

**Kebaowek First Nation  
Consolidated financial statements**  
*March 31, 2022*

# Kebaowek First Nation

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Year ended March 31, 2022

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## **Management's Statement of Responsibility**

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The consolidated financial statements of the Kebaowek First Nation as of March 31, 2022, are the responsibility of management and have been approved by the Chief and Council.

These consolidated financial statements have been prepared by management in accordance with the Canadian public sector accounting standards ("PSAS") and, as such, include amounts that are the best estimates and judgments of management.

Management is responsible for the integrity and objectivity of these consolidated financial statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Chief and Council are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and are ultimately responsible for reviewing and approving the consolidated financial statements.

The Chief and Council meet periodically with management, as well as the external auditor, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the external auditor's report.

The external auditor, MNP LLP, conducts an independent examination, in accordance with Canadian auditing standards, and expresses their opinion on the financial statements. The external auditor has full and free access to financial management of Kebaowek First Nation and meets when required.

On behalf of Kebaowek First Nation:



Signature and title  
for Kebaowek First Nation

To the Chief and Council of  
Kebaowek First Nation

**Qualified Opinion**

We have audited the consolidated financial statements of Kebaowek First Nation (the "Organization"), which comprise the consolidated statement of financial position as at March 31, 2022, and the consolidated statements of operations, cumulative operating surplus, net investment in capital assets, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, except for the implications of the situations described in section «Basis for Qualified Opinion», the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2022, and the results of its operations, cumulative operating surplus, net investment in capital assets, changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards ("PSAS").

**Basis for Qualified Opinion**

We were not able to observe the counting of the physical inventories of a controlled entity (Mitikon L.P.) as of March 31, 2022 and March 31, 2021 or satisfy ourselves concerning those inventories quantities by alternative means. Since opening and ending inventories affect the determination of the controlled entity's results of operations, we were unable to determine whether adjustments to the deficit in controlled entities, the surplus for the year, changes in net financial assets and cash flows of the Organization might be necessary for the year ended March 31, 2022 and March 31, 2021, to long-term investments as of March 31, 2022 and March 31, 2021 and to the accumulated surplus as of March 31, 2022, March 31, 2021 and April 1, 2020. Our audit opinion of the consolidated financial statements for the year ended March 31, 2021 was modified accordingly because of the possible effect of this limitation in scope.

In addition, the Organization did not consolidate the financial information of the controlled entities (Kebaowek Land Management inc, Kitika Nijwaswi L.P and Amik Nikewin inc). As mentioned on Note 2, the investments in those controlled entities has been accounted for by the modified equity method, which is a derogation to the PSAS. According to the PSAS, those controlled entities should have been considered as government units and to be consolidated on the consolidated financial statements because it does not answer all the characteristics of government businesses enterprises. Had those controlled entities been consolidated, many elements in the consolidated financial statements would have been affected. The effects of the non-consolidation on the year ended March 31, 2022 have not been determined.

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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 Organization in accordance with the ethical requirements that are relevant to our audit of the consolidated 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 qualified opinion.

**Emphasis of Matter**

We draw attention to the fact that the Organization includes, in its consolidated financial statements, certain financial information that is not required by the PSAS. This information, prepared in accordance with the requirements of Indigenous Services Canada ("ISC"), addresses the conciliation to ISC financial reporting requirements on page 2. The Organization also choose to present a consolidated statement of cumulative operating surplus on page 3 and a consolidated statement of net investment in capital assets on page 4. We also draw attention to the fact that no budget are presented. Our qualified opinion is not modified in respect of these matters.

## **Responsability 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 PSAS, and for such internal control as management determines is necessary to enable the preparation of the 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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 GAAS 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 consolidated financial statements.

As part of an audit in accordance with Canadian GAAS, 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 qualified 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 Organization'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 Organization'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 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 Organization to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the 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 Organization 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.

