

Keewaywin First Nation
Consolidated Financial Statements
March 31, 2018

Management's Responsibility

Independent Auditors' Report

Consolidated Financial Statements

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Management's Responsibility

To the Members of Keewaywin First Nation:

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

Management is responsible for the preparation and fair presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Keewaywin First Nation Chief and Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Chief and Council fulfils these responsibilities by reviewing the consolidated financial information prepared by management and discussing relevant matters with management and external auditors. The Chief and Council is also responsible for recommending the appointment of the First Nation's external auditors.

MNP LLP is appointed by the Chief and Council, on behalf of the Members to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Chief and Council and management to discuss their audit findings.

January 29, 2019



Director of
Operations

Independent Auditors' Report

To the Chief and Council and Members of Keewaywin First Nation:

We have audited the accompanying consolidated financial statements of Keewaywin First Nation, which comprise the consolidated statement of financial position as at March 31, 2018, and the consolidated statements of operations, accumulated surplus, 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 Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

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, if any, 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, amortization, annual surplus (deficit) and accumulated surplus.

Inventory consists of fuel purchased for the Keewaywin Power Authority. We did not observe the inventory count at the beginning or the end of the year and alternative means did not provide us with the necessary assurance. Since inventory enters into the determination of the results of operations, net debt and cash flows, we were unable to determine whether adjustments to inventory, expenses, annual surplus (deficit), accumulated surplus, net debt and cash provided from operations might be necessary.

Qualified Opinion

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the consolidated financial statements present fairly, in all material respects, the financial position of Keewaywin First Nation as at March 31, 2018 and the results of its operations, change in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Winnipeg, Manitoba

January 29, 2019

MNP LLP

Chartered Professional Accountants
Licensed Public Accountants

Keewaywin First Nation

Consolidated Statement of Financial Position

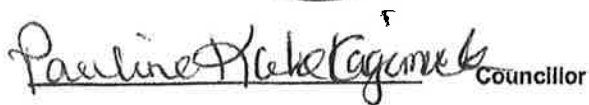
As at March 31, 2018

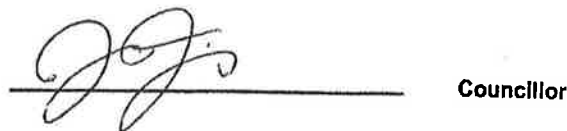
	2018	2017
Financial assets		
Cash resources	4,150,238	2,713,301
Accounts receivable (Note 4)	904,909	1,293,204
Restricted cash (Note 5)	197,553	141,990
Portfolio investments (Note 6)	28,135	114,490
	5,280,835	4,262,985
Liabilities		
Accounts payable and accruals (Note 7)	1,773,399	2,144,903
Deferred revenue (Note 8)	2,342,340	802,363
Long-term debt (Note 9)	7,526,117	6,564,105
	11,641,856	9,511,371
Net debt	(6,361,021)	(5,248,386)
Non-financial assets		
Tangible capital assets (Schedule 1)	21,542,787	17,742,905
Inventory (Note 10)	989,961	983,843
Prepaid expenses	-	71,440
	22,532,748	18,798,188
Accumulated surplus (Note 11)	16,171,727	13,549,802

Approved on behalf of the Chief and Council


Chief


Councillor


Councillor


Councillor

Keewaywin First Nation

Consolidated Statement of Operations

For the year ended March 31, 2018

	<i>Schedules</i>	<i>2018 Budget</i>	<i>2018</i>	<i>2017</i>
Revenue				
Indigenous Services Canada (ISC) (Note 12)		9,194,403	9,267,461	7,885,117
Province of Ontario		2,671,127	2,698,083	2,475,883
Health Canada (Note 13)		1,803,400	1,803,400	1,414,579
Canada Mortgage and Housing Corporation		338,657	338,657	272,626
Ontario First Nations Limited Partnership		1,041,216	1,041,216	1,030,479
Other revenue		1,968,059	2,082,008	2,519,996
Surplus recovery		-	(2,351)	-
Deferred revenue - prior year (Note 8)		719,803	802,363	1,775
Deferred revenue - current year (Note 8)		(2,138,166)	(2,342,340)	(802,363)
		15,598,499	15,688,497	14,798,092
Program expenses				
Administration	4	2,361,702	3,212,074	3,476,557
Education	5	2,047,442	1,933,935	1,971,321
Public Works	6	1,687,559	1,618,263	1,461,174
Health	7	1,682,092	1,668,234	1,195,838
Ontario First Nations Limited Partnership	8	461,000	439,063	562,702
Power Authority	9	3,004,498	659,512	1,237,627
Social Service	10	2,474,789	2,529,119	2,319,646
Housing Authority	11	1,602,845	561,285	416,206
CMHC Housing Authority	12	476,086	445,087	345,962
Total expenditures		15,798,013	13,066,572	12,987,033
Surplus (deficit) before transfers		(199,514)	2,621,925	1,811,059
Transfers between programs		64,785	-	-
Surplus (deficit)		(134,729)	2,621,925	1,811,059

