



Kahkewistahaw First Nation
Consolidated Financial Statements
March 31, 2024



Kahkewistahaw First Nation

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For the year ended March 31, 2024

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Management's Responsibility



To the Members of Kahkewistahaw First Nation:

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

Management is responsible for the preparation and 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 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.

Chief and Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. Chief and Council fulfil these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors.

MNP LLP, an independent firm of Chartered Professional Accountants, is appointed by Chief and Council to audit the financial statements and report directly to the Members; their report follows. The external auditor has full and free access to, and meet periodically and separately with, both Chief and Council and management to discuss their audit findings.

July 26, 2024

"Original Signed by Geraldine Bear"

Management

To the Members of Kahkewistahaw First Nation:

Opinion

We have audited the consolidated financial statements of Kahkewistahaw First Nation (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2024, and the consolidated statements of operations and accumulated surplus, changes in net debt, cash flows, and the related schedules for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the First Nation as at March 31, 2024, and the results of its consolidated operations, its changes in its consolidated net debt and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the First Nation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Notes 17 and 22 to the consolidated financial statements which describe that Kahkewistahaw First Nation initiated a flood claim and a treaty benefit claim against the Government of Canada for damages sustained by the First Nation. The First Nation has obtained loans to fund costs of negotiations and has taken insurance to cover the repayment of the loans if they are in excess of settlement proceeds. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with 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.

In preparing the consolidated financial statements, management is responsible for assessing the First Nation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the First Nation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the First Nation's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the First Nation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the First Nation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the First Nation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the First Nation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Regina, Saskatchewan

July 26, 2024

MNP LLP

Chartered Professional Accountants



Kahkewistahaw First Nation

Consolidated Statement of Financial Position

As at March 31, 2024

	2024	2023
Financial assets		
Current		
Cash resources	11,107,359	6,513,627
Restricted cash (Note 4)	7,162,050	6,646,681
Accounts receivable (Note 5)	4,385,761	3,656,168
Inventory for resale	50,892	52,723
Due from related parties (Note 6)	5,394,240	3,083,958
Portfolio investments (Note 7)	965	965
Due from Kahkewistahaw 1907 Specific Claim Trust (Note 8)	18,133,971	17,909,106
	46,235,238	37,863,228
Investment in Kihew-Mastec joint venture	237,234	-
Investment in partnerships and business entities (Note 9)	5,013,995	5,216,191
Funds held in Ottawa Trust Fund (Note 10)	4,999	4,834
Total financial assets	51,491,466	43,084,253
Liabilities		
Current		
Bank indebtedness (Note 11)	300,000	-
Accounts payable and accruals	2,500,656	1,409,004
Deferred revenue (Note 12)	13,148,931	10,643,848
Due to related parties (Note 13)	1,151,416	359,482
Due to Kahkewistahaw 1907 Specific Claim Trust (Note 8)	18,133,971	17,909,106
Current portion of long-term debt and capital lease obligations (Note 14), (Note 15)	4,965,346	2,099,581
	40,200,320	32,421,021
Long-term debt (Note 14)	47,632,633	49,056,380
Total financial liabilities	87,832,953	81,477,401
Net debt	(36,341,487)	(38,393,148)
Contingent assets and liabilities (Note 22)		
Non-financial assets		
Tangible capital assets (Note 16)	101,439,709	101,426,933
Livestock inventory	75,000	75,000
Prepaid expenses	367,181	21,972
Total non-financial assets	101,881,890	101,523,905
Accumulated surplus (Note 17)	65,540,403	63,130,757

Approved on behalf of the First Nation

"Original Signed by Michael Bob"

Councillor

"Original Signed by Cory Alexson"

Councillor



Kahkewistahaw First Nation

Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31, 2024

	<i>Schedules</i>	2024 Budget (Note 19)	2024 Actual	2023 Actual
Revenue				
Indigenous Services Canada (Note 24)		17,268,302	20,721,927	16,686,222
Road Expropriation Claim settlement proceeds (Note 22)		-	6,500,002	-
Kahkewistahaw Legacy Trust - annual payment		2,100,000	1,579,641	1,477,986
Restaurant sales		-	1,438,935	1,188,769
Grants in lieu of taxes		1,262,000	1,308,681	981,589
First Nations Trust		500,000	1,063,983	799,867
Other		2,022,741	650,410	961,779
Canada Mortgage and Housing Corporation		800,000	939,700	2,346,540
Interest		76,342	818,408	511,518
Yorkton Tribal Council		1,154,202	565,507	1,056,311
Contribution from Kahkewistahaw 1907 Trust (Note 8)		560,000	770,725	1,373,104
Kahkewistahaw Community Improvement Fee		792,000	692,082	821,677
CMHC rental		-	360,508	356,508
Land lease		387,000	352,767	363,488
Member service fee		711,982	336,000	331,387
Earnings from Kihew-Mastec joint venture		-	237,234	-
PHC Holdings Limited Partnership		-	129,584	58,606
Fuel and tobacco rebate		210,000	102,474	43,660
Painted Hand Community Development Corporation		41,179	92,417	100,646
Tuition income		-	91,192	1,780
Sales - Kihew Fabco Ltd.		-	87,263	112,350
Insurance proceeds		-	47,400	66,006
Indigenous Services Canada - FNIHB - (Ochapowace/Kahkewistahaw Home Care)		-	-	55,487
First Nations Drinking Water settlement proceeds		-	-	500,000
YTCCFS - Settlement		-	-	1,548,650
Yorkton Tribal Council Child & Family Services Inc.		16,763	-	7,825
Loss from investment in partnerships and business entities (Note 9)		-	(442,394)	(306,080)
Total revenues		27,902,511	38,444,446	31,445,675
Program expenses				
Band Development	2	480,000	520,498	464,991
Band Government	3	2,530,102	2,867,191	1,888,734
Band Project Revenue	4	7,643,068	10,835,792	9,268,660
Capital	5	1,852,744	1,922,980	3,660,848
Community Infrastructure	6	1,188,526	4,715,483	4,533,456
Economic Development	7	1,045,000	694,702	860,732
Education	8	8,085,051	8,396,806	6,928,521
Social Development	9	2,660,330	1,813,664	1,609,465
Land, Reserves, and Trusts	10	1,785,160	1,918,862	1,852,887
Health	11	1,517,826	2,126,361	1,674,548
Investment in Commercial Enterprises	12	5,500	307,461	5,709
Total expenses		28,793,307	36,119,800	32,748,551

Continued on next page



Kahkewistahaw First Nation Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31, 2024

	2024 Budget (Note 19)	2024 Actual	2023 Actual
Annual surplus (deficit) before other items <i>(Continued from previous page)</i>	(890,796)	2,324,646	(1,302,876)
Other items			
Gain on disposal of tangible capital assets	-	85,000	-
Land and building contributed by Kahkewistahaw 1907 Specific Claim Trust	-	-	1,319,410
Deferred revenue - Mismanagement Claim Settlement <i>(Note 21)</i>	442,523	-	316,332
Contribution from Kahkewistahaw 1907 Trust <i>(Note 8)</i>	-	18,133,971	17,909,106
Contribution to Kahkewistahaw 1907 Trust <i>(Note 8)</i>	-	(18,133,971)	(17,909,106)
	442,523	85,000	1,635,742
Annual surplus (deficit)	(448,273)	2,409,646	332,866
Accumulated surplus, beginning of year	63,130,757	63,130,757	62,797,891
Accumulated surplus, end of year <i>(Note 17)</i>	62,682,484	65,540,403	63,130,757

The accompanying notes are an integral part of these consolidated financial statements