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*MNP LLP*

MNP LLP

Amos (Québec)  
November 21, 2022

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<sup>1</sup> CPA auditor, public accountancy permit No.A129278

**Kebaowek First Nation**  
**Consolidated statement of operations**  
*Year ended March 31, 2022*

	<b>2022</b>	<b>2021</b>
<b>Revenues</b>		
Sales	<b>2,708,002</b>	2,421,065
Indigenous Services Canada (ISC) - Flexible contribution	7,209,858	821,538
ISC - Fixed contribution	3,411,112	3,352,479
ISC - Set Contribution	447,500	25,000
ISC - Block contribution	4,854,398	4,681,293
Administration fees	980,696	634,506
Canada Mortgage and Housing Corporation (CMHC)	154,280	907,045
Federal contribution - other	1,137,128	290,340
First Nations Education Council (FNEC)	289,095	290,908
First Nations of Quebec and Labrador Health and Social Services Commission (FNQLHSSC)	125,650	67,293
Government of Quebec	134,480	162,800
First Nations Human Resources Development Commission of Quebec (FNHRDCQ)	499,949	356,185
Interest	15,516	11,636
Land management	100,000	100,000
Ministère des Forêts, de la Faune et des Parcs	225,500	160,000
Native Commercial Credit Corporation (SOCCA)	15,281	-
Refundable surplus to ISC	(105,577)	(20,231)
Provincial and federal police	8,187	1,791,888
Recreation revenues	43,005	22,554
Rent revenues	358,058	291,979
Review letter	(15,692)	-
Secrétariat aux affaires autochtones	735,517	309,669
Special activities revenues	26,532	129,551
Other revenues	539,239	720,899
ISC - Unexpended contribution from previous year	4,235,320	2,327,370
ISC - Unexpended contribution to following year	(11,792,112)	(4,235,320)
Deferred revenue from previous year	2,794,844	1,272,165
Deferred revenue to following year	(2,158,782)	(2,794,844)
	<b>16,976,984</b>	14,097,768

**Kebaowek First Nation**  
**Consolidated statement of operations**  
*Year ended March 31, 2022*

	<b>2022</b>	<b>2021</b>
<b>Expenses (Note 19)</b>		
Administration and band government	1,469,958	1,099,295
Human resources development	201,729	166,059
Social assistance	381,412	338,540
Education	1,624,749	1,208,720
Health	2,948,870	2,439,499
Public works	1,706,529	1,538,807
Police security	612,085	573,202
Fire protection	76,895	69,267
Housing	856,271	720,118
Economic development	3,271,154	2,905,429
Natural resources, recreation and cultural	1,506,925	740,582
	<b>14,656,577</b>	11,799,518
<b>Surplus for the year before net deficit in controlled entities</b>	<b>2,320,407</b>	2,298,250
Deficit in controlled entities	(1,577,472)	(232,589)
<b>Surplus for the year</b>	<b>742,935</b>	2,065,661
<b>Conciliation to ISC financial reporting requirements</b>		
Surplus for the year	742,935	2,065,661
Proceeds from long-term debt	1,167,162	283,150
Reimbursement of long-term debt	(216,689)	(161,763)
Acquisition of capital assets	(4,245,695)	(2,663,924)
<b>Deficit under ISC financial reporting requirements (1)</b>	<b>(2,552,287)</b>	(476,876)

(1) The operating deficit under ISC financial reporting requirements before amortization/loss/proceeds from disposal of capital assets and transfer to tenants is \$1,300,606 (surplus of \$688,338 in 2021).

The accompanying notes are an integral part of the consolidated financial statements.

**Kebaowek First Nation**  
**Consolidated statement of cumulative operating surplus**  
Year ended March 31, 2022

	<b>2022</b>	<b>2021</b>
<b>Balance at beginning of year</b>	<b>7,763,408</b>	6,594,764
Surplus for the year	742,935	2,065,661
Transfer to net investment in capital assets		
Acquisition of capital assets	(4,245,695)	(2,663,924)
Amortization/loss/proceeds from disposal of capital assets and transfer to tenants	1,251,681	1,165,214
Proceeds from long-term debt	1,167,162	283,150
Reimbursement of long-term debt	(216,689)	(161,763)
Allocation from the economic investment deficit	1,667,744	282,366
Adjustment of Kebaowek Land Management inc. equity pick-up	-	225,305
Allocation to band rental, single apartment building and multiplex reserves	(21,000)	(19,500)
Adjustment to reserved funds - Article 95	2,766	(7,865)
<b>BALANCE AT END OF YEAR</b>	<b>8,112,312</b>	7,763,408

The accompanying notes are an integral part of the consolidated financial statements.

