

KEEWAYWIN FIRST NATION
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

KEEWAYWIN FIRST NATION
MARCH 31, 2016

COUNCIL

Chief	Chris Kakegamic
Councillor	Lawrence Mason
Councillor	Joe Meekis
Councillor	Rodney Kakegamic
Councillor	Brian Anishinabie

FIRST NATION ADMINISTRATION

Senior Accountant	Chandar Chahal
Finance Clerk	Janice Kakegamic
Social Services Administrator	George Kakegamic
Education Director	David Thompson
Health Director	James Kakepetum
Public Works Director	Lloyd Kakepetum
Housing Authority Manager	Raymond Mason
CEDO Officer	Lisa Meekis
Operations Manager	Jason Kakegamic
Power Authority Manager	Atoria Kakepetum

KEEWAYWIN FIRST NATION
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FOR THE YEAR ENDED MARCH 31, 2016

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KEEWAYWIN FIRST NATION
CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2016

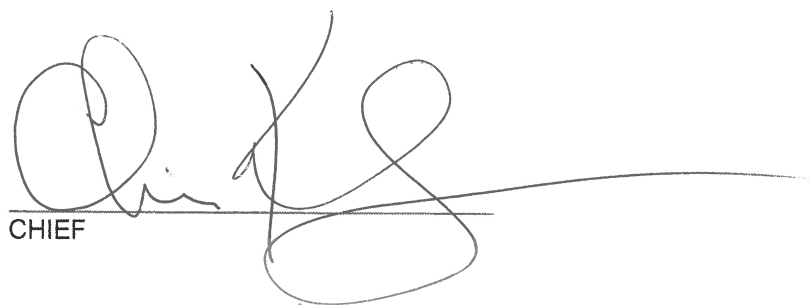
MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

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

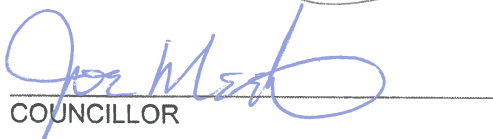
Management is responsible for the integrity and objectivity of the financial statements. Estimates are necessary in the preparation of these financial statements and, based on careful judgments, have been properly reflected. Management has established systems of internal control, which are designed to 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

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.)

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 statements of financial position as at March 31, 2016 and the consolidated statements of accumulated surplus, operations, change in net debt and 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

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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, 2016, and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



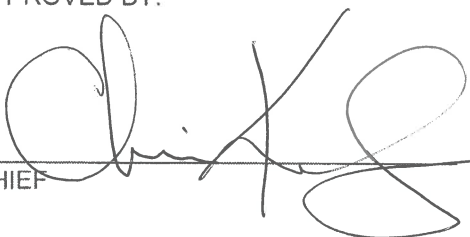
WINNIPEG, MANITOBA
August 8, 2016.

CHARTERED PROFESSIONAL ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS

KEEWAYWIN FIRST NATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2016

	<u>2016</u>	<u>2015</u>
FINANCIAL ASSETS		
Cash	\$ 756,988	1,209,182
Accounts receivable, Note 2	590,310	645,868
Inventory for resale, Note 3	84,569	211,775
Investments, Note 4		253,653
Restricted cash and trust funds, Note 5	<u>142,025</u>	<u>113,137</u>
Total financial assets	<u>1,573,892</u>	<u>2,433,615</u>
LIABILITIES		
Accounts payable and accrued liabilities, Note 6	370,991	613,113
Deferred revenue, Note 7	1,775	1,775
Long-term debt, Note 8	4,622,185	5,720,517
Reserves, Note 9	<u>133,314</u>	<u>99,298</u>
Total liabilities	<u>5,128,265</u>	<u>6,434,703</u>
NET DEBT	<u>(3,554,373)</u>	<u>(4,001,088)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets, Note 10	15,180,821	16,366,263
Prepaid expenses	<u>3,266</u>	<u>1,063</u>
	<u>15,184,087</u>	<u>16,367,326</u>
ACCUMULATED SURPLUS, Exhibit C	\$ <u>11,629,714</u>	<u>12,366,238</u>