Kahkewistahaw First Nation

Consolidated Statement of Changes in Net Debt

For the year ended March 31, 2024

	2024 Budget (Note 19)	2024 Actual	2023 Actual
Annual surplus (deficit)	(448,273)	2,409,646	332,866
Purchases of tangible capital assets	(778,578)	(4,257,251)	(2,377,378)
Amortization of tangible capital assets	-	4,244,475	3,628,379
Land and building contributed by Kahkewistahaw 1907 Specific Claim Trust	-	-	(1,319,410)
Gain on sale of tangible capital assets	-	(85,000)	-
Proceeds of disposal of tangible capital assets	-	85,000	-
	(778,578)	(12,776)	(68,409)
Net acquisition of prepaid expenses	-	(345,209)	-
Net use of prepaid expenses	-	-	13,364
	-	(345,209)	13,364
Decrease (increase) in net debt	(1,226,851)	2,051,661	277,821
Net debt, beginning of year	(38,393,148)	(38,393,148)	(38,670,969)
Net debt, end of year	(39,619,999)	(36,341,487)	(38,393,148)

The accompanying notes are an integral part of these consolidated financial statements



Kahkewistahaw First Nation

Consolidated Statement of Cash Flows

For the year ended March 31, 2024

	2024	2023
Cash provided by (used for) the following activities		
Operating activities		
Annual surplus	2,409,646	332,866
Non-cash items		
Amortization of tangible capital assets (Note 16)	4,244,475	3,628,379
Earnings from Kihew-Mastec joint venture	(237,234)	-
Land and building contributed by Kahkewistahaw 1907 Specific Claim Trust	-	(1,319,410)
Gain on disposal of tangible capital assets	(85,000)	-
Loss from investment in partnerships and business entities	442,394	306,080
	6,774,281	2,947,915
Changes in working capital accounts		
Accounts receivable	(729,593)	(750,055)
Inventory for resale	1,831	(18,972)
Prepaid expenses	(345,209)	13,364
Accounts payable and accruals	1,091,652	(694,914)
Deferred revenue	2,505,083	(631,401)
	9,298,045	865,937
Financing activities		
Repayment of long-term debt and capital lease obligation	(2,170,723)	(2,071,663)
Advances of long-term debt	3,612,740	871,111
Advances from line of credit	300,000	-
(Increase) decrease in due from related parties (net)	(2,310,282)	122,651
Increase (decrease) in due to related parties (net)	791,934	(493,434)
Increase in due from Kahkewistahaw 1907 Specific Claim Trust	(224,865)	(2,055,794)
Increase in due to Kahkewistahaw 1907 Specific Claim Trust	224,865	2,055,794
	223,669	(1,571,335)
Capital activities		
Purchases of tangible capital assets	(4,257,251)	(2,377,378)
Proceeds of disposal of tangible capital assets	85,000	-
	(4,172,251)	(2,377,378)
Investing activities		
Contribution to partnerships and business entities	(477,376)	-
(Increase) decrease in restricted cash	(515,368)	236,868
Increase in funds held in Ottawa Trust Fund	(165)	(146)
Withdrawals from partnerships and business entities	237,178	235,732
	(755,731)	472,454
Increase (decrease) in cash resources	4,593,732	(2,610,322)
Cash resources, beginning of year	6,513,627	9,123,949
Cash resources, end of year	11,107,359	6,513,627

The accompanying notes are an integral part of these consolidated financial statements



Kahkewistahaw First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

1. Operations

The Kahkewistahaw First Nation (the "First Nation") is located in Treat 4 Territory, Canada, and provides various services to its Members. The Kahkewistahaw First Nation financial reporting entity includes the First Nation's operations, 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, 2023, the First Nation adopted the recommendations relating to the following section, as set out in the Canadian public sector accounting handbook:

Revenue

Effective April 1, 2023, the First Nation adopted the Public Sector Accounting Board's (PSAB) new standard for the recognition, measurement and disclosure of revenue under PS 3400 *Revenue*. The new standard establishes when to recognize and how to measure revenue, and provides the related financial statement presentation and disclosure requirements. Pursuant to these recommendations, the change was applied prospectively, and prior periods have not been restated.

Under the new standard, revenue is differentiated between revenue arising from transactions that include performance obligations, referred to as "exchange transactions", and transactions that do not have performance obligations, referred to as "non-exchange transactions", as described in Note 3.

There was no material impact on the financial statements from the prospective application of the new accounting recommendations.

3. Significant accounting policies

These 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 First Nation reporting entity, except for First Nation business entities which are recorded using the modified equity method.

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

- Kahkewistahaw First Nation
- Kahkewistahaw First Nation CMHC Housing
- Kahkewistahaw 1907 Specific Claim Trust - Band Account
- Kahkewistahaw Birds Point Resort Limited Partnership
- Weyotisiwin Holdings Limited Partnership
- Kihew Fab-Co Ltd. (50% proportionate consolidation) - through Weyotisiwin Holdings Limited Partnership; includes 51% interest in Kihew-Mastec Joint Venture
- Ochapowace/Kahkewistahaw Home Care (Government Partnership - 50% proportionate consolidation)

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

The financial activities of Kahkewistahaw 1907 Specific Claim Trust - Band Account, Kahkewistahaw Birds Point Resort Limited Partnership, Weyotisiwin Holdings Limited Partnership, and Kihew Fab-Co Ltd. have been consolidated for their December 31 fiscal year ends.



Kahkewistahaw First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

3. Significant accounting policies (Continued from previous page)

Reporting entity (Continued from previous page)

Kahkewistahaw First Nation business entities, owned or controlled by the First Nation but not dependent on the First Nation for their continuing operations, are included in the consolidated financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity's accounting principles are not adjusted to conform to those of the First Nation. Thus, the First Nation's investment in these entities is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and contributions made, and decreased by post acquisition losses and distributions received. Entities accounted for by the modified equity basis include:

- Kahkewistahaw Development Limited Partnership
- Kahkewistahaw Management Limited Partnership

The Kahkewistahaw 1907 Specific Claim Trust - Trust Account, Kahkewistahaw First Nation - Community Development Account, Kahkewistahaw 1907 Specific Claim Trust - Authorized Expense Account and Kahkewistahaw Legacy Trust are not included in the consolidated financial statements as they are not controlled by Chief and Council. Each of them has a Trustee or Trustees that oversee and administer operations.

Basis of presentation

Sources of financing and expenditures 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.

Other economic interests

The First Nation is a member of several other entities. The First Nation does not share in the profit or loss of these entities. As a result, these entities have not been reported in these consolidated financial statements.

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, livestock inventory and prepaid expenses.

Cash resources

Cash resources include balances with banks and short-term investments with maturities of three months or less.

Restricted cash

Cash held for specific purposes is maintained in separate bank accounts. Restricted cash consists of CMHC replacement reserve and operating reserve bank accounts, capital project bank accounts, debt reserve fund account and GIC and term deposit accounts.

Financial instruments

The First Nation recognizes its financial instruments when the First Nation becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value. At initial recognition, the First Nation may irrevocably elect to subsequently measure at fair value financial instruments that meet certain criteria. The First Nation has not made such an election during the year.

The First Nation has not presented a statement of remeasurement gains and losses as it does not have any items giving rise to remeasurement gains (losses). Interest income is recognized in the statement of operations. All financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

All financial assets are tested annually for impairment. Management considers recent collection experience for receivables, such as delinquency in payments, in determining whether objective evidence of impairment exists. Any impairment which is not considered temporary is recorded in the statement of operations. Write-downs of financial assets measured at cost and/or amortized cost to reflect losses in value are not reversed for subsequent increases in value.



Kahkewistahaw First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

3. Significant accounting policies (Continued from previous page)

Inventory

Inventory for resale is valued at the lower of cost and net realizable value. Livestock inventory is valued at fair value less costs to sell.

Portfolio investments

Long-term investments in entities that are not owned or controlled by the First Nation reporting entity are accounted for using the cost method. They are recorded at cost, less any provision for other than temporary impairment.

Funds held in Ottawa Trust Fund

Funds held in trust on behalf of the First Nation's Members by the Government of Canada consist of:

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

Net debt

The First Nation's consolidated financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt of the First Nation is determined by its financial assets less its liabilities. Net debt combined with non-financial assets comprises a second indicator of financial position, accumulated surplus.