Keewaywin First Nation
Consolidated Statement of Accumulated Surplus
For the year ended March 31, 2018

	2018	2017
Accumulated surplus, beginning of year	13,549,802	11,738,743
Surplus (deficit)	2,621,925	1,811,059
	16,171,727	13,549,802

Keewaywin First Nation
Consolidated Statement of Change in Net Debt
For the year ended March 31, 2018

	2018 Budget	2018	2017
Annual surplus (deficit)	(1,964,599)	2,621,925	1,811,059
Purchases of tangible capital assets	-	(5,369,284)	(4,092,680)
Amortization of tangible capital assets	223,673	1,569,402	1,506,312
Change in inventory	-	(6,118)	(291,275)
Acquisition of prepaid expenses	-	-	(68,174)
Use of prepaid expenses	-	71,440	-
Increase in net debt	(1,740,926)	(1,112,635)	(1,134,758)
Net debt, beginning of year	(5,248,386)	(5,248,386)	(4,113,628)
Net debt, end of year	(6,989,312)	(6,361,021)	(5,248,386)

Keewaywin First Nation
Consolidated Statement of Cash Flows
For the year ended March 31, 2018

	2018	2017
Cash provided by (used for) the following activities		
Operating activities		
Surplus (deficit)	2,621,925	1,811,059
Non-cash items		
Amortization	1,569,402	1,506,312
	4,191,327	3,317,371
Changes in working capital accounts		
Accounts receivable	388,295	(702,894)
Prepaid expenses	71,440	(68,174)
Restricted cash and trust funds	(55,563)	35
Accounts payable and accruals	(371,503)	1,767,290
Deferred revenue	1,539,977	800,588
Inventory	(6,119)	(899,275)
	5,757,854	4,214,941
Financing activities		
Advances of long-term debt	1,265,000	2,820,000
Repayment of long-term debt	(302,988)	(871,457)
	962,012	1,948,543
Capital activities		
Purchases of tangible capital assets	(5,369,284)	(4,092,680)
Investing activities		
(Increase) decrease in investments	86,355	(114,490)
Increase (decrease) in cash resources	1,436,937	1,956,314
Cash resources, beginning of year	2,713,301	756,987
Cash resources, end of year	4,150,238	2,713,301

1. Operations

The Keewaywin First Nation (the "First Nation") is located in the province of Ontario, and provides various services to its Members. Keewaywin First Nation includes the First Nation government and all related entities that are accountable to the First Nation and are either owned or controlled by the First Nation.

2. Change in accounting policy

Effective April 1, 2017, the First Nation adopted the recommendations relating to the following Sections, as set out in the CPA Canada Public Sector Accounting Handbook:

- PS 2200 Related Party Disclosures
- PS 3420 Inter-entity Transactions
- PS 3210 Assets
- PS 3320 Contingent Assets
- PS 3380 Contractual Rights

Pursuant to the recommendations, the changes were applied prospectively, and prior periods have not been restated. There was no material impact on the consolidated financial statements of adopting the new Sections.

3. Significant accounting policies

These consolidated financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and including the following significant accounting policies:

Reporting entity

The financial statements consolidate the financial activities of all entities and departments comprising the reporting entity. Trusts administered on behalf of third parties by Keewaywin First Nation are excluded from the reporting entity.

The has consolidated the assets, liabilities, revenue and expenses of the following departments:

- Band Administration
- Education
- Public Works
- Health
- Ontario First Nations Limited Partnership
- Power Authority
- CMHC Housing Authority
- Social Service
- Band Housing

All inter-entity balances have been eliminated on consolidation; however, transactions between departments have not been eliminated in order to present the results of operations for each specific department.

Portfolio investment which are owned by Keewaywin First Nation but not controlled or influenced by the First Nation are accounted for using the cost method. Any impairment in these investments which is other than temporary is charged against the amount the investment is reported. The First Nation has the following portfolio investments:

- NCC Development LP
- AP Solar LP

3. Significant accounting policies *(Continued from previous page)*

- ASM Solar P2 LP
- AP Muni P3 LP
- First Nation Limited Partnership
- Ontario First Nation Sovereign Wealth
- OFN Asset Management

Basis of presentation

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

Cash resources

Cash resources include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purpose is included in restricted cash.

Funds held in Ottawa Trust Fund

Funds held in trust on behalf of members by the Government of Canada in the Ottawa Trust Fund are reported on the consolidated statement of financial position with an offsetting amount in accumulated surplus. Trust moneys consist of:

- Capital trust moneys derived from non-renewable resource transactions on the sale of land or other tangible capital assets; and
- Revenue trust moneys generated primarily through land leasing transactions or interest earned on deposits held in trust.

Net debt

The consolidated financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt of the is determined by its financial assets less its liabilities. Net debt combined with non-financial assets comprise a second indicator of financial position, accumulated surplus (deficit).

Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets, inventory and prepaid expense.

Tangible capital assets

Tangible capital assets are initially recorded at cost based on historical cost accounting records. Contributed tangible capital assets are recorded at their fair value at the date of contribution.

