

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

KEEWAYWIN FIRST NATION
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MARCH 31, 2014

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KEEWAYWIN FIRST NATION
CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2014

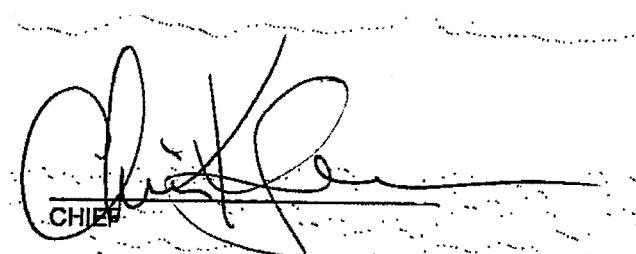
MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

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.

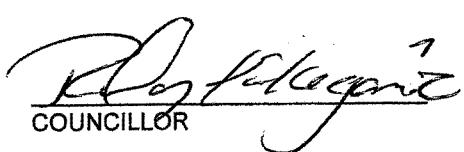
The consolidated financial statements have been audited by Holukoff Chiarella in accordance with Canadian generally accepted auditing standards on behalf of the Members. Holukoff Chiarella have full and free access to Council.



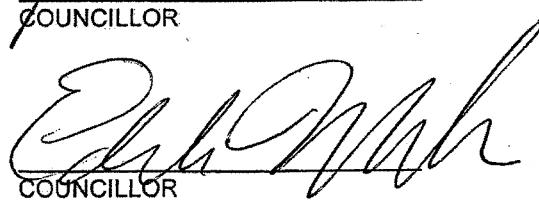
CHIEF



COUNCILLOR



COUNCILLOR



COUNCILLOR

Holukoff Chiarella

CHARTERED ACCOUNTANTS

EXHIBIT "A"

Kevin Massee, B.Comm. (Hons), C.A.
(Practising as Kevin Massee 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 Massee, 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

EXHIBIT "B"

		<u>2014</u>	<u>2013</u>
FINANCIAL ASSETS			
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>
LIABILITIES			
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>
NET DEBT		<u>(3,213,686)</u>	<u>(3,089,958)</u>
NON-FINANCIAL ASSETS			
Tangible capital assets, Note 11		16,105,913	16,930,421
Prepaid expenses		<u>3,726</u>	<u>16,930,421</u>
		<u>16,109,639</u>	<u>16,930,421</u>
ACCUMULATED SURPLUS, Exhibit C	\$ 12,895,953	13,840,463	

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>\$ 12,895,953</u>	<u>13,840,463</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"	380	360	
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)	_____	(71,807)	
ANNUAL SURPLUS (DEFICIT)	\$ (944,510)	(563,471)	

EXHIBIT "D-1"

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

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

EXHIBIT "D-2"

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

	<u>2014</u>	<u>2013</u>
REVENUE		
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>
EXPENSES		
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>
ANNUAL SURPLUS (DEFICIT) BEFORE OTHER ITEMS	(248,831)	248,023
OTHER ITEMS		
Transfer to tangible capital assets	710,308	583,065
Amortization	(1,405,987)	(1,322,752)
Investment income (loss), Note 5	<u>(71,807)</u>	<u>(563,471)</u>
ANNUAL SURPLUS (DEFICIT)	\$ (944,510)	(563,471)

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

EXHIBIT "E"

	<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>(71,807)</u>	
INCREASE IN NET DEBT	(123,728)	(833,784)
NET DEBT AT BEGINNING OF YEAR	(3,089,958)	(2,256,174)
NET DEBT AT END OF YEAR	\$ (3,213,686)	(3,089,958)

EXHIBIT "F"

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	<u>(3,726)</u>	<u>389,943</u>
<u>576,595</u>	<u>389,943</u>	
CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets	<u>(710,308)</u>	<u>(1,463,065)</u>
FINANCING TRANSACTIONS		
Proceeds from long term debt	1,545,000	2,129,000
Repayment of long term debt	<u>(1,299,886)</u>	<u>(1,008,641)</u>
	<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	<u>20,316</u>	<u>71,807</u>
	<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.