**Kebaowek First Nation**  
**Consolidated statement of net investment in capital assets**  
*Year ended March 31, 2022*

	<b>2022</b>	<b>2021</b>
<b>Net investment in capital assets at beginning of year</b>	<b>26,480,974</b>	25,055,116
Variation of net investment in capital assets		
Plus:		
Acquisition of capital assets	4,245,695	2,663,924
Reimbursement of long-term debt	216,689	161,763
Reimbursement of Residential Rehabilitation Assistance - Program On-Reserve (RRAP)	41,648	48,535
	<b>4,504,032</b>	2,874,222
Less:		
Proceeds from long-term debt	(1,167,162)	(283,150)
Amortization/loss/proceeds from disposal of capital assets and transfer to tenants	(1,251,681)	(1,165,214)
	<b>(2,418,843)</b>	(1,448,364)
<b>Net investment in capital assets at end of year</b>	<b>28,566,163</b>	26,480,974

The accompanying notes are an integral part of the consolidated financial statements.

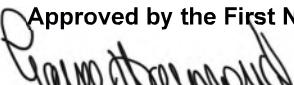
**Kebaowek First Nation**  
**Consolidated statement of financial position**  
*As at March 31, 2022*

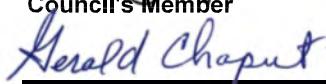
	<b>2022</b>	<b>2021</b>
<b>Financial assets</b>		
Cash	7,844,248	4,663,799
Accounts receivable (Note 3)	10,077,974	7,377,305
Long-term investments (Note 4)	2,910,273	2,845,740
Restricted cash and deposits (Note 5)	406,660	405,839
	<b>21,239,155</b>	15,292,683
<b>Liabilities</b>		
Accounts payable and accrued liabilities	2,650,247	1,942,108
Deferred revenue (Note 7)	2,158,782	2,794,844
ISC - Unexpended funding (Note 8)	11,792,112	4,235,320
Deferred governmental assistance	307,861	324,064
Long-term debt (Note 9)	3,645,650	2,736,825
	<b>20,554,652</b>	12,033,161
<b>Net financial assets</b>	<b>684,503</b>	3,259,522
<b>Non-financial assets</b>		
Capital assets (Note 6)	32,197,653	29,203,639
Inventories	147,050	135,841
Prepaid expenses	429,887	41,138
	<b>32,774,590</b>	29,380,618
<b>Accumulated surplus (Note 12)</b>	<b>33,459,093</b>	32,640,140

Contingencies and Guarantees (Note 15)

The accompanying notes are an integral part of the consolidated financial statements.

Approved by the First Nation's Council

  
Council's Member

  
Herald Chaput

Council's Member

**Kebaowek First Nation**  
**Consolidated statement of changes in net financial assets**  
Year ended March 31, 2022

	2022	2021
<b>Surplus for the year</b>	<b>742,935</b>	<b>2,065,661</b>
<b>Changes in capital assets</b>		
Acquisition of capital assets	(4,245,695)	(2,663,924)
Amortization/loss/proceeds from disposal of capital assets and transfer to tenants	1,251,681	1,165,214
	<b>(2,994,014)</b>	<b>(1,498,710)</b>
<b>Changes in other non-financial assets</b>		
Change in inventories	(11,209)	(7,326)
Changes in prepaid expenses	(388,749)	40,433
	<b>(399,958)</b>	<b>33,107</b>
<b>Changes in non-operational surpluses and reserves</b>		
Adjustment to reserved funds - Article 95	2,766	(7,865)
Variation of replacement reserves and operating reserve fund	31,595	42,481
Increase in in-trust fund	9	8
Variation of RRAP loans	41,648	48,535
Adjustment of Kebaowek Land Management inc. equity pick-up	-	225,305
	<b>76,018</b>	<b>308,464</b>
<b>Changes in net financial assets</b>	<b>(2,575,019)</b>	<b>908,522</b>
<b>Net financial assets at beginning of year</b>	<b>3,259,522</b>	<b>2,351,000</b>
<b>Net financial assets at end of year</b>	<b>684,503</b>	<b>3,259,522</b>

The accompanying notes are an integral part of the consolidated financial statements.