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

3. Significant accounting policies *(Continued from previous page)*

Amortization

Tangible capital assets are amortized annually using the following method at rates intended to amortize the cost of the assets over their estimated useful lives:

	Method	Years
Buildings	straight-line	20 years
Vehicles	straight-line	3 years
Equipment	straight-line	3 years
Band housing	straight-line	20 years
Infrastructure	straight-line	20 years
CMHC housing	straight-line	20 years

Long-lived assets

Long-lived assets consist of capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The First Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying value of an asset, or group of assets, exceeds the value of future economic benefits associated with the asset. Impairment is measured as the amount by which the asset's carrying value exceeds the residual value of the asset's service potential to the First Nation. Any impairment is included in the consolidated statement of operations during the year in which the asset becomes impaired.

Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the weighted average cost method. Net realized value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

Revenue recognition

Funding

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period are reflected as deferred revenue on the consolidated statement of financial position in the year of receipt. Funding that is restricted for particular purpose is deferred and recognized when the eligible expenses have been incurred.

Government Transfers

The First Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the First Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Rent and resident fees is recorded in the year it is earned. At the end of each year, management evaluates the extent of the collectability of its rent revenue and records a bad debt expense and an allowance for doubtful accounts for amounts designated as unlikely to be collected.

All other types of revenue are recognized by the First Nation when the services are provided and the collectability is reasonably assured.

Measurement uncertainty

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period.

3. Significant accounting policies *(Continued from previous page)*

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets. Deferred revenue is recorded based on management's analysis of the extent to which eligibility requirements have been met on government transfer revenue. Inventory is based on management's analysis of obsolescence and slow moving items.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in operations in the periods in which they become known.

Liability for contaminated site

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the First Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2018.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The First Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

Segments

The First Nation conducts its business through nine reportable segments as identified below. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives to aid in resource allocation decisions and to assess operational performance. For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information. These segments are differentiated by the major activities or services they provide. The First Nation's segments are as follows:

Administration - activities include the governance function relating to decisions that define expectations, grant power or verify performance consisting of decision-making and leadership processes. The planning, managing and delivery of large scale infrastructure and capital projects to the community.

Education - activities include overseeing many aspects of educational opportunities for its members at all levels of learning both within the community and externally.

Social Service - activities include satisfying the economic, social or health related needs of members of the community who require assistance.

CMHC Housing Authority - activities include the management and maintenance of CMHC houses for community members.

Health - activities that deliver health services to the First Nation.

Public Works - activities include the development and maintenance of the community's infrastructure, buildings, roads, bridges and related equipment and the provision of other more specialized community service.

Ontario First Nation Limited Partnership - includes the funding received from Ontario First Nation Limited Partnership and its distribution to other programs.

Power Authority - activities include the purchase and supply of fuel in order to provide electricity to community.

Housing Authority - activities include the provision of residential housing opportunities for community members.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 3 the Significant accounting policies.

Keewaywin First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

3. Significant accounting policies *(Continued from previous page)*

Financial instruments

In June 2011, the Public Sector Accounting Board (PSAB) issued PS 3450 Financial Instruments to establish standards for recognition, measurement, presentation and disclosure of financial assets, financial liabilities and non-financial derivatives. As a result of issuance of PS 3450, there have been numerous consequential amendments made to other Sections. PS 3450 is effective for fiscal years beginning on or after April 1, 2019. Earlier adoption is permitted.

PS 3450 is applied prospectively in the fiscal year of initial adoption; therefore, financial statements of prior periods, including comparative information, are not restated. The First Nation does not expect the adoption of these new standards to have a material impact on its consolidated financial statements.

4. Accounts receivable

	2018	2017
Accounts receivable	389,968	276,952
Indigenous Services Canada	299,581	725,001
CMHC subsidy assistance receivable	34,654	26,077
Trade receivables	26,899	30,894
Fuel customer accounts	-	68,116
Province of Ontario	153,807	166,164
	904,909	1,293,204

5. Restricted cash and Trust Funds

	2018	2017
Capital Fund - CMHC replacement reserve fund	180,759	123,281
Capital Fund - CMHC Operating reserve	-	2,264
	180,759	125,545
Trust Funds - Ottawa Trust Funds	16,794	16,445
	197,553	141,990

Ottawa Trust Fund

The Ottawa Trust Fund arises 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 similarly governed by Sections 63 to 69 of the Indian Act. Revenue from the Ottawa Trust Fund is recognized in the year in which it is earned, when it is measurable and when collection is reasonably assured. Capital and Revenue trust monies are transferred to the First Nation on the authorization of the Minister of Indigenous Services Canada, with consent of the First Nation's Chief and Council.