Tangible capital assets

Tangible capital assets are initially recorded at cost. Contributed tangible assets are recorded at their fair value at the date of contribution.

The First Nation's original reserve land is not recognized on the consolidated financial statements.

Projects under construction are not amortized until assets are put into use. Land is not amortized.

Amortization

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

	Rate
Buildings	20-40 years
Equipment	5-15 years
Infrastructure	10 years
Roads	40 years
Water Infrastructure	10-40 years
Housing (CMHC and First Nation)	20-40 years

Long-lived assets

Long-lived assets consist of tangible 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 amount of an asset, or group of assets, may not be recoverable. The carrying amount of a long-lived asset is not recoverable if the carrying amount exceeds the sum of the undiscounted future cash flows from its use and disposal. Impairment is measured as the amount by which the asset's carrying amount exceeds its fair value. Fair value is measured using prices for similar items. Any impairment is included in surplus.



Kahkewistahaw First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

3. Significant accounting policies (Continued from previous page)

Asset retirement obligations

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the financial statement date when there is a legal obligation for the First Nation to incur retirement costs in relation to a tangible capital asset (or component thereof), the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at March 31, 2024. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset (or component thereof). The asset retirement cost is amortized over the useful life of the related asset.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. The First Nation recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset.

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.

Liability for contaminated sites

A liability for remediation of contaminated sites is recognized at the best estimate of the amount required to remediate the contaminated sites 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, 2024. No liability has been identified or recorded at March 31, 2024.

Revenue recognition

Funding

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received for which eligible expenditures have yet to be incurred or which is under funding arrangements that relate to a subsequent fiscal period is reflected as deferred revenue on the consolidated statement of financial position in the year of receipt.

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.

Other Revenue

Rental and lease revenue is recognized over the rental term. Grants in lieu of taxes are recognized in the period to which they relate. Other revenues are earned from services provided by the First Nation and are recognized when the service has been performed. Kahkewistahaw Community Improvement Fee (FNGST) is recognized in the period in which the fee is charged. Interest income is recognized as earned. Restaurant sales are recognized at the time of sale, when the goods are transferred to the customer and collection is reasonably assured. Settlement revenue is recorded in the period the settlement occurs and the amount of the proceeds is known.

Kahkewistahaw Legacy Trust - Annual Payment

Kahkewistahaw Legacy Trust - Annual Payment is recognized as it becomes receivable by the First Nation under the terms of the Kahkewistahaw Legacy Trust Agreement. The Annual Payment is calculated based on the greater of taxable income or a percentage of the fair market value of assets under the Trust's administration.



Kahkewistahaw First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

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

Revenue recognition *(Continued from previous page)*

Contribution from Kahkewistahaw 1907 Specific Claim Trust

Contribution from Kahkewistahaw 1907 Specific Claim Trust is recognized as it becomes receivable by the First Nation under the terms of the Kahkewistahaw 1907 Specific Claim Trust Agreement. Pursuant to the Trust Agreement, "Annual Income" earned in the Kahkewistahaw 1907 Specific Claim Trust - Trust Account is to be transferred to an account controlled by the First Nation.

Use of estimates

The preparation of 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 financial statements, and the reported amounts of revenue and expenses during the reporting period. These estimates/assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the records in the periods in which they become known.

Accounts receivable and due from related parties 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 based on external restrictions imposed by funders.

A liability for asset retirement obligations reflects management's best estimate of the amount required to retire the related tangible capital asset (or component thereof). The best estimate of the liability is based upon assumptions and estimates related to the amount and timing of costs for future asset retirement. Changes to the underlying assumptions and estimates or legislative changes in the near term could have a material impact on the provision recognized.

Segments

The First Nation conducts its business through 12 reportable segments - see Note 20.

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. Administration fees have been apportioned based on a percentage of budgeted revenue, where permitted by the funder.

4. Restricted cash

	2024	2023
Lagoon and WTP repairs (SAL)	3,117,706	3,049,291
Debt reserve fund (FNFA)	2,009,017	1,848,775
Operations and maintenance building	688,006	-
Subdivision (SAL)	623,351	766,536
Kahkewistahaw First Nation CMHC Housing Projects	333,968	206,804
Solid waste (SAL)	275,353	525,157
Garage and storage building	114,564	-
Governance and administration centre (SAL)	85	(1,311)
School addition (SAL)	-	174,094
Pillipow Education GIC	-	71,626
Scholarship term deposit	-	5,709
	7,162,050	6,646,681

The debt reserve fund relates to 5% of the First Nations Finance Authority loan.



Kahkewistahaw First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

5. Accounts receivable

	2024	2023
Kahkewistahaw Legacy Trust	1,579,641	1,477,986
Other	1,441,314	1,318,360
Indigenous Services Canada	1,002,074	274,039
Kahkewistahaw 1907 Specific Claim Trust - Authorized Expense Account	390,681	342,836
Yorkton Tribal Council	126,093	228,618
Kahkewistahaw 1907 Specific Claim Trust	96,000	96,000
Canada Mortgage and Housing Corporation	67,329	273,796
Painted Hand Community Development Corporation	22,349	22,617
	4,725,481	4,034,252
Allowance for doubtful accounts	(339,720)	(378,084)
	4,385,761	3,656,168

6. Due from related parties

	2024	2023
Kahkewistahaw Business Landing Limited Partnership	1,415,728	2,305,769
Mamawi Holdings Limited Partnership	730,733	204,115
Kahkewistahaw Management Limited Partnership	480,422	574,074
Kihew Fab-Co Ltd.	3,278,976	3,128,976
Penipa Hotel Limited Partnership	2,617,357	-
	8,523,216	6,212,934
Allowance on loan receivable from Kihew Fab-Co Ltd.	(3,128,976)	(3,128,976)
	5,394,240	3,083,958

The advance to Penipa Hotel Limited Partnership is repayable in monthly instalments of \$14,001 for a 30 year period, with interest at 4.28%. All other advances are non-interest bearing, unsecured, and have no set terms of repayment. Kahkewistahaw Development Limited Partnership, Kahkewistahaw Management Limited Partnership and Weyotisiwin Holdings Limited Partnership are wholly owned by the First Nation. Kahkewistahaw Business Landing Limited Partnership and Mamawi Holdings Limited Partnership are wholly owned by Kahkewistahaw Development Limited Partnership. Weyotisiwin Holdings Limited Partnership owns a 50% interest in Kihew Fab-Co Ltd. The balance of the loan receivable from Kihew Fab-Co Ltd. was allowed for in the prior year due to uncertainty around the future sustainability of operations. An additional amount of \$150,000 was advanced to Kihew Fab-Co Ltd. during the year to finance operations.

7. Portfolio investments

The First Nation has a 14.28% investment in PHC Holdings Limited Partnership and 537 common shares (0.0041% of outstanding common shares) in First Nations Bank.



Kahkewistahaw First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

8. Kahkewistahaw 1907 Specific Claim Trust

The Kahkewistahaw 1907 Specific Claim Trust - Trust Account was established to manage funds received pursuant to the Kahkewistahaw 1907 Specific Claim Trust Agreement. It is not controlled by the First Nation as the Trust Agreement has a process for appointing Trustees independent of Chief and Council. Pursuant to the Trust Agreement, revenues from the Trust Account must be transferred to the Band Account each year.

Due from Kahkewistahaw 1907 Specific Claim Trust - Trust Account relates to a demand promissory note for revenues not transferred to the Kahkewistahaw 1907 Specific Claim Trust - Band Account. The amount is restricted and non-interest bearing.

Chief and Council have the ability to utilize funds in the Kahkewistahaw 1907 Specific Claim Trust - Band Account for band development provided they hold a membership meeting and membership approves the proposal by January 31 of each year. If the funds are not utilized for band development they are payable to the Kahkewistahaw 1907 Specific Claim Trust - Trust Account.