APPROVED BY:



CHIEF



COUNCILLOR



COUNCILLOR

KEEWAYWIN FIRST NATION
CONSOLIDATED STATEMENT OF ACCUMULATED SURPLUS
FOR THE YEAR ENDED MARCH 31, 2016

	<u>2016</u>	<u>2015</u>
BALANCE AT BEGINNING OF YEAR	\$ 12,366,238	12,895,953
ANNUAL SURPLUS (DEFICIT), Exhibit "D"	<u>(736,524)</u>	<u>(529,715)</u>
BALANCE AT END OF YEAR	\$ <u>11,629,714</u>	<u>12,366,238</u>

EXHIBIT "D"

KEEWAYWIN FIRST NATION
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2016

	<u>2016</u>	<u>2015</u>
ANNUAL SURPLUS (DEFICIT), OPERATIONS, EXHIBIT "D-1"	\$ 541,093	(387,386)
ANNUAL SURPLUS, TRUST/RESTRICTED, EXHIBIT "D-1"	<u>335</u>	<u>435</u>
ANNUAL SURPLUS (DEFICIT) BEFORE OTHER ITEMS	541,428	(386,951)
TRANSFER TO TANGIBLE CAPITAL ASSETS, FROM OPERATIONS	130,660	1,317,152
AMORTIZATION NOT EXPENSED IN OPERATIONS	(1,154,959)	(1,206,916)
WRITE DOWN OF INVESTMENTS	<u>(253,653)</u>	<u>(253,000)</u>
ANNUAL SURPLUS (DEFICIT)	\$ <u>(736,524)</u>	<u>(529,715)</u>

KEEWAYWIN FIRST NATION
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2016

	Revenue		Expenses	Transfers (to) from	Annual Surplus (Deficit)
	AANDC	Other	Deferred		
	\$				
Band Management	452,775	198,866		743,702	(92,061)
Social Services	182,900	1,934,835		2,145,792	(28,057)
Educational Services	1,550,348	152,564		1,770,663	(67,751)
Economic Development	50,000			50,000	
Public Works	1,206,414	199,195		1,407,647	(2,038)
Capital	223,200			223,200	
Health Services		1,169,269		1,169,431	(162)
Operating Programs	66,700	636,549		814,511	(21,762)
Casino Rama		909,106		409,606	
Keewaywin Power Authority	1,422,362	1,053,899		2,161,078	725,583
Keewaywin Housing Authority		291,829		487,688	27,341
CMHC Housing		383,336		383,336	
TOTAL OPERATIONS FUND	5,154,699	6,929,448		11,543,454	541,093
TRUST/RESTRICTED FUND					
Ottawa Trust Funds		335			335
Grand Totals	\$ 5,154,699	6,929,783		11,543,454	541,428
OTHER ITEMS					
Write down of investments					(253,653)
Transfer to Tangible Capital Assets from operations					130,660
Amortization					(1,154,959)
TOTAL PER AANDC CONFIRMATION	\$ 5,154,699			\$	(736,524)