	<u>2014</u>	<u>2013</u>
2. CASH/BANK INDEBTEDNESS		
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>
	\$ 502,600	370,883

EXHIBIT "G"

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

3. ACCOUNTS RECEIVABLE

	<u>2014</u>	<u>2013</u>
Administration		
AANDC	\$ 86,868	117,207
Trade receivables	51,415	75,886
GST	90,264	130,471
	<u>228,547</u>	<u>323,564</u>
Education Authority		
Trade receivables	<u> </u>	<u>222</u>
Housing Authority		
Social Services - Band housing	77,560	98,160
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	(181,977)	(181,976)
	<u>148,905</u>	<u>412,057</u>
Social Services	<u> </u>	<u>21,450</u>
	<u>148,905</u>	<u>433,507</u>
Public Works		
MNDM	<u> </u>	<u>31,050</u>
Health Services		
Trade receivables	8,940	3,800
Band members	<u> </u>	<u>1,120</u>
	<u>8,940</u>	<u>4,920</u>
TOTAL ACCOUNTS RECEIVABLE	\$ 549,685	986,450
4. INVENTORY FOR RESALE	<u>2014</u>	<u>2013</u>
Keewaywin Power Authority, fuel	\$ 913,549	517,191

EXHIBIT "G"

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

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>(16,749)</u>
Balance, end of year	\$ <u>506,653</u>	<u>506,653</u>

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>
	<u>\$ 83,968</u>	<u>63,272</u>

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>380</u>
Balance at March 31, 2014	<u>\$ 13,626</u>	<u>1,749</u>	<u>15,375</u>

EXHIBIT "G"

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

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>125,224</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.	<u>419</u>	<u>338</u>
	<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.	<u>1,723</u>	<u>2,047</u>
	<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		<u>(8,901)</u>
	<u>91,561</u>	<u>124,710</u>
Balance carried forward	<u>\$ 323,339</u>	<u>522,048</u>

EXHIBIT "G"

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

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>3,799</u>	
TOTAL ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	\$ <u>723,340</u>	<u>654,542</u>

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 No.	Opening Balance March 31, 2013	Funding Received	Revenue Recognized	Closing Balance March 31, 2014
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>100,269</u>	<u>69,032</u>	<u>167,526</u>	<u>1,775</u>

EXHIBIT "G"

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

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

EXHIBIT "G"

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

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>
	\$ 3,062,411	3,535,157

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>
	\$ 4,976,433

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 Agreement with Canada Mortgage and Housing Corporation provide for the accumulation of a replacement reserve.	\$ 69,227	43,257
Operating Fund Reserve - Social Housing Post 1996 Section 95 Programs 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	(634)	5,020
These reserves were funded at March 31, 2014	\$ 68,593	48,277

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

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
	\$ 23,074,630	710,308	23,784,938	7,679,025	16,105,913

	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
	\$ 21,611,565	1,463,065	23,074,630	6,144,209	16,930,421

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.