Due to Kahkewistahaw 1907 Specific Claim Trust - Trust Account relates to amounts in the Kahkewistahaw 1907 Specific Claim Trust - Band Account which are due to the Kahkewistahaw 1907 Specific Claim Trust - Trust Account. The amount is non-interest bearing.

9. Investments in partnerships and government business entities

Summary financial information for the investments in partnerships and business entities, accounted for using the modified equity method, is as follows:

	<i>Opening</i>	<i>Withdrawals</i>	<i>Contributions</i>	<i>Loss</i>	<i>Ending</i>
Kahkewistahaw Economic Development (combined)	5,216,191	(237,178)	477,376	(442,394)	5,013,995

Kahkewistahaw Economic Development (combined) includes Kahkewistahaw Management Limited Partnership, Kahkewistahaw Economic Management Corporation and Kahkewistahaw Development Limited Partnership.

	<i>Kahkewistahaw Economic Development (combined) As at December 31, 2023</i>
Assets	
Current	10,231,484
Long-term	15,126,705
Total assets	25,358,189
Liabilities	
Current	13,740,216
Long-term	6,817,079
Total liabilities	20,557,295
Net assets	4,800,894
Total revenue	17,328,659
Total expenses	17,771,053
Loss	(442,394)



Kahkewistahaw First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

9. Investments in partnerships and government business entities (Continued from previous page)

Principal repayments on long-term debt of the First Nation's businesses in each of the next five years, are estimated as follows:

	2025	2026	2027	2028	2029	Thereafter	Total
Kahkewistahaw Developments Limited Partnership	8,482,131	155,177	-	-	-	-	8,637,308

Kahkewistahaw Developments Limited Partnership has the following contractual obligations related to construction and land development:

- The Partnership entered into an agreement for development costs relating to Kahkewistahaw Business Landing (Saskatoon urban reserve). The total contract is \$994,282 plus KCIF (GST). At December 31, 2023 costs incurred were \$421,833 plus KCIF (GST).
- The Partnership entered into an agreement for the design of Mamawi Business Centre - Saskatoon. The total contract is \$264,624 with \$85,824 remaining as of December 31, 2023.

Kahkewistahaw Developments Limited Partnership has the following contingencies:

- During the year Canada Revenue Agency (CRA) assessed the Partnership Goods and Service Tax (KCIF) for the 2021 and 2022 year ends. CRA denied input tax credits of \$365,684. Management believes, based on their understanding of relevant legislation and regulations, that the assessment is in error and has not recorded any liability. The Partnership has engaged advisors to assist with resolving the CRA assessment. If management is not successful in reversing the CRA assessment any adjustments to input tax credits will be recorded in the period known.
- During the year, the Partnership received a Canada Revenue Agency (CRA) assessment indicating there was GST payable of \$120,000. The amount was paid to CRA. However, management believes there is no basis for this amount being assessed as it relates to GST on revenue earned by a related party which had previously remitted the GST collected to CRA. Management is working to recover the \$120,000 which is recorded as a receivable at December 31, 2023.

The First Nation has guaranteed the following debt on behalf of its business enterprises:

Penipa Hotel Limited Partnership (100% owned by Kahkewistahaw Development Limited Partnership) has the following debt for which the First Nation has issued guarantees for repayment:

- Affinity Credit Union Loan of \$2,231,348 bearing interest at 4.74% per annum, repayable in monthly blended payments of \$38,638, due for renewal in January 2024. Subsequent to December 31, 2023, through the First Nation, Penipa Hotel Limited Partnership accessed a First Nation Finance Authority loan to extinguish this debt (Note 14).

Kahkewistahaw Management Limited Partnership, Kahkewistahaw Economic Management Corporation, and Kahkewistahaw Development Limited Partnership have December 31 year-ends.

The difference between the First Nation's share of net assets and the investment ending balance is due to \$213,101 in net contributions by the First Nation after the investments' December 31 year-ends.



Kahkewistahaw First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

10. Funds held in Ottawa Trust Fund

	Opening balance	Revenue	Ending balance
Capital	3,655	-	3,655
Revenue	1,179	165	1,344
	4,834	165	4,999

11. Bank indebtedness

At March 31, 2024, the First Nation had lines of credit totaling \$300,000 (2023 – \$nil) to finance the daily operations of Kihew Fab-Co Ltd., \$300,000 (2023 - \$nil) of which were drawn. The following has been collateralized in connection with this line of credit:

- General security agreement; and
- Personal property of the Kahkewistahaw First Nation

12. Deferred revenue

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

	<i>Balance, beginning of year</i>	<i>Contributions received</i>	<i>Contributions Utilized</i>	<i>Balance, end of year</i>
ISC - Capital projects	6,197,476	6,426,832	3,713,540	8,910,768
ISC - programs	371,587	794,095	601,399	564,283
ISC - FNIHB - programs	171,006	-	37,844	133,162
Trust Amendment - Per Capita Distribution	74,000	-	47,000	27,000
Trust - Band Development	120,509	442,447	497,956	65,000
Mismanagement Claim Settlement (Note 21)	2,359,938	95,941	180,740	2,275,139
Other	1,100,658	286,645	240,564	1,146,739
CMHC Rapid Housing Initiative	104,196	-	104,196	-
Community Development Account	135,769	-	117,878	17,891
SAL Scholarship Reserve	8,709	240	-	8,949
	10,643,848	8,046,200	5,541,117	13,148,931

13. Due to related parties

	2024	2023
Advances from Kahkewistahaw Specific Claim Holdings Inc.	466,584	343,933
Advances from Kahkewistahaw Management Limited Partnership	5,000	5,000
Advances from Kahkewistahaw Gas & Convenience Store Limited Partnership	679,832	10,549
	1,151,416	359,482

The advances are non-interest bearing, unsecured, and have no set terms of repayment. Kahkewistahaw Management Limited Partnership is owned by the First Nation. Kahkewistahaw Specific Claim Holdings Inc. is related by common membership. Kahkewistahaw Gas & Convenience Store Limited Partnership is wholly owned by Kahkewistahaw Development Limited Partnership, which is wholly owned by the First Nation.



Kahkewistahaw First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

14. Long-term debt

The following loans are secured by government guarantees, and relate to the construction of on reserve housing. The First Nation receives a subsidy from Canada Mortgage and Housing Corporation to assist with the payment of principal and interest on the following loans:

<i>Phase</i>	<i>Monthly Payment Including Interest</i>	<i>Interest Rate</i>	<i>Renewal Date</i>	2024	2023
XIII	1,091	1.30%	1-Apr-26	26,901	39,557
XIV	1,408	3.04%	1-Apr-27	49,683	64,824
XV	581	4.49%	1-May-28	26,490	32,171
XVI	2,074	0.68%	1-Aug-25	35,076	59,632
XVII	3,594	3.12%	1-Apr-28	332,910	365,250
XVIII	1,376	0.70%	1-Sep-25	173,522	188,763
XIX	1,720	0.70%	1-Sep-25	216,852	235,897
XX	2,649	2.27%	1-Apr-27	359,816	383,174
XXI	11,217	0.96%	1-Mar-26	910,986	1,036,185
XXII	23,139	1.01%	1-Aug-26	1,983,477	2,239,698
XXIII	4,191	3.78%	1-Feb-29	573,863	612,370
XXIV	5,495	1.22%	1-May-26	1,021,070	1,074,200
XXV	5,024	2.02%	1-Mar-27	689,114	734,998
XXVI	2,483	2.02%	1-Mar-27	548,275	566,808
				6,948,035	7,633,527
First Nations Finance Authority 30 year debenture repayable in monthly instalments of \$56,823 with interest at 1.90% (interest fixed until June 2030), secured by assignment of revenues. This loan consolidates existing loans relating to band equity in Phase 21 and 22 subdivision, Penipa hotel and others.				15,119,186	15,511,559
First Nations Finance Authority 30 year debenture repayable in monthly instalments of \$61,335 with interest at 2.72% (interest fixed until June 2028), secured by assignment of revenues. This loan relates to the construction of the governance centre and Saskatoon property development costs.				13,179,148	13,544,165
First Nations Finance Authority 30 year debenture repayable in monthly instalments of \$23,307 with interest at 2.15% (interest fixed until June 2030), secured by assignment of revenues. This loan relates to the construction of the governance centre and Saskatoon property development costs.				5,757,432	5,911,575
RBC Royal Bank - loan payable in monthly instalments of \$65,935 with interest at 6.93%, secured by assignment of KCIF revenue and guarantee from Kihew Fab-Co Ltd., matures in 2030.				4,136,093	4,614,469
First Nations Finance Authority 30 year debenture repayable in monthly instalments of \$14,001 with interest at 4.28% (interest fixed until June 2032), secured by assignment of revenues. This loan relates to the construction of the governance centre and Saskatoon property development costs and settlement of existing Affinity Credit Union loan held by Penipa Hotel Limited Partnership (Note 9).				2,728,381	-
RBC Royal Bank flood claim insurance loan with interest at RBC prime with no fixed repayment terms, secured by insurance policy with AmTrust Europe Limited, due October 2024 (Note 22).				2,714,721	2,066,555