**Kebaowek First Nation**  
**Consolidated statement of cash flows**  
*Year ended March 31, 2022*

	<b>2022</b>	<b>2021</b>
<b>Operating activities</b>		
Surplus for the year	<b>742,935</b>	2,065,661
Items not affecting cash		
Amortization of capital assets	1,246,657	1,165,214
Amortization of deferred governmental assistance	(16,203)	(17,056)
Deficit in controlled entities	1,577,472	232,589
Gain on disposal of capital assets	(10,192)	-
	<b>3,540,669</b>	3,446,408
Changes in non-cash operating working capital items (Note 13)	<b>4,528,242</b>	1,067,305
	<b>8,068,911</b>	4,513,713
<b>Investing activities</b>		
Acquisition of capital assets	(4,245,695)	(2,663,924)
Proceeds from disposal of capital assets	15,216	-
Increase in restricted cash and deposits	(821)	(1,074)
Variation of investments	(1,642,005)	(1,524)
	<b>(5,873,305)</b>	(2,666,522)
<b>Financing activities</b>		
Variation of RRAP loans	41,648	48,535
Adjustment to reserved funds - Article 95	34,361	34,616
Increase in in-trust fund	9	8
Proceeds from long-term debt	1,167,162	283,150
Reimbursement of long-term debt and RRAP loans	(258,337)	(210,298)
	<b>984,843</b>	156,011
<b>Net increase in cash and cash equivalents</b>	<b>3,180,449</b>	2,003,202
<b>Cash and cash equivalents, beginning of year</b>	<b>4,663,799</b>	2,660,597
<b>Cash and cash equivalents, end of year</b>	<b>7,844,248</b>	4,663,799

See additional information presented in Note 13.

The accompanying notes are an integral part of the consolidated financial statements.

**Kebaowek First Nation**  
**Notes to the consolidated financial statements**  
*March 31, 2022*

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**1. Description of the Organization**

Kebaowek First Nation (the "First Nation" or "Organization") is an unincorporated legal body as defined in the Indian Act. A band council is considered a form of local government consisting of a Chief and two or more councillors who are chosen by election or band custom to carry out the functions of government for the First Nation.

**2. Summary of accounting policies**

The consolidated financial statements have been prepared in accordance with the Canadian public sector accounting standards except for the investments in controlled entities which are not consolidated.

**Cash and cash equivalents**

Cash and cash equivalents include cash, bank overdraft, bank loan and short-term investments with a term to maturity of three months or less at the date of acquisition.

**Inventories**

Inventories are valued at the lower of cost and net realizable value. Cost is determined on the first-in, first-out basis. Net realizable value is the estimated selling price less the estimated costs necessary to make the sale.

**Capital assets**

The capital assets are composed of all capital assets recorded at cost. The methods, the term and amortization rates are as follows:

	<b>Methods</b>	<b>Periods</b>
Community buildings	Declining balance	2.5%
Private housing	Straight-line	25 years
Water and sanitation systems	Declining balance	2.5%
Roadway system	Declining balance	2.5%
Motorized equipment	Declining balance	10% to 20%
Building Migizy Odenaw Inc.	Declining balance	5%
Equipment Migizy Odenaw Inc.	Declining balance	10%
Restaurant equipment Migizy Odenaw Inc.	Declining balance	20%
Office and other equipment	Declining balance	20%

**Revenue recognition**

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on a accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulation give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenues or unexpended funds when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

**Kebaowek First Nation**  
**Notes to the consolidated financial statements**  
March 31, 2022

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**2. Summary of accounting policies (continued)**

**Revenue recognition (continued)**

Contribution from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose.

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

Other revenues are recognized when persuasive evidence of an arrangement exists, price is fixed or determinable and collection is reasonably assured.

**Use of estimates**

The preparation of consolidated financial statements in conformity with PSAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Key components of the consolidated financial statements requiring management to make estimates include the provision for doubtful accounts in respect of receivables and long-term investments, the cost and net realizable value of inventories, the useful lives of long-lived assets, the potential devaluation of long-term investments, the deferred revenues, the ISC - unexpended funding and liabilities under legal contingencies. Actual results could differ from these estimates.