KEEWAYWIN FIRST NATION
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2016

	<u>2016</u>		<u>2015</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
REVENUE			
Federal Government			
AANDC	\$ 5,154,699	5,154,699	4,270,692
Health Canada	1,121,929	1,121,929	1,809,554
Canada Mortgage and Housing Corporation	262,136	262,136	324,627
HST	80,000	90,774	80,702
Provincial Government	2,444,214	2,386,539	2,204,340
Ontario First Nations Limited Partnership	909,106	909,106	902,025
Other	<u>1,525,761</u>	<u>2,159,699</u>	<u>2,334,467</u>
	<u>11,497,845</u>	<u>12,084,882</u>	<u>11,926,407</u>
EXPENSES			
Band Management	591,546	743,702	678,259
Social Services	2,227,479	2,145,792	2,242,029
Education Services	1,727,164	1,770,663	1,650,059
Economic Development	50,000	50,000	50,000
Public Works	1,355,222	1,407,647	1,083,863
Capital			1,701,603
Health Services	1,169,269	1,169,431	1,030,473
Operating Programs	711,242	814,511	699,658
Casino Rama	480,106	409,606	470,025
Keewaywin Power Authority	2,072,500	2,161,078	2,007,449
Keewaywin Housing Authority	467,700	487,688	371,163
CMHC Housing	<u>377,561</u>	<u>383,336</u>	<u>328,777</u>
	<u>11,229,789</u>	<u>11,543,454</u>	<u>12,313,358</u>
ANNUAL SURPLUS (DEFICIT) BEFORE OTHER ITEMS	268,056	541,428	(382,951)
OTHER ITEMS			
Write down of investments		(253,653)	(253,000)
Transfer to Tangible Capital Assets from operations	130,660	130,660	1,317,152
Amortization	<u>(1,154,959)</u>	<u>(1,154,959)</u>	<u>(1,206,916)</u>
ANNUAL SURPLUS (DEFICIT)	\$ <u>(756,243)</u>	<u>(736,524)</u>	<u>(529,715)</u>

KEEWAYWIN FIRST NATION
 CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT
 FOR THE YEAR ENDED MARCH 31, 2016

	<u>2016</u>	<u>2015</u>
ANNUAL SURPLUS (DEFICIT)	\$ (736,524)	(529,715)
Acquisition of tangible capital assets	(130,660)	(1,600,252)
Amortization of tangible capital assets	1,316,102	1,341,502
Prepaid expenses	<u>(2,203)</u>	<u>1,063</u>
(INCREASE) DECREASE IN NET DEBT	446,715	(787,402)
NET DEBT AT BEGINNING OF YEAR	<u>(4,001,088)</u>	<u>(3,213,686)</u>
NET DEBT AT END OF YEAR	\$ <u>(3,554,373)</u>	<u>(4,001,088)</u>

KEEWAYWIN FIRST NATION
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2016

	<u>2016</u>	<u>2015</u>
OPERATING TRANSACTIONS		
Annual surplus (deficit)	\$ (736,524)	(529,715)
Non-cash item		
Amortization	1,316,102	1,341,502
Changes to financial assets/liabilities		
Accounts receivable	55,558	(96,183)
Inventory	127,206	701,774
Restricted cash and trust funds	(28,888)	(29,169)
Accounts payable and accrued liabilities	(242,122)	(110,227)
Prepaid expenses	<u>(2,203)</u>	<u>2,663</u>
	<u>489,129</u>	<u>1,280,645</u>
CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets	<u>(130,660)</u>	<u>(1,601,852)</u>
FINANCING TRANSACTIONS		
Proceeds from long term debt	600,000	2,240,000
Repayment of long term debt	<u>(1,698,332)</u>	<u>(1,495,916)</u>
	<u>(1,098,332)</u>	<u>744,084</u>
INVESTING TRANSACTIONS		
Replacement reserve transfer	32,725	27,793
Operating reserve transfer	1,291	2,912
(Increase) decrease in Investments	<u>253,653</u>	<u>253,000</u>
	<u>287,669</u>	<u>283,705</u>
NET CHANGE IN CASH POSITION	(452,194)	706,582
CASH POSITION AT BEGINNING OF YEAR	<u>1,209,182</u>	<u>502,600</u>
CASH POSITION AT END OF YEAR	\$ <u>756,988</u>	<u>1,209,182</u>

KEEWAYWIN FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

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.

KEEWAYWIN FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

d) Inventory

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

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

KEEWAYWIN FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

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

Initial and subsequent measurement

The First Nation initially measures its financial assets and liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate.

The First Nation subsequently measures all its financial assets and liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in the fair value of these financial instruments are recognized in net income in the period incurred.

Financial assets measured at amortized cost on a straight-line basis include cash and accounts receivable.

Financial liabilities measured at amortized cost on a straight-line basis include accounts payable and accrued liabilities.