Kahkewistahaw First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

14. Long-term debt (Continued from previous page)

Indigenous Services Canada Specific Claim Tribunal Loan, Outstanding Treaty Land Entitlement Claim, with no fixed interest rate or repayment terms (Note 22).	1,300,328	1,180,076
RBC treaty benefit loan with interest at RBC prime with no fixed repayment terms, secured by insurance policy with AmTrust Europe Limited, due April 2026 (Note 22).	608,113	556,230
RCAP Leasing loan repayable in monthly instalments of \$2,389 with no interest, secured by a Volvo EQ210D Excavator with a net book value of \$167,153, due September 2028.	106,541	-
Indigenous Services Canada Specific Claim Tribunal Loan, IR 72 Road Expropriation Claim. Loan was repaid in the current year.	-	118,969
	52,597,978	51,137,125
Less: current portion of long-term debt	4,965,346	2,080,745
	47,632,632	49,056,380

Minimum principal repayments for the next five years for long-term debt with fixed repayment terms, assuming renewal at similar rates and terms and flood claim is repaid when due, are estimated as follows:

2025	4,965,346
2026	2,338,586
2027	3,025,484
2028	3,800,252
2029	2,571,895

15. Capital lease obligations

	2024	2023
RCAP Capital Lease repayable in monthly instalments of \$2,158 including interest at 6.90%, matured December 2023.	-	18,836



Kahkewistahaw First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2024

16. Tangible capital assets

For the year ended March 31, 2024

	Cost				Accumulated Amortization			2024
	Opening balance	Additions	Reclass	Ending balance	Opening balance	Current amortization	Ending balance	Net book value
Buildings	46,087,691	-	12,045,696	58,133,387	18,572,982	2,156,183	20,729,165	37,404,222
Equipment	8,098,708	46,994	-	8,145,702	4,644,787	716,721	5,361,508	2,784,194
Housing	20,170,924	-	2,422,433	22,593,357	11,329,150	927,566	12,256,716	10,336,641
Roads	263,047	-	-	263,047	163,629	13,421	177,050	85,997
Water Infrastructure	9,101,141	-	-	9,101,141	3,228,719	359,325	3,588,044	5,513,097
Projects Under Construction	16,089,868	4,210,257	(14,468,129)	5,831,996	-	-	-	5,831,996
Land	12,912,124	-	-	12,912,124	-	-	-	12,912,124
Infrastructure	712,588	-	-	712,588	338,848	71,259	410,107	302,481
Purchased Land	26,268,957	-	-	26,268,957	-	-	-	26,268,957
	139,705,048	4,257,251	-	143,962,299	38,278,115	4,244,475	42,522,590	101,439,709

For the year ended March 31, 2023

	Cost				Accumulated Amortization			2023
	Opening balance	Additions	Reclass	Ending balance	Opening balance	Current amortization	Ending balance	Net book value
Buildings	45,574,400	513,291	-	46,087,691	16,898,627	1,674,355	18,572,982	27,514,709
Equipment	7,934,776	163,932	-	8,098,708	3,981,173	663,614	4,644,787	3,453,921
Housing	20,170,924	-	-	20,170,924	10,485,801	843,349	11,329,150	8,841,774
Roads	263,047	-	-	263,047	147,152	16,477	163,629	99,418
Water Infrastructure	8,963,249	137,892	-	9,101,141	2,869,394	359,325	3,228,719	5,872,422
Projects Under Construction	14,527,602	1,562,266	-	16,089,868	-	-	-	16,089,868
Land	12,912,124	-	-	12,912,124	-	-	-	12,912,124
Infrastructure	712,588	-	-	712,588	267,589	71,259	338,848	373,740
Purchased Land	24,949,547	1,319,410	-	26,268,957	-	-	-	26,268,957
	136,008,257	3,696,791	-	139,705,048	34,649,736	3,628,379	38,278,115	101,426,933

During the year the Kahkewistahaw 1907 Specific Claim Trust purchased land and buildings of \$nil (2023 - \$1,319,410) on behalf of the First Nation.



Kahkewistahaw First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

17. Accumulated surplus

Accumulated surplus consists of the following:

	2024	2023
Operating	3,497,788	(47,828)
Capital asset	56,538,565	57,636,130
Commercial	5,251,229	5,216,191
CMHC operating reserve	(287,904)	(257,841)
CMHC replacement reserve	535,726	579,271
Ottawa Trust Funds	4,999	4,834
	65,540,403	63,130,757

At March 31, 2024, a cumulative \$2,714,721 (2023 - \$2,066,555) of costs were incurred for the flood claim, \$608,113 (2023 - \$556,230) of costs were incurred for the treaty benefit claim, and \$1,300,328 (2023 - \$1,180,076) of costs were incurred for the Outstanding Treaty Land Entitlement claim, all of which have decreased the operating surplus as disclosed in Note 14 and 22.

18. Funds and reserves

The Kahkewistahaw First Nation maintains the following funds and reserves as part of its operations:

- Operating Fund reports on the general activities of the First Nation's administration.
- Capital Asset Fund reports on the capital assets and projects of the First Nation.
- Commercial Fund reports on commercial business operations owned by the First Nation.
- CMHC Operating Reserve is required as part of the First Nation's CMHC Housing Program. Any surpluses are externally restricted and reserved for future operating losses that relate to the operation of houses under the Program.
- CMHC Replacement Reserve is required as part of the First Nation's CMHC Housing Program. It has been established for replacement of capital equipment and for major repairs to the houses.
- Ottawa Trust Funds reports on trust moneys owned by the First Nation and held by the Government of Canada.

19. Budget information

The disclosed budget information was approved in March 2023 by Chief and Council of Kahkewistahaw First Nation as the original planned results of the First Nation.

Certain capital projects were not included in the original budget as the funding/financing for these projects was not approved or did not become available until after the completion and approval of the consolidated budget. Individual budgets are prepared for capital projects as part of their approval process.

The First Nation did not include budgets for the operations of the Ochapowace Kahkewistahaw Home Care, loss from investment in partnership and business entities, and the operations of Kihew Fab-Co Ltd.



Kahkewistahaw First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

20. Segments

The First Nation has 12 reportable segments. These segments are differentiated by the major activities or services they provide. The First Nation's segments are as follows:

- Band Development - includes the internally funded activities of the First Nation for Band Member development.
- Band Government - includes administration and governance activities.
- Band Project Revenue - includes other band programs.
- Community Infrastructure - includes operations for the maintenance of the First Nation's buildings and infrastructure.
- Economic Development - includes activities for economic development.
- Capital - includes capital projects.
- Education - includes the operations of education programs. The education segment has historically reported deficits.
- Land, Reserves and Trusts - includes activities for the development of the First Nation's land.
- Investments in Commercial Enterprises - reports on the operations of the First Nation's business investments.
- Social Development - includes the operations and delivery of social programs.
- Health - includes the First Nation's Indigenous Services Canada - First Nations & Inuit Health Branch funded programs.
- Ottawa Trust Funds - includes trust funds held by a third party.