Capital Trust \$1,749 (2017 - \$1,749); Interest revenue - \$0 (2017 - \$0)
Revenue Trust \$15,045 (2017 - \$14,696); Interest revenue - \$349 (2017 - \$300)

Keewaywin First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

5. Restricted cash and Trust Funds *(Continued from previous page)*

CMHC replacement reserve

As required as part of the First Nation's Canada Mortgage and Housing Corporation ("CMHC") Housing program, a separate bank account has been established for replacement of capital equipment and for major repairs to the houses. Under the terms of the agreements with CMHC, the replacement reserve must either be held in a separate bank account or invested in accounts or instruments secured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. At March 31, 2018, the replacement reserve bank account was underfunded by \$25,785 (2017 - \$39,360).

CMHC operating reserve

In accordance with the terms of the agreements with Canada Mortgage and Housing Corporation (CMHC), the First Nation established an operating surplus reserve. The operating surplus reserve is a component of accumulated surplus and is increased by interest revenue and increased or decreased by the annual surplus (deficit) from operations. The operating surplus reserve must be held or invested only in accounts or instruments guaranteed by Canada Deposit Insurance Corporation, or as otherwise approved by CMHC. CMHC was in a cumulative deficit as at March 31, 2018 so no reserve was required.

6. Portfolio investments

Measured at Cost:

	2018	2017
NCC Development LP - 16.5%	24,500	97,312
AP Solar LP - 15%	15	16,673
ASM Solar P2 LP - 50%	3,557	1,308
AP Muni P3 LP - 51%	51	(803)
First Nation LP	10	-
Ontario First Nation Sovereign Wealth	1	-
OFN Asset Management	1	-
	28,135	114,490

7. Accounts payable and accruals

	2018	2017
Trade payable and accruals	1,751,924	2,139,306
Wages and benefits	15,703	(2,256)
Indigenous Services Canada	5,772	7,853
	1,773,399	2,144,903

Keewaywin First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

8. Deferred revenue

The following table represents changes in the deferred revenue balance attributable to each major category of external restrictions:

	<i>Opening Balance</i>	<i>Funding Occurred</i>	<i>Revenue Recognized</i>	<i>Closing Balance</i>
Northern Store, rent	1,775	21,300	21,300	1,775
CMHC RRAP	184,005	-	74,375	109,630
ISC - Renovations	99,550	-	99,550	-
ISC - Lot servicing	80,785	-	80,785	-
ISC - Multi-units housing	29,914	-	29,914	-
ISC - Winter road realignment	329,056	569,676	462,708	436,024
ISC - Education	77,278	607,868	250,546	434,600
ISC - Water Treatment Plant	-	79,220	62,356	16,864
Health Canada	-	177,956	76,201	101,755
ISC - New Generators	-	3,559,563	2,385,971	1,173,592
ISC - Disruptive Meal	-	68,100	-	68,100
	802,363	5,083,683	3,543,706	2,342,340

9. Long-term debt

	<i>2018</i>	<i>2017</i>
CMHC loan payable, interest at 1.92% per annum, repayable at \$2,184 per month principal and interest, maturing April 1, 2034 and renewable on April 1, 2019, secured by a Ministerial guarantee and assignment of fire insurance.	362,623	381,698
CMHC loan payable, interest at 1.48% per annum, repayable at \$3,410 per month principal and interest, maturing January 1, 2037 and renewable on January 21, 2022, secured by a Ministerial guarantee and assignment of fire insurance.	672,506	703,259
CMHC loan payable, interest at 1.21% per annum, repayable at \$5,249 per month principal and interest, maturing March 1, 2036 and renewable on May 1, 2021, secured by Ministerial guarantee and assignment of fire insurance.	1,018,699	1,069,067
CMHC loan payable, interest at 2.04% per annum, repayable at \$5,066 per month principal and interest, maturing December 1, 2032 and renewable on January 1, 2023, secured by Ministerial guarantee and assignment of fire insurance.	774,164	820,322
CMHC loan payable, interest at 1.67% per annum, repayable at \$3,425 per month principal and interest, maturing January 1, 2040 and renewable on January 1, 2020, secured by Ministerial guarantee and assignment of fire insurance.	751,824	780,150
CMHC loan payable, interest at 1.31% per annum, repayable at \$4,769 per month principal and interest, maturing December 1, 2041 and renewable on December 1, 2021, secured by Ministerial guarantee and assignment of fire insurance.	1,167,936	1,209,609
RBC term loan, interest at 2.04%, repayable at \$8,159 per month plus principal and interest, maturing January 1, 2033 and renewable January 1, 2023, secured by Ministerial guarantee and assignment of fire insurance.	1,252,827	-
RBC term loan, interest at 2.00%, repayable at \$100,000 per month plus interest, maturing March 28, 2019, secured by general security agreement and Band Council Resolution.	1,200,000	1,200,000

Keewaywin First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

9. Long term debt *(Continued from previous page)*

	2018	2017
RBC demand installment loan repayable at \$7,344 per month plus interest at 3.87% per year secured by a general security agreement and Band Council Resolution.	325,538	400,000
	7,526,117	6,564,105

Principal repayments on long-term debt in each of the next five years, assuming long-term debt subject to refinancing is renewed, are estimated as follows:

2019	1,579,819
2020	384,731
2021	389,731
2022	394,819
2023	399,995

10. Inventory

	2018	2017
Fuel inventory	989,961	983,843

11. Accumulated surplus

Accumulated surplus is comprised of the following:

	2018	2017
Equity in Ottawa Trust Funds	16,794	16,445
Investment in tangible capital assets	15,542,208	12,778,800
CMHC replacement reserve	206,544	164,905
Equity in portfolio investments	28,135	114,490
Unrestricted operating surplus	378,046	475,162
	16,171,727	13,549,802

12. Indigenous Services Canada Canada funding

	2018	2017
Indigenous Services Canada confirmation balance	9,267,461	7,885,117

13. Health Canada funding

	2018	2017
Health Canada confirmation balance	1,803,400	1,414,579

14. Economic dependence

Keewaywin First Nation receives a significant portion of its revenue from Indigenous Services Canada (ISC) & First Nations and Inuit Health (FNIH) as a result of Treaties entered into with the Government of Canada. These Treaties are administered by ISC under the terms and conditions of the Indian Act. The ability of the to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these Treaties.

15. Financial instruments

The First Nation, as part of its operations, carries a number of financial instruments. It is management's opinion that the First Nation is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

Credit risk

The First Nation believes that it is not exposed to significant credit risk from its accounts receivable. Accounts receivable are deemed to have minimal risk associated with collection pursuant to the terms of the related funding agreements.

Liquidity risk

The First Nation manages its liquidity risks by maintaining adequate cash and credit facilities and by updating and reviewing multi-year cash flow projections on a regular basis.

16. Contractual Rights

Ontario First Nations Limited Partnership:

Commencing with the 2012 fiscal year and in each fiscal year thereafter during the initial and renewal terms of the agreement between the Province of Ontario and Ontario First Nations Limited Partnership ("OFNLP"), the Province of Ontario shall pay to OFNLP 12 monthly payments equal to one-twelfth of 1.7% of the aggregate provincial gross gaming revenues. OFNLP then distributes to the First Nation its share of these revenues according to a formula used for that purpose. The use of these funds, according to agreements, is restricted to community development, health, education, cultural development and economic development.

The First Nation holds one unit in the Ontario First Nations Limited Partnership and a share in a related company Ontario First Nations General Partner Inc. - the carrying values of which are nominal and are therefore not recorded in these consolidated financial statements.

Ontario First Nations Sovereign Wealth Limited Partnership:

On December 28, 2017, the Ontario First Nations Sovereign Wealth Limited Partnership ("Sovereign Wealth LP") entered into an amended and restated limited partnership agreement whereby the Organization and 128 other participating First Nations were concurrently admitted. Sovereign Wealth LP distributes to the First Nation its proportionate share of the revenue generated in the partnership.

The First Nation holds a unit representing 0.7804% interest in the Ontario First Nations Sovereign Wealth LP, and a share in a related company Ontario First Nations Asset Management General Partner Corp.

17. First Nations Financial Transparency and Accountability Act

The First Nation is required by the First Nations Financial Transparency and Accountability Act to post its consolidated financial statements on a website and submit the consolidated financial statements to Indigenous Services Canada by July 29, 2018. As the audit report is dated after this date, the First Nation is not in compliance with this requirement. The possible effect of this non-compliance has not yet been determined.

Keewaywin First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

18. Contingent liabilities

The First Nation is subject to funding recoveries according to their agreement with federal agencies. It has not yet been determined to what extent any funding amounts related to the year ended March 31, 2018 might be recovered.

19. Comparative figures

Prior year's comparative amounts have been reclassified where necessary to conform to the current period's presentation.

20. Budget information

The disclosed budget information has been approved by the Chief and Council of the Keewaywin First Nation.

Keewaywin First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2018

	<i>Buildings</i>	<i>Vehicles</i>	<i>Equipment</i>	<i>Infrastructure</i>	<i>Band Housing</i>	<i>CMHC Housing</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	1,937,571	458,879	2,580,555	11,238,335	4,288,538	6,965,060	27,468,938
Acquisition of tangible capital assets	-	209,909	-	-	-	1,357,164	1,567,073
Balance, end of year	1,937,571	668,788	2,580,555	11,238,335	4,288,538	8,322,224	29,036,011
Accumulated amortization							
Balance, beginning of year	868,410	379,528	1,839,780	4,931,752	3,039,198	784,273	11,842,941
Annual amortization	96,879	89,395	255,359	531,947	212,428	383,394	1,569,402
Balance, end of year	965,289	468,923	2,095,139	5,463,699	3,251,626	1,167,667	13,412,343
Net book value of tangible capital assets	972,282	199,865	485,416	5,774,636	1,036,912	7,154,557	15,623,668
2017 Net book value of tangible capital assets	1,069,161	79,351	740,775	6,869,531	1,629,768	5,237,411	15,628,014