Transaction costs

Transactions costs related to financial instruments that will be subsequently measured at fair value are recognized in net income in the period incurred. Transaction costs related to financial instruments subsequently measured at amortized cost are included in the original cost of the asset or liability and recognized in net income over the life of the instrument using the straight-line method.

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.

KEEWAYWIN FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

2. ACCOUNTS RECEIVABLE

	<u>2016</u>	<u>2015</u>
AANDC	\$ 47,155	107,440
Trade receivables	132,459	371,312
Fuel customer accounts	262,981	104,324
CMHC	21,845	21,845
Province of Ontario	90,030	39,509
Accrued interest	315	1,438
HST Health Canada	30,358	
Employee advances	<u>5,167</u>	<u> </u>
TOTAL ACCOUNTS RECEIVABLE	\$ <u>590,310</u>	<u>645,868</u>

3. INVENTORY FOR RESALE

	<u>2016</u>	<u>2015</u>
Keewaywin Power Authority, fuel	\$ <u>84,569</u>	<u>211,775</u>

4. INVESTMENTS

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

	<u>2016</u>	<u>2015</u>
Balance beginning of year	\$ 253,653	506,653
Write down	<u>(253,653)</u>	<u>(253,000)</u>
Balance, end of year	\$ <u> </u>	<u>253,653</u>

5. RESTRICTED CASH AND TRUST FUNDS

	<u>2016</u>	<u>2015</u>
Capital Fund		
CMHC replacement reserve fund, Note 9	\$ 122,311	97,020
CMHC Operating Reserve, Note 9	3,569	307
Trust Fund		
Ottawa Trust Funds	<u>16,145</u>	<u>15,810</u>
	\$ <u>142,025</u>	<u>113,137</u>

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

KEEWAYWIN FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

5. RESTRICTED CASH AND TRUST FUNDS, continued

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, 2015	\$ 14,061	1,749	15,810
Amounts placed on deposit during the year	<u>335</u>	<u>—</u>	<u>335</u>
Balance at March 31, 2016	\$ <u>14,396</u>	<u>1,749</u>	<u>16,145</u>

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2016</u>	<u>2015</u>
AANDC	\$ 197	197
Trade payables	351,412	477,140
Receiver General - E.I.	2,487	12,689
Accrued payroll	14,392	11,225
Province of Ontario	—	104,820
Accrued interest	<u>2,503</u>	<u>7,042</u>
TOTAL ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	\$ <u>370,991</u>	<u>613,113</u>

7. 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:

	<u>Schedule</u> <u>No.</u>	Opening Balance <u>Mar. 31, 2015</u>	Funding Received <u>—</u>	Revenue Recognized <u>—</u>	Closing Balance <u>Mar. 31, 2016</u>
Northern Store, rent		\$ <u>1,775</u>			<u>1,775</u>

KEEWAYWIN FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

8. LONG-TERM DEBT

	<u>2016</u>	<u>2015</u>
Equipment loan payable - Komatsu Financial repayable at \$4,803.79 per month including interest at 1.5%, due February 15, 2016.	\$	57,185
RBC demand installment loan repayable at \$100,000 per month plus interest at 5.25% per year. Secured by security agreement granting a first security and a Band Council resolution.	600,000	
RBC demand installment loan repayable at \$6,667 per month plus interest at 5.40% per year.	89,992	169,996
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.	401,078	419,452
CMHC loan payable. Interest at 2.97% per annum, repayable at \$6,169.93 per month principal and interest, maturing April 1, 2016.	1,120,253	1,160,687
CMHC loan payable. Interest at 1.67% per annum, repayable at \$3,424.66 per month principal and interest, maturing January 1, 2020.	809,178	836,601
RBC demand installment loan repayable at \$116,666.67 per month plus interest at 5.4% per year. Secured by security agreement granting a first security and a Band Council resolution.		1,400,000
CMHC loan payable. Interest at 1.49% per annum, repayable at \$3,413.59 per month principal and interest, maturing January 21, 2017.	734,482	764,322
CMHC loan payable. Interest at 1.53% per annum, repayable at \$4,885.40 per month principal and interest, maturing December 1, 2017.	867,202	912,274
	<u>4,622,185</u>	<u>5,720,517</u>
Current portion	<u>2,627,051</u>	<u>2,818,509</u>
	\$ <u>1,995,134</u>	<u>2,902,008</u>