Inter-segment transfers have been recorded at their exchange amount. The accounting policies of the segments are the same as those described in Note 3.

Details of the segment revenues and expenses are provided in the accompanying schedules. There are no revenues or expenses that have not been allocated to a segment.

21. Kahkewistahaw Mismanagement Claim Settlement

During the 2020 fiscal year the First Nation settled its outstanding capital and revenue account mismanagement claim against Canada for \$49,403,870. At March 31, 2024, of the funds designated for specific projects, \$2,275,139 (2023 - \$2,359,938) had yet to be utilized and therefore is included in deferred revenue.

22. Contingent assets and liabilities

Government of Canada - Specific Claims

Kahkewistahaw First Nation has initiated a flood claim, a treaty benefit claim, an NRTA claim and a Treaty Annuities Indexing claim against the Government of Canada. The First Nation has obtained loans to finance the costs of negotiating the flood claim and treaty benefit claim settlements. Insurance has been obtained to mitigate the risk that the settlement proceeds may be less than the total loan outstanding at such time the claim is resolved.

As of March 31, 2024, expenses totaling \$2,714,721 (2023 - \$2,066,555) have been incurred for the flood claim and \$608,113 (2023 - \$556,230) have been incurred for the treaty benefit claim (Note 14). The First Nation anticipates these costs will be paid from settlement proceeds. When the claim is finalized or the insurance proceeds are received the amounts will be recognized in revenue.

The NRTA and Treaty Annuity Indexing Claim will incur contingency legal fees upon settlement but the First Nation bears no costs until that time.

In addition to these expenses relating to the flood claim and treaty benefit claim, the First Nation is liable for a contingency fee of between 6% - 8% of any settlement achieved for services provided by their current legal representation, as well as being liable for a contingency fee of 4% of any settlement achieved for services provided by a previous law firm with respect to the flood claim.



Kahkewistahaw First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

22. Contingent assets and liabilities (Continued from previous page)

The First Nation has also received loan proceeds from Indigenous Services Canada to fund expenses for the Outstanding Treaty Entitlement Claim and the IR72 Road Expropriation Claim (Note 14). The IR72 Road Expropriation Claim was settled in the year for \$6,500,002 at which point the related loan was settled.

Residential Schools - band reparations class action settlement

On March 9, 2023, the Federal Court of Canada approved a settlement between Canada and 325 First Nation communities for the collective harm suffered by Indigenous communities as a result of Indian Residential Schools. The First Nation has been included in the class action settlement. The First Nation expects to receive an initial one-time payment of \$200,000 for the purposes of developing a plan to carry out one or more of the objectives set out in the settlement. Further funds may be available upon submission of additional documentation. There may also be an annual entitlement payment for a share of annual investment income on funds related to the settlement.

23. Scope of operations

Kahkewistahaw First Nation receives a significant portion of its revenues from Indigenous Services Canada (ISC) as a result of Treaties entered into with the Crown in Right of Canada. These Treaties are administered by ISC under the terms and conditions of the Indian Act. The ability of the First Nation to enhance operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these Treaties.

24. Indigenous Services Canada reconciliation

Funding per ISC confirmation	23,566,656
Add:	
2023 deferred revenue	6,740,069
Minus:	
2024 deferred revenue	(9,584,798)
	<hr/>
	20,721,927

25. 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

Credit risk is the risk of financial loss because a counter party to a financial instrument fails to discharge its contractual obligations. The carrying amount of the First Nation's financial instruments best represents the maximum exposure to credit risk.

Accounts receivable from two entities represents 56% of total receivables at March 31, 2024 (2023 - one entity for 37%). As at March 31, 2024, \$2,065,980 (2023 - \$2,030,316) of accounts receivable was aged less than 30 days, \$250,775 (2023 - \$229,191) 30 to 90 days, and \$2,069,006 (2023 - \$1,774,745) over 90 days.

Risk Management Policy

The First Nation manages its credit risk by performing regular assessments and providing allowances for potentially uncollectible accounts, which was \$3,468,696 (2023 - \$3,507,060) included in accounts receivable and due from related parties. The First Nation believes there is limited credit risk as the majority of accounts receivable is due from the Government of Canada and other funding agencies.



Kahkewistahaw First Nation

Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

25. Financial Instruments *(Continued from previous page)*

Liquidity Risk

Liquidity risk is the risk that the First Nation will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivery of cash or another financial asset. The First Nation enters into transactions to purchase goods and services for which repayment is required at various dates. The First Nation manages the liquidity risk resulting from accounts payable and accruals, and deferred revenue by collecting accounts receivable and maintaining liquid assets.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. The First Nation is exposed to interest rate risk primarily through its long-term debt. In seeking to minimize the risks from interest rate fluctuations, the First Nation manages exposure through obtaining debt with a combination of fixed and variable rates, entering into agreements with Canada Mortgage and Housing Corporation (CMHC) to provide subsidy for the payment of principal and interest on the related loans from CMHC, and holding significant cash balances in interest bearing bank accounts.

26. Comparative figures

Certain comparative figures have been reclassified to conform with current year's presentation.

27. Commitments

During the year, the First Nation entered into an agreement for the construction of an Operations & Maintenance and Garage & Storage Facility for an anticipated construction value of \$8 million, to be funded through ISC. \$1,560,064 of costs have been incurred as of March 31, 2024 relating to this project. The First Nation also entered into an agreement to complete the construction of five two-bedroom houses and five one-bedroom duplexes for a total construction cost of \$2,045,375; \$1,384,490 of these costs have been incurred as of March 31, 2024.



Kahkewistahaw First Nation

Schedule 1 - Schedule of Consolidated Expenses by Object

For the year ended March 31, 2024

	2024 Budget (Note 19)	2024 Actual	2023 Actual
Consolidated expenses by object			
Wages and employee benefits	8,768,036	9,023,606	8,849,747
Amortization	-	4,244,475	3,628,379
Professional fees	1,460,621	2,364,680	1,520,580
Community programs	1,736,325	2,264,985	1,142,989
Contributions to economic development	1,960,000	1,475,141	2,320,100
Interest on long-term debt	2,658,062	1,505,102	1,313,997
Repairs and maintenance	2,098,902	1,366,343	1,821,626
Member payout	-	1,214,891	1,115,993
Income assistance	952,000	1,148,151	1,042,059
Travel	812,439	1,029,196	884,686
Supplies	889,285	931,787	960,161
Road Expropriation Claim per capita distributions	-	892,000	-
Utilities	758,829	889,747	840,987
Retail cost of sales	-	804,349	691,073
Living allowance	670,000	658,500	496,500
Insurance	503,380	599,671	457,853
Band owned vehicles	367,704	574,848	696,415
Municipal Services Agreement	600,000	573,468	527,655
Chief and Council remuneration	526,000	570,122	513,429
Training	427,896	553,777	341,249
Tuition	392,330	549,983	553,504
Office	285,420	428,179	313,818
Program aids	598,470	405,707	545,391
Flood claim professional fees	90,818	358,208	414,704
Rent	2,500	312,425	279,099
Student	370,007	304,954	303,764
Christmas and other	365,000	206,039	202,144
Membership services	176,422	179,954	163,408
Funerals and wakes	150,000	168,649	180,487
Claim insurance	340,581	139,587	88,253
Telephone	121,469	118,328	132,571
Meetings	172,229	84,619	66,269
Adult care	76,300	81,798	73,066
Community Safety Patrol	58,500	80,168	80,566
Committee per diems	59,800	76,365	80,857
Bank charges and interest	49,584	57,727	53,128
Medical transportation	70,000	55,129	58,409
Cost of sales - Kihew Fabco Ltd.	-	52,047	120,173
CDC projects	10,608	50,271	56,818
Bad debts	-	-	11,341
Member owned homes - mortgages and renovations	10,000	-	-
Other (recovery)	100,789	-	(5,059)
Administration	103,001	(275,176)	(189,638)
	28,793,307	36,119,800	32,748,551