Keewaywin First Nation
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2018

	<i>Subtotal</i>	<i>Asset under construction</i>	<i>2018</i>	<i>2017</i>
Cost				
Balance, beginning of year	27,468,938	2,116,908	29,585,846	25,493,166
Acquisition of tangible capital assets	1,567,073	3,802,211	5,369,284	4,092,680
Balance, end of year	29,036,011	5,919,119	34,955,130	29,585,846
Accumulated amortization				
Balance, beginning of year	11,842,941	-	11,842,941	10,336,629
Annual amortization	1,569,402	-	1,569,402	1,506,312
Balance, end of year	13,412,343	-	13,412,343	11,842,941
Net book value of tangible capital assets	15,623,668	5,919,119	21,542,787	17,742,905
2017 Net book value of tangible capital assets	15,628,014	2,116,908	17,742,905	

Keewaywin First Nation
Schedule 2 - Consolidated Schedule of Expenses by Object
For the year ended March 31, 2018

	<i>2018 Budget</i>	<i>2018</i>	<i>2017</i>
Expenses by object			
Amortization	1,872,720	1,569,402	1,506,312
Audit fees	114,150	94,658	61,708
Bank charges and interest	12,942	14,629	15,442
Benefits	59,600	59,813	21,472
Community events	81,000	82,669	18,088
Contracted services	1,904,779	501,948	346,517
Crisis intervention support	295,000	279,890	283,077
Culture enrichment	-	-	45,536
Election	12,500	12,159	2,000
Equipment purchases	2,444,062	-	1,543
Freight	103,830	149,645	241,605
Gas and oil	400,709	430,896	904,835
Hockey	-	-	449
Insurance	135,068	131,450	109,500
Interest on long-term debt	120,050	118,552	108,747
Internet	3,500	3,025	2,682
Miscellaneous	58,038	1,910	14,183
Office equipment lease	2,000	2,116	2,294
Office rent	18,000	15,000	-
Office supplies	77,479	102,705	50,566
Other	-	-	23,464
Postage	500	438	117
Professional development	39,500	39,350	69,680
Professional fees	123,000	116,397	191,592
Program activities	479,428	294,432	298,598
Rent	106,665	98,300	74,350
Repairs and maintenance	597,043	652,521	526,963
Replacement reserve	41,426	-	-
Salaries and benefits	4,628,160	4,474,224	4,446,143
Social assistance	1,955,000	2,055,496	1,971,032
Student expenses	58,000	66,737	77,267
Supplies	550,000	448,144	342,547
Technology	20,000	-	19,666
Telephone	45,800	44,964	47,712
Training	32,000	58,647	22,808
Travel	583,509	524,480	622,738
Utilities	438,600	449,481	367,600
Vehicle expense	166,714	172,494	148,200
	17,580,772	13,066,572	12,987,033

Keewaywin First Nation
Schedule 3 - Consolidated Schedule of Segment Revenue and Expenses
For the year ended March 31, 2018

	Schedule #	Total Revenue	Total Expenses	Transfers From (To)	Current Surplus (Deficit)	Prior Year Surplus (Deficit)
Segments						
Administration	4	2,685,718	3,212,074	112,168	(414,188)	(746,240)
Education	5	1,958,318	1,933,935	-	24,383	43,687
Public Works	6	1,689,887	1,618,263	-	71,624	(101,232)
Health	7	1,669,109	1,668,234	-	875	183,653
Ontario First Nations Limited Partnership	8	1,011,231	439,063	(572,168)	-	(1)
Power Authority	9	2,535,054	659,512	460,000	2,335,542	1,322,830
Social Service	10	2,583,994	2,529,119	-	54,875	102,886
Housing Authority	11	1,089,923	561,285	-	528,638	971,621
CMHC Housing Authority	12	465,264	445,087	-	20,177	33,855
Total		15,688,497	13,066,572	-	2,621,925	1,811,059

Keewaywin First Nation
Administration
Schedule 4 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

	<i>2018 Budget</i>	<i>2018</i>	<i>2017</i>
Revenue			
Indigenous Services Canada	564,817	565,775	601,278
Other revenue	1,162,274	1,285,190	1,697,129
Administration fee	691,000	834,753	599,325
Deferred revenue - prior year	-	1,775	1,775
Deferred revenue - current year	-	(1,775)	(1,775)
	2,418,091	2,685,718	2,897,732
Expenses			
Amortization	-	1,334,252	1,324,847
Audit fees	77,000	50,253	27,951
Bank charges and interest	4,500	4,403	5,102
Contracted services	461,500	120,371	-
Culture enrichment	-	-	45,536
Election	12,500	12,159	2,000
Freight	4,700	3,741	2,501
Hockey	-	-	449
Insurance	8,500	8,663	14,355
Internet	3,500	3,025	2,682
Miscellaneous	58,038	1,910	12,752
Office supplies	7,900	8,152	10,992
Professional fees	25,000	27,436	89,358
Program activities	64,975	43,374	15,336
Rent	5,865	5,200	20,200
Salaries and benefits	1,272,424	1,262,922	1,506,396
Supplies	15,000	16,261	15,722
Telephone	25,300	24,645	26,677
Travel	291,000	261,307	324,571
Utilities	24,000	24,000	23,500
Vehicle expense	-	-	5,630
	2,361,702	3,212,074	3,476,557
Surplus (deficit) before transfers	56,389	(526,356)	(578,825)
Transfers between programs	80,000	112,168	(167,415)
Surplus (deficit)	136,389	(414,188)	(746,240)