**Principle of consolidation**

The consolidated financial statements include the accounts of the First Nation and the enterprises under its control that are not accounted under the modified equity method of accounting. The consolidated enterprise is Migizy Odenaw Inc. because it is deemed to be dependant from a financing point of view and, therefore, consolidated. As at March 31, 2022, the financial information available for the operations of Migizy Odenaw Inc. was taken from its respective year-end (September 30, 2021). Transactions concluded between this enterprise and reciprocal balances are eliminated. The reciprocal balances have not been eliminated in the information in the segment disclosure (Note 20).

**Investments in controlled entities**

All the entities subject to the control of the First Nation are consolidated with the exception of the commercial enterprises which correspond to the definition of government businesses enterprises.

Commercial enterprises which correspond to the definition of government businesses enterprises are recorded in the consolidated financial statements according to the modified equity method unless the controlled entities become entirely dependent from a financing point of view from Kebaowek First Nation. Under this accounting policy, only the net result, the investment of the First Nation in the government business enterprise and the other variations to the capital are recorded. No adjustment is made in regard of the difference between the accounting policies of the enterprise and the First Nation.

The enterprises recorded according to the modified equity method are:

- Kebaowek Land Management inc. (wholly owned by the First Nation)
- Amik Nikewin Development inc. (wholly owned by the First Nation)
- Kitika Nijwaswi L.P. (99.99% of the parts owned by the First Nation and 0.01% by Amik Nikewin Development inc.)

Moreover, Kitika Nijwaswi L.P. owns 99.99% of the parts in the enterprises Mikan Transport L.P and Mitikon L.P. Amik Nikewin Development inc. owns 0.01% of the parts in the enterprises Mikan Transport L.P and Mitikon L.P.

**Kebaowek First Nation**  
**Notes to the consolidated financial statements**  
*March 31, 2022*

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**2. Summary of accounting policies (continued)**

**Long-term investments**

Long-term investments are recorded at cost. Any loss in value of a long-term investment that is other than temporary decline is recognized as a loss.

**Revenues and expenses related to the acquisition of capital assets**

Revenues and expenses related to the acquisition of capital assets are recorded in the net investment in capital assets when the related capital expenses are recorded, provided that the First Nation meets the eligibility criteria.

**Pension plan**

The cost of the defined pension plan is equal to the pension plan expense.

The pension plan is a multiemployer defined benefit pension plan that is accounted for as a defined contribution plan.

**Loans**

Loans with significant concessionary terms are presented at fair value discounted by the amount of the grant portion.

**3. Accounts receivable**

	2022	2021
ISC receivable	<b>6,972,440</b>	3,346,580
FNHRDCQ receivable	<b>4,480</b>	3,828
FNEC receivable	<b>66,949</b>	171,208
FNQLHSSC receivable	<b>93,894</b>	47,316
CMHC receivable	<b>278,435</b>	263,075
GST, QST and tobacco tax receivable	<b>34,379</b>	33,419
Forestry contracts receivable	<b>100,000</b>	100,000
Government of Quebec receivable	<b>64,219</b>	156,425
Land management receivable	<b>55,000</b>	160,000
Public security receivable	<b>286,594</b>	1,285,125
Other administration accounts receivable	<b>45,652</b>	35,141
Accounts receivable (housing)	<b>612,120</b>	573,317
Water and garbage receivable	<b>50,506</b>	48,504
Other accounts receivable	<b>1,681,797</b>	1,265,665
Expenses to be reimbursed (housing)	<b>109,643</b>	84,445
	<b>10,456,108</b>	7,574,048
Allowance for doubtful accounts	<b>(378,134)</b>	(196,743)
	<b>10,077,974</b>	7,377,305

**Kebaowek First Nation**  
**Notes to the consolidated financial statements**  
*March 31, 2022*

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**4. Long-term investments**