**Kahkewistahaw First Nation
Band Development**

Schedule 2 - Schedule of Segment Revenues and Expenses and Surplus (Deficit)

For the year ended March 31, 2024

	2024	2023
Revenues		
Contribution from Kahkewistahaw 1907 Trust	497,956	464,992
Expenses		
Utilities	442,985	399,900
Membership services	77,513	65,091
	520,498	464,991
Annual (deficit) surplus before transfers	(22,542)	1
Transfers between programs	22,542	-
Annual surplus	-	1



Kahkewistahaw First Nation Band Government

Schedule 3 - Schedule of Segment Revenues and Expenses and Surplus (Deficit)

For the year ended March 31, 2024

	2024	2023
Revenue		
Indigenous Services Canada	1,979,627	1,430,573
Interest	423,414	284,460
Other	33,807	117,651
Member service fee	575	-
Ochapowace/Kahkewistahaw Care Home	-	55,487
	2,437,423	1,888,171
Expenses		
Wages and employee benefits	1,203,285	970,258
Professional fees	829,539	507,218
Travel	572,414	526,835
Chief and Council remuneration	570,122	512,029
Training	414,763	163,223
Office	87,803	114,303
Supplies	40,911	74,791
Repairs and maintenance	31,132	17
Insurance	29,200	4,991
Bank charges and interest	23,559	23,707
Committee per diems	22,600	4,000
Meetings	18,120	21,559
Telephone	14,115	16,416
Membership services	9,500	4,500
Utilities	6,289	5,002
Band owned vehicles	4,775	3,712
Community Safety Patrol	4,392	-
Administration	(1,015,328)	(1,063,827)
	2,867,191	1,888,734
Annual deficit before other items and transfers	(429,768)	(563)
Other item		
Deferred revenue - Mismanagement Claim Settlement	-	15,000
Annual (deficit) surplus before transfers	(429,768)	14,437
Transfers between programs	918,791	197,672
Annual surplus	489,023	212,109



**Kahkewistahaw First Nation
Band Project Revenue**

Schedule 4 - Schedule of Revenues and Expenses and Surplus (Deficit)

For the year ended March 31, 2024

	2024	2023
Revenue		
Indigenous Services Canada	250,405	199,670
Road Expropriation Claim settlement proceeds	6,500,002	-
Kahkewistahaw Legacy Trust - annual payment	1,579,641	1,477,986
Restaurant sales	1,438,935	1,188,769
Grants in lieu of taxes	1,308,681	981,589
First Nations Trust	1,063,983	799,867
Canada Mortgage and Housing Corporation	822,764	1,017,139
Kahkewistahaw Community Improvement Fee	692,082	821,677
CMHC rental	356,508	356,508
Other	282,775	401,441
Interest	168,176	120,758
PHC Holdings Limited Partnership	129,584	58,606
Painted Hand Community Development Corporation	92,417	100,646
Land lease	77,000	-
Fuel and tobacco rebate	73,762	43,660
Yorkton Tribal Council	-	229,710
First Nations Drinking Water settlement proceeds	-	500,000
Contribution from Kahkewistahaw 1907 Trust	-	260,881
YTCCFS - Settlement	-	1,548,650
	14,836,715	10,107,557

Continued on next page



Kahkewistahaw First Nation Band Project Revenue

Schedule 4 - Schedule of Revenue and Expenses and Surplus (Deficit)

For the year ended March 31, 2024

	2024	2023
Revenue <i>(Continued from previous page)</i>	14,836,715	10,107,557
Expenses		
Community programs	1,502,661	1,004,857
Interest on long-term debt	1,286,725	1,199,603
Member payout	1,214,891	1,115,993
Wages and employee benefits	1,129,471	1,465,683
Road Expropriation Claim Expenses	892,000	-
Amortization	887,281	884,944
Retail cost of sales	804,349	691,073
Municipal Services Agreement	573,468	527,655
Contributions to economic development	521,541	130,012
Professional fees	454,836	123,105
Repairs and maintenance	328,407	456,334
Funerals and wakes	168,649	180,487
Christmas and other	160,089	202,144
Rent	116,811	116,811
Insurance	112,062	103,838
Travel	107,757	106,795
Student	106,039	83,907
Membership services	92,941	93,816
Administration	83,472	289,496
Community Safety Patrol	75,776	80,566
Utilities	50,371	49,087
CDC projects	50,271	56,818
Supplies	43,491	39,522
Committee per diems	21,565	47,257
Bank charges and interest	20,972	19,016
Program aids	9,750	12,620
Training	5,448	96,480
Band owned vehicles	4,459	79,651
Telephone	4,428	5,861
Meetings	3,911	8,917
Office	1,900	-
Other (recovery)	-	(5,088)
Chief and Council remuneration	-	1,400
	10,835,792	9,268,660
Annual surplus before transfers	4,000,923	838,897
Transfers between programs	(4,463,294)	312,547
Annual (deficit) surplus	(462,371)	1,151,444



Kahkewistahaw First Nation Capital

Schedule 5 - Schedule of Revenue and Expenses and Surplus (Deficit)

For the year ended March 31, 2024

	2024	2023
Revenue		
Indigenous Services Canada	1,741,283	2,532,151
Member service fee	329,050	314,612
Interest	226,654	106,155
Canada Mortgage and Housing Corporation	116,936	1,329,401
Contribution from Kahkewistahaw 1907 Trust	72,769	277,231
Other	10,000	65,599
Insurance proceeds	-	66,006
Yorkton Tribal Council	-	52,547
	2,496,692	4,743,702
Expenses		
Repairs and maintenance	723,847	1,063,656
Contributions to economic development	600,000	2,190,088
Wages and employee benefits	268,871	226,810
Rent	133,179	81,722
Insurance	98,425	-
Travel	31,965	40,293
Interest on long-term debt	21,232	2,672
Training	12,685	2,868
Utilities	10,877	13,308
Supplies	9,315	9,765
Meetings	4,835	7,245
Committee per diems	4,000	5,400
Band owned vehicles	2,913	9,363
Telephone	420	840
Bank charges and interest	416	174
Other	-	29
Professional fees	-	6,615
	1,922,980	3,660,848
Annual surplus before other items and transfers	573,712	1,082,854
Other item		
Gain on disposal of capital assets	85,000	-
Deferred revenue - Mismanagement Claim Settlement	-	201,332
Annual surplus before transfers	658,712	1,284,186
Transfers between programs	4,567,342	773,276
Annual surplus	5,226,054	2,057,462



Kahkewistahaw First Nation
Community Infrastructure
Schedule 6 - Schedule of Revenues and Expenses Surplus (Deficit)
For the year ended March 31, 2024

	2024	2023
Revenue		
Indigenous Services Canada	2,641,825	2,265,448
Other	107,033	129,246
Fuel and tobacco rebate	28,712	-
Member service fee	6,375	16,775
	2,783,945	2,411,469
Expenses		
Amortization	2,256,015	2,094,989
Wages and employee benefits	1,140,357	1,165,212
Band owned vehicles	362,011	427,013
Office	301,485	152,965
Insurance	179,495	182,654
Utilities	174,712	163,662
Supplies	149,467	126,226
Repairs and maintenance	98,432	148,553
Telephone	65,403	65,116
Community programs	63,581	51,576
Travel	49,375	56,047
Training	150	5,538
Program aids	-	21,405
Administration	(125,000)	(127,500)
	4,715,483	4,533,456
Annual deficit before transfers	(1,931,538)	(2,121,987)
Transfers between programs	(324,475)	(8,457)
Annual deficit	(2,256,013)	(2,130,444)