Keewaywin First Nation
Education

Schedule 5 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

	<i>2018 Budget</i>	<i>2018</i>	<i>2017</i>
Revenue			
Indigenous Services Canada	2,414,302	2,414,302	2,141,379
Province of Ontario	250,327	265,041	206,451
Other revenue	19,884	19,884	15,570
Administration fee - expense	(366,837)	(383,587)	(271,114)
Deferred revenue - prior year	77,278	77,278	-
Deferred revenue - current year	(350,000)	(434,600)	(77,278)
	2,044,954	1,958,318	2,015,008
Expenses			
Bank charges and interest	1,250	1,172	1,207
Benefits	59,600	59,813	21,472
Community events	6,000	6,392	10,048
Freight	22,930	18,428	39,723
Insurance	2,800	2,719	2,500
Office equipment lease	2,000	2,116	2,294
Office supplies and expenses	18,600	32,633	14,581
Postage	500	438	117
Professional development	39,500	39,350	62,180
Professional fees	-	-	17,277
Program activities	15,000	16,508	-
Rent	15,000	15,500	-
Repairs and maintenance	50,329	57,846	62,739
Salaries and benefits	1,208,568	1,139,700	1,195,187
Student expenses	58,000	66,737	63,767
Supplies	137,045	94,938	130,230
Telephone	11,200	11,052	12,342
Travel	107,220	80,721	83,556
Utilities	285,000	281,000	252,000
Vehicle expense	6,900	6,872	101
	2,047,442	1,933,935	1,971,321
Surplus (deficit)	(2,488)	24,383	43,687

Keewaywin First Nation
Public Works

Schedule 6 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

	<i>2018 Budget</i>	<i>2018</i>	<i>2017</i>
Revenue			
Indigenous Services Canada	1,598,386	1,598,386	1,543,203
Other revenue	297,533	297,533	211,795
Administration fee - expense	(82,200)	(82,200)	(66,000)
Deferred revenue - prior year	329,056	329,056	-
Deferred revenue - current year	(416,864)	(452,888)	(329,056)
	1,725,911	1,689,887	1,359,942
Expenses			
Bank charges and interest	900	768	902
Contracted services	436,829	436,829	323,056
Crisis Intervention Support	-	-	7,187
Equipment purchases	57,500	-	-
Freight	41,200	34,608	34,620
Insurance	42,000	43,008	28,450
Interest on long-term debt	13,700	13,666	2,816
Office supplies and expenses	2,100	2,094	2,767
Professional fees	8,000	8,500	13,943
Program activities	-	-	28,200
Rent	18,800	14,600	6,150
Repairs and maintenance	483,514	461,465	338,280
Salaries and benefits	401,309	357,999	418,717
Supplies	18,200	16,229	69,610
Telephone	2,500	2,246	2,245
Travel	18,000	15,271	25,598
Utilities	106,800	121,681	56,550
Vehicle expense	36,207	89,299	102,083
	1,687,559	1,618,263	1,461,174
Surplus (deficit)	38,352	71,624	(101,232)

Keewaywin First Nation
Health

Schedule 7 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

	<i>2018 Budget</i>	<i>2018</i>	<i>2017</i>
Revenue			
Health Canada	1,803,400	1,803,400	1,414,579
Other revenue	155,825	155,825	97,632
Administration fee - expense	(181,122)	(188,361)	(132,720)
Deferred revenue - current year	(92,206)	(101,755)	-
	1,685,897	1,669,109	1,379,491
Expenses			
Bank charges and interest	1,400	1,421	1,162
Community events	75,000	76,277	8,041
Contracted services	-	-	23,461
Freight	-	-	547
Office rent	18,000	15,000	-
Office supplies and expenses	41,979	46,187	14,319
Professional development	-	-	7,500
Professional fees	40,000	37,986	46,137
Program expenses	63,100	64,016	61,034
Rent	15,000	15,000	-
Salaries and benefits	1,190,445	1,178,958	849,902
Supplies	105,172	102,167	48,792
Telephone	2,200	2,120	2,122
Training	-	-	1,500
Travel	92,589	90,412	75,435
Utilities	22,800	22,800	35,550
Vehicle expense	14,407	15,890	20,336
	1,682,092	1,668,234	1,195,838
Surplus	3,805	875	183,653

Keewaywin First Nation
Ontario First Nations Limited Partnership
Schedule 8 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