	2022	2021
Loan to receive from an individual, no interest and reimbursement terms	10,000	10,000
Loan to a promoter, no interest and reimbursement terms	24,714	24,714
Loan to a promoter, no interest and reimbursement terms	8,500	8,500
Loan to a promoter, no interest and reimbursement terms	10,000	10,000
Loan to a promoter, no interest and reimbursement terms	10,000	10,000
	<b>63,214</b>	63,214
 Kebaowek Land Management Inc. - Subsidy (100%)		
Initial investment	100	100
Equity pick-up (accumulated deficit)	(45,642)	(86,705)
Advance, no interest and repayment terms	379,585	-
	<b>334,043</b>	(86,605)
 Amik Nikewin Development inc. - Subsidy (100%) (General partner of Kitika Nijwaswi L.P.)		
Initial investment	100	100
Equity pick-up (accumulated deficit)	(176)	(14)
	<b>(76)</b>	86
 Kitika Nijwaswi L.P. (parts of 99.99%)		
Initial investment	99	99
Equity pick-up (accumulated deficit)	(1,761,562)	(143,189)
Advances, no interest and repayment terms	4,274,555	3,012,135
	<b>2,513,092</b>	2,869,045
	<b>2,910,273</b>	2,845,740

**Summary of the financial information - Kebaowek Land Management inc. as at March 31, 2022**

	2022	2021
<b>Statement of financial position</b>		
Assets	334,043	330,151
Liabilities	379,585	416,856
 <b>Statement of operations</b>		
Revenues	41,063	4,957,270
Expenses	-	5,046,649
Surplus (deficit) for the year	<b>41,063</b>	(89,379)
 <b>Statement of cash flows</b>		
Operating activities	(379,585)	3,170,658
Investing activities	-	2,332,898
Financing activities	<b>379,585</b>	(5,476,204)

**Kebaowek First Nation**  
**Notes to the consolidated financial statements**  
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**4. Long-term investments (continued)**

Related-party transactions - Kebaowek Land Management inc. :

During the year, the First Nation invoiced revenues to Kebaowek Land Management inc for \$88,348 (- \$ in 2021). The amount receivable on these transactions is nil as at March 31, 2022 (nil as at March 31, 2021). The First Nation also advanced \$379,585 to Kebaowek Land Management inc which represent the advances of the First Nation to Kebaowek Land Management inc as of March 31, 2022 (nil as of March 31, 2021).

Moreover, Kebaowek Land Management inc. has an advance of \$330,151 to Mikan Transport L.P. as of March 31, 2022 (advance of \$330,151 as of March 31, 2021).

**Summary of the financial information - Mikan Transport L.P. as at March 31, 2022**

	<b>2022</b> <i>(12 months)</i>	<b>2021</b> <i>(3 months)</i>
<b>Statement of financial position</b>		
Assets	<b>3,183,568</b>	2,925,881
Liabilities	<b>3,850,231</b>	3,014,460
<b>Statement of operations</b>		
Revenues	<b>2,842,130</b>	747,652
Expenses	<b>3,420,214</b>	836,231
Deficit for the year	<b>(578,084)</b>	(88,579)
<b>Statement of cash flows</b>		
Operating activities	<b>(61,116)</b>	(210,310)
Investing activities	<b>(515,255)</b>	(2,499,716)
Financing activities	<b>760,147</b>	2,745,867

The amount of long-term debt of Mikan Transport L.P. is \$1,883,732 as of March 31, 2022. Principal payments required in each of the next five years are as follows:

	\$
2023	445,849
2024	483,283
2025	420,382
2026	309,000
2027	225,218

**Kebaowek First Nation**  
**Notes to the consolidated financial statements**  
*March 31, 2022*

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**4. Long-term investments (continued)**

Related-party transactions - Mikan Transport L.P.:

During the year, the First Nation invoiced revenues to Mitikon L.P. for \$43,784 (\$21,016 in 2021). The amount receivable on these transactions is nil as at March 31, 2022 (nil as of March 31, 2021). The First Nation also purchased goods and services for \$93,103 (\$23,034 in 2021) from Mikan Transport L.P. The amount payable on these and previous transactions is included in the accounts payable and accrued liabilities as at March 31, 2022, for nil (\$16,724 as of March 31, 2021). Mikan Transport L.P. is also owing an amount of \$1,291,765 to Kebaowek First Nation as advances.

Moreover, during the year Mikan Transport L.P. invoiced revenues to Mitikon L.P. for \$1,097,940 (\$632,881 in 2021) and the amount receivable on these transaction is \$157,042 as at March 31, 2022 (\$305,356 as at March 31, 2021).

**Summary of the financial information - Mitikon