Kahkewistahaw First Nation Economic Development

Schedule 7 - Schedule of Revenue and Expenses and Surplus (Deficit)

For the year ended March 31, 2024

	2024	2023
Revenue		
Indigenous Services Canada	53,600	212,800
Earnings from Kihew-Mastec joint venture	237,234	-
Sales - Kihew Fabco Ltd.	87,263	112,350
	378,097	325,150
Expenses		
Wages and employee benefits	212,759	260,484
Amortization	134,658	92,293
Rent	62,435	49,978
Contributions to economic development	53,600	-
Cost of sales - Kihew Fabco Ltd.	52,047	120,173
Supplies	39,296	140,447
Utilities	32,208	38,523
Repairs and maintenance	26,621	5,128
Insurance	25,176	23,327
Professional fees	19,155	54,462
Travel	18,092	45,525
Band owned vehicles	16,535	14,747
Bank charges and interest	2,120	1,880
Training	-	2,424
Bad debts	-	11,341
	694,702	860,732
Annual deficit before transfers	(316,605)	(535,582)
Transfers between programs	-	(212,800)
Annual deficit	(316,605)	(748,382)



Kahkewistahaw First Nation Education

Schedule 8 - Schedule of Revenue and Expenses and Surplus (Deficit)

For the year ended March 31, 2024

	2024	2023
Revenue		
Indigenous Services Canada	9,002,665	6,463,078
Yorkton Tribal Council	367,486	593,791
Other	112,180	117,631
Tuition income	91,192	1,780
Insurance proceeds	47,400	-
Yorkton Tribal Council Child & Family Services Inc	-	5,575
Contribution from Kahkewistahaw 1907 Trust	-	220,000
	9,620,923	7,401,855
Expenses		
Wages and employee benefits	3,489,953	3,277,261
Amortization	902,904	492,537
Living allowance	658,500	496,500
Supplies	600,433	532,196
Tuition	549,983	553,504
Income assistance	498,887	900
Administration	370,000	503,752
Professional fees	313,926	254,097
Student	198,914	210,995
Utilities	157,281	161,116
Insurance	144,058	121,297
Community programs	125,692	-
Training	81,939	32,434
Travel	77,111	34,632
Repairs and maintenance	72,979	74,110
Band owned vehicles	47,589	37,277
Program aids	35,474	93,468
Meetings	30,607	9,065
Office	24,075	24,150
Telephone	15,701	14,830
Committee per diems	800	4,400
	8,396,806	6,928,521
Annual surplus before other items and transfers	1,224,117	473,334
Other item		
Deferred revenue - Mismanagement Claim Settlement	-	100,000
Annual surplus before transfers	1,224,117	573,334
Transfers between programs	(125,000)	(64,117)
Annual surplus	1,099,117	509,217



Kahkewistahaw First Nation
Social Development

Schedule 9 - Schedule of Revenue and Expenses and Surplus (Deficit)

For the year ended March 31, 2024

	2024	2023
Revenue		
Indigenous Services Canada	2,699,952	1,663,582
Other	37,944	37,944
	2,737,896	1,701,526
Expenses		
Income assistance	649,264	1,041,159
Community programs	408,705	59,189
Administration	294,279	134,298
Wages and employee benefits	184,798	154,122
Adult care	75,798	73,066
Travel	63,698	15,115
Christmas and other	45,950	-
Program aids	41,124	32,248
Committee per diems	18,000	6,200
Supplies	11,746	9,621
Training	7,417	3,983
Meetings	6,039	2,091
Utilities	4,165	3,700
Telephone	1,680	910
Repairs and maintenance	1,001	4,901
Insurance	-	15,873
Rent	-	30,589
Office	-	22,400
	1,813,664	1,609,465
Annual surplus before transfers	924,232	92,061
Transfers between programs	(925,168)	(167,137)
Annual deficit	(936)	(75,076)



Kahkewistahaw First Nation Land, Reserves, and Trusts

Schedule 10 - Schedule of Revenue and Expenses and Surplus (Deficit)

For the year ended March 31, 2024

	2024	2023
Revenue		
Indigenous Services Canada	819,364	475,854
Land lease	275,767	363,488
Other	66,622	39,929
	1,161,753	879,271
Expenses		
Professional fees	585,413	532,381
Wages and employee benefits	387,093	565,320
Flood claim professional fees	358,208	414,704
Interest on long-term debt	197,145	111,722
Claim insurance	139,587	88,253
Repairs and maintenance	54,783	26,273
Administration	51,000	13,000
Travel	34,619	21,645
Band owned vehicles	31,842	30,579
Training	25,929	4,426
Office	12,916	-
Meetings	10,943	4,536
Bank charges and interest	9,064	8,351
Program aids	7,613	7,283
Supplies	6,157	6,852
Committee per diems	4,400	6,600
Telephone	2,520	2,100
Student	-	8,862
Community programs (recovery)	(370)	-
	1,918,862	1,852,887
Annual deficit before other items and transfers	(757,109)	(973,616)
Other items		
Kahkewistahaw Capital and Revenue Account Settlement	-	1,319,410
Contribution from Kahkewistahaw 1907 Trust	18,133,971	17,909,106
Contribution to Kahkewistahaw 1907 Trust	(18,133,971)	(17,909,106)
	-	1,319,410
Annual (deficit) surplus before transfers	(757,109)	345,794
Transfers between programs	(175,949)	(327,293)
Annual (deficit) surplus	(933,058)	18,501



**Kahkewistahaw First Nation
Health**

Schedule 11 - Schedule of Revenue and Expenses and Surplus (Deficit)

For the year ended March 31, 2024

	2024	2023
Revenue		
Indigenous Services Canada	1,533,206	1,443,065
Contribution from Kahkewistahaw 1907 Trust	200,000	150,000
Yorkton Tribal Council	198,021	180,263
CMHC rental	4,000	-
Yorkton Tribal Council Child & Family Services Inc.	-	2,250
Other	-	52,332
	1,935,227	1,827,910
Expenses		
Wages and employee benefits	1,007,017	764,597
Program aids	311,746	378,368
Community programs	164,716	27,366
Professional fees	155,943	36,993
Band owned vehicles	104,723	94,072
Travel	74,165	37,800
Administration	66,404	61,143
Amortization	63,616	63,616
Medical transportation	55,129	58,409
Supplies	30,971	20,741
Repairs and maintenance	29,141	42,654
Telephone	14,062	26,498
Insurance	11,255	5,873
Utilities	10,862	6,688
Meetings	10,164	12,857
Adult care	6,000	-
Training	5,447	29,873
Committee per diems	5,000	7,000
	2,126,361	1,674,548
Annual (deficit) surplus before other items	(191,134)	153,362
Transfers between programs	142,389	(267,958)
Annual deficit	(48,745)	(114,596)



Kahkewistahaw First Nation
Investment in Commercial Enterprises
Schedule 12 - Schedule of Revenue and Expenses and Surplus (Deficit)
For the year ended March 31, 2024

	2024	2023
Revenue		
Other	49	7
Loss from investment in partnerships and business entities	(442,394)	(306,080)
	(442,345)	(306,073)
Expenses		
Contributions to economic development	300,000	-
Professional fees	5,868	5,709
Bank charges and interest	1,596	-
Utilities (recovery)	(3)	-
	307,461	5,709
Annual deficit before transfers	(749,806)	(311,782)
Transfers between programs	362,822	(235,732)
Annual deficit	(386,984)	(547,514)



**Kahkewistahaw First Nation
Ottawa Trust Funds**

Schedule 13 - Schedule of Revenue and Expenses and Surplus (Deficit)

For the year ended March 31, 2024

	2024	2023
Revenue		
Rental and interest	165	146
Annual surplus	165	146