	<i>2018 Budget</i>	<i>2018</i>	<i>2017</i>
Revenue			
Ontario First Nations Limited Partnership	1,041,216	1,041,216	1,030,479
Interest income	-	15	-
Administration fee - expense	(24,000)	(30,000)	(15,000)
	1,017,216	1,011,231	1,015,479
Expenses			
Bank charges and interest	500	520	372
Crisis Intervention Support	295,000	279,890	275,890
Freight	-	-	153,680
Office supplies	-	-	882
Program activities	145,500	139,945	52,829
Student expenses	-	-	13,500
Supplies	-	-	5,001
Telephone	-	-	1,411
Travel	-	-	52,338
Vehicle expense	20,000	18,708	6,799
	461,000	439,063	562,702
Surplus before transfers	556,216	572,168	452,777
Transfers between programs	(556,000)	(572,168)	(452,778)
Surplus (deficit)	216	-	(1)

Keewaywin First Nation
Power Authority
Schedule 9 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

	<i>2018 Budget</i>	<i>2018</i>	<i>2017</i>
Revenue			
Indigenous Services Canada	3,726,762	3,726,762	2,107,679
Other revenue	10,000	11,884	-
Administration fee - expense	(24,000)	(30,000)	-
Deferred revenue - current year	(1,173,592)	(1,173,592)	-
	2,539,170	2,535,054	2,107,679
Expenses			
Audit fees	15,000	21,000	15,165
Bank charges and interest	627	627	669
Equipment purchases	2,386,562	1	1,543
Gas and oil	400,709	430,896	904,835
Interest on long-term debt	25,000	27,428	38,985
Office supplies	900	883	-
Rent	-	-	24,000
Repairs and maintenance	30,000	34,481	106,693
Salaries and benefits	131,700	131,658	137,110
Telephone	2,500	2,651	1,415
Travel	2,500	2,191	1,493
Vehicle expense	9,000	7,696	5,719
	3,004,498	659,512	1,237,627
Surplus (deficit) before transfers	(465,328)	1,875,542	870,052
Transfers between programs	460,000	460,000	452,778
Surplus (deficit)	(5,328)	2,335,542	1,322,830

Keewaywin First Nation
Social Service
Schedule 10 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

	<i>2018 Budget</i>	<i>2018</i>	<i>2017</i>
Revenue			
Indigenous Services Canada	222,400	294,500	203,500
Province of Ontario	2,420,800	2,433,042	2,269,432
Administration fee - expense	(80,000)	(73,097)	(50,400)
Surplus recovery	-	(2,351)	-
Deferred revenue - current year	-	(68,100)	-
	2,563,200	2,583,994	2,422,532
Expenses			
Bank charges and interest	2,800	2,571	2,408
Miscellaneous	-	-	1,431
Office supplies	4,500	12,255	7,026
Professional fees	25,000	20,000	15,377
Program activities	98,689	30,589	7,752
Rent	52,000	48,000	24,000
Salaries and benefits	253,500	244,818	192,016
Social assistance	1,955,000	2,055,496	1,971,032
Supplies	-	-	12,000
Technology	-	-	19,666
Telephone	2,100	2,250	1,500
Training	32,000	58,647	21,308
Travel	49,200	54,493	44,130
	2,474,789	2,529,119	2,319,646
Surplus	88,411	54,875	102,886

Keewaywin First Nation
Housing Authority
Schedule 11 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

	<i>2018 Budget</i>	<i>2018</i>	<i>2017</i>
Revenue			
Indigenous Services Canada	667,736	667,736	1,288,078
Other revenue	171,268	160,190	368,588
Administration fee - expense	(24,000)	(22,627)	(42,000)
Deferred revenue - prior year	313,469	394,254	-
Deferred revenue - current year	(105,504)	(109,630)	(394,254)
	1,022,969	1,089,923	1,220,412
Expenses			
Bank charges and interest	750	627	3,515
Contracted services	1,006,450	(55,253)	-
Freight	35,000	92,868	10,535
Insurance	2,696	2,696	-
Office supplies	1,500	502	-
Other expenses	-	-	23,464
Professional fees	25,000	22,475	9,500
Program activities	92,164	-	133,447
Repairs and maintenance	5,000	66,540	4,590
Salaries and benefits	170,214	158,168	146,815
Supplies	217,571	218,549	61,192
Travel	23,000	20,085	15,617
Vehicle expense	23,500	34,028	7,531
	1,602,845	561,285	416,206
Surplus before transfers	(579,876)	528,638	804,206
Transfers between programs	80,785	-	167,415
Surplus (deficit)	(499,091)	528,638	971,621

Keewaywin First Nation
CMHC Housing Authority
Schedule 12 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2018

	<i>2018 Budget</i>	<i>2018</i>	<i>2017</i>
Revenue			
Canada Mortgage and Housing Corporation	338,657	338,657	272,626
Rental and interest income	151,275	151,488	129,282
Administration fee - expense	(24,200)	(24,881)	(22,091)
	465,732	465,264	379,817
Expenses			
Amortization	223,673	235,150	181,465
Audit fees	22,150	23,405	18,592
Bank charges and interest	215	2,521	105
Insurance	79,072	74,364	64,195
Interest on long-term debt	81,350	77,458	66,945
Repairs and maintenance	28,200	32,189	14,660
Replacement Reserve	41,426	-	-
	476,086	445,087	345,962
Surplus (deficit)	(10,354)	20,177	33,855