPENSES	886,552	886,552	764,685	2,530,710	5,840,880	7,520,534
					8,632,606	12,289,925
ANNUAL SURPLUS (DEFICIT)	\$		29,500	(221,303)	(748,522)	(563,471)