KEEWAYWIN FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

8. LONG-TERM DEBT, continued

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

2017	\$ 2,627,051
2018	878,860
2019	392,088
2020	<u>724,186</u>
	\$ <u>4,622,185</u>

9. RESERVES

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

	<u>2016</u>	<u>2015</u>
Replacement Reserve - Social Housing Agreement with Canada Mortgage and Housing Corporation provide for the accumulation of a replacement reserve.	\$ 129,745	97,020
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 by the Canada Deposit Insurance Corporation or as may otherwise insured 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	3,569	2,278
These reserves were partially funded at March 31, 2016	\$ <u>133,314</u>	<u>99,298</u>

KEEWAYWIN FIRST NATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

10. TANGIBLE CAPITAL ASSETS

		2016				
		Cost	Additions	Cost	Accumulated	Net Book
		<u>Mar. 31/15</u>	<u>(Disposals)</u>	<u>Mar. 31/16</u>	<u>Amortization</u>	<u>Value</u>
Buildings	\$	1,937,571		1,937,571	771,531	1,166,040
Vehicles		311,392	130,660	442,052	327,924	114,128
Equipment		131,628		131,628	131,628	
Heavy equipment		1,733,446		1,733,446	1,504,103	229,343
Band housing		4,288,538		4,288,538	1,883,394	2,405,144
Infrastructure		11,238,335		11,238,335	4,339,865	6,898,470
CMHC housing		<u>5,745,880</u>	<u> </u>	<u>5,745,880</u>	<u>1,378,184</u>	<u>4,367,696</u>
	\$	25,386,790	130,660	25,517,450	10,336,629	15,180,821

		2015				
		Cost	Additions	Cost	Accumulated	Net Book
		<u>Mar. 31/14</u>	<u>(Disposals)</u>	<u>Mar. 31/15</u>	<u>Amortization</u>	<u>Value</u>
Buildings	\$	1,112,788	824,783	1,937,571	674,652	1,262,919
Vehicles		311,392		311,392	284,832	26,560
Equipment		131,628		131,628	131,628	
Heavy equipment		1,733,446		1,733,446	1,389,609	343,837
Band housing		4,288,538		4,288,538	1,670,966	2,617,572
Infrastructure		11,238,335		11,238,335	3,777,948	7,460,387
CMHC housing		4,595,920	1,149,960	5,745,880	1,090,892	4,654,988
Asset under construction		<u>372,891</u>	<u>(372,891)</u>			
	\$	23,784,938	1,601,852	25,386,790	9,020,527	16,366,263

11. ECONOMIC DEPENDENCE

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

12. 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
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

13. SEGMENT DISCLOSURE

	Band Management		Social Services		Education	
	Budget	2015	Budget	2016	Budget	2015
REVENUE						
Federal government	\$ 439,759	452,775	430,058	198,760	1,553,510	1,477,495
Provincial government				1,935,927	16,400	
Economic activities						
Net income for investments in government business enterprises		(253,653)	(252,565)			
Other revenue	165,000	198,866	241,802		153,072	142,690
TOTAL REVENUE	\$ 604,759	397,988	419,295	2,134,687	1,722,982	1,620,185
EXPENSES						
Honoraria						
Chief and Councillors	325,000	321,700	301,787			
Elders and Board Members						
Wages and benefits	242,580	215,913	182,971	49,155	921,581	839,463
Amortization	1,154,959	1,154,959	1,206,916			
Tangible Capital Assets	(130,660)	(130,660)	(1,317,152)			
Interest			3,145			
Other expenses	23,966	206,089	190,356	2,178,324	805,583	810,596
TOTAL EXPENSES	1,615,845	1,768,001	568,023	2,227,479	1,727,164	1,650,059
SURPLUS (DEFICIT) BEFORE TRANSFERS	(1,011,086)	(1,370,013)	(148,728)	(92,792)	(4,182)	(29,874)
TRANSFERS	24,000		27,000			
ANNUAL SURPLUS (DEFICIT)	\$ (987,086)	(1,370,013)	(121,728)	(92,792)	(4,182)	(29,874)