EXHIBIT G

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

14. SEGMENT DISCLOSURE

	<u>Budget</u>	<u>2014</u>	<u>2013</u>	<u>Budget</u>	<u>2014</u>	<u>2013</u>	<u>Budget</u>	<u>2014</u>	<u>2013</u>
REVENUE									
Federal government	\$ 430,842	430,842	424,203	245,500	258,942	468,171	1,544,753	1,544,753	1,487,738
Provincial government				1,800,000	2,011,296	1,554,228			
Economic activities									
Net income for investments in government business enterprises				380	360				
Other revenue	<u>590,000</u>	<u>549,484</u>	<u>668,681</u>			<u>(145,771)</u>	<u>70,608</u>	<u>100,551</u>	<u>150,540</u>
TOTAL REVENUE	\$ 1,020,842	980,706	1,021,437	2,045,500	2,270,238	1,876,628	1,615,361	1,645,304	1,638,278
EXPENSES									
Honoraria									
Chief and Councillors	290,000	292,045	291,796						
Elders and Board Members	166,164	172,700	178,742	47,045	47,045	51,244	866,796	880,110	903,961
Wages and benefits				1,405,981	1,229,811				
Amortization				(710,308)	(583,065)				
Tangible Capital Assets				5,500	7,028	6,048			
Interest				497,200	551,221	539,769	1,998,455	2,231,162	1,812,804
Other expenses							1,501	<u>748,565</u>	<u>773,418</u>
TOTAL EXPENSES	958,864	1,718,673	1,663,101	2,045,500	2,278,207	1,865,549	1,615,361	1,653,528	1,654,982
ANNUAL SURPLUS (DEFICIT)	\$ 61,978	(737,967)	641,664			(7,969)	11,079		
								(8,224)	(15,748)

EXHIBIT G

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

14. SEGMENT DISCLOSURE, continued

		<u>Budget</u>	<u>2014</u>	<u>2013</u>	<u>Budget</u>	<u>2014</u>	<u>2013</u>	<u>Budget</u>	<u>2014</u>	<u>2013</u>
REVENUE										
Federal government	\$ 50,000	50,000	50,000	920,010	920,010	1,152,647		436,932	392,015	
Provincial government										
Economic activities										
Net income for investments in government business enterprises										
Other revenue										
TOTAL REVENUE	50,000	50,000	50,000	1,318,844	1,103,073	3,064,226		152,800	1,414,789	944,238
EXPENSES										
Honoraria										
Chief and Councillors										
Elders and Board Members										
Wages and benefits	48,000	48,000	44,654	357,340	351,896	355,019		200,411	116,310	
Amortization								128,829	92,941	
Tangible Capital Assets										
Interest										
Other expenses	2,000	2,000	5,346	959,004	850,867	2,713,809		987,800	879,344	546,223
TOTAL EXPENSES	50,000	50,000	50,000	1,207,584	1,207,584	3,096,136		992,800	1,279,325	847,158
ANNUAL SURPLUS (DEFICIT)	\$ —	—	—	—	—	—	(104,511)	(31,910)	(840,000)	135,464
										97,080

EXHIBIT G

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

14. SEGMENT DISCLOSURE, continued

	Health		Total for Community Services		Budget	2014	Total
	Budget	2013	Budget	2014			
REVENUE							
Federal government	\$ 848,543	848,543	931,455	311,586	486,098	149,548	4,351,234
Provincial government				133,000	294,731	279,858	1,933,000
Economic activities							5,055,777
Net income for investments in government business enterprises	<u>38,009</u>	<u>38,009</u>	<u>66,959</u>	<u>349,599</u>	<u>2,213,924</u>	<u>1,133,913</u>	<u>1,599,850</u>
Other revenue							4,062,888
TOTAL REVENUE	<u>886,552</u>	<u>886,552</u>	<u>998,414</u>	<u>794,185</u>	<u>2,994,753</u>	<u>1,563,319</u>	<u>7,884,084</u>
EXPENSES							
Honoraria							
Chief and Councillors							291,796
Elders and Board Members							4,250
Wages and benefits	635,449	570,381	5,000	4,000	4,250	4,000	5,000
Amortization							3,036,453
Tangible Capital Assets							1,534,816
Interest							1,322,752
Other expenses	251,103	316,171	332,094	396,753	41,365	13,000	(710,308)
TOTAL EXPENSES	<u>886,552</u>	<u>886,552</u>	<u>998,414</u>	<u>764,685</u>	<u>3,216,056</u>	<u>1,545,627</u>	<u>123,955</u>
ANNUAL SURPLUS (DEFICIT)	\$ <u>29,500</u>	<u>(221,303)</u>	<u>17,692</u>	<u>(748,522)</u>	<u>(944,510)</u>	<u>(563,471)</u>	<u>126,541</u>
							7,520,534