EXHIBIT G

KEEWAYWIN FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

13. SEGMENT DISCLOSURE, continued

	<u>Economic Development</u>		<u>Public Works</u>		<u>Housing and Capital</u>	
	<u>Budget</u>	<u>2015</u>	<u>Budget</u>	<u>2016</u>	<u>Budget</u>	<u>2015</u>
REVENUE						
Federal government	\$ 50,000	50,000	1,134,527	1,206,414	485,336	1,373,230
Provincial government			172,849			
Economic activities						
Net income for investments in government business enterprises						
Other revenue			56,346	199,195	371,200	486,546
TOTAL REVENUE	50,000	50,000	1,363,722	1,405,609	856,536	1,859,776
EXPENSES						
Honoraria						
Chief and Councillors						
Elders and Board Members						
Wages and benefits	47,000	44,241	366,446	426,309	192,855	65,172
Amortization					161,143	134,586
Tangible Capital Assets						
Interest	3,000	5,759	8,500	7,550	79,790	75,665
Other expenses			980,276	973,788	411,473	2,123,207
TOTAL EXPENSES	50,000	50,000	1,355,222	1,407,647	845,261	2,398,630
SURPLUS (DEFICIT) BEFORE TRANSFERS			8,500	(2,038)	11,275	(538,854)
TRANSFERS						(2,913)
ANNUAL SURPLUS (DEFICIT)	\$		8,500	(2,038)	11,275	(541,767)

EXHIBIT G

KEEWAYWIN FIRST NATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

13. SEGMENT DISCLOSURE, continued

	<u>Health</u>		<u>Community Services</u>		<u>Total</u>	
	<u>Budget</u>	<u>2016</u>	<u>Budget</u>	<u>2016</u>	<u>Budget</u>	<u>2015</u>
REVENUE						
Federal government	\$ 1,121,929	1,121,929	934,667	1,489,062	5,918,488	6,307,173
Provincial government			319,238		2,444,414	1,779,864
Economic activities						
Net income for investments in government business enterprises						
Other revenue	<u>47,340</u>	<u>47,340</u>	<u>2,341,985</u>	<u>2,599,954</u>	<u>3,134,943</u>	<u>3,838,935</u>
TOTAL REVENUE	<u>1,169,269</u>	<u>1,169,269</u>	<u>3,595,890</u>	<u>4,089,016</u>	<u>11,497,845</u>	<u>11,673,407</u>
EXPENSES						
Honoraria						
Chief and Councillors					325,000	301,787
Elders and Board Members				2,710		2,710
Wages and benefits	795,430	773,962	614,456	751,078	3,229,503	3,435,102
Amortization					1,316,102	1,341,502
Tangible Capital Assets					(130,660)	(130,660)
Interest			36,000	41,270	124,290	126,463
Other expenses	<u>373,839</u>	<u>395,469</u>	<u>2,613,392</u>	<u>2,593,802</u>	<u>7,389,853</u>	<u>8,746,062</u>
TOTAL EXPENSES	<u>1,169,269</u>	<u>1,169,431</u>	<u>3,263,848</u>	<u>3,386,150</u>	<u>12,254,088</u>	<u>12,200,209</u>
SURPLUS (DEFICIT) BEFORE TRANSFERS		(162)	332,042	702,866	(756,243)	(526,802)
TRANSFERS			(24,000)			(2,913)
ANNUAL SURPLUS (DEFICIT)	\$	<u>(162)</u>	<u>308,042</u>	<u>702,866</u>	<u>(756,243)</u>	<u>(529,715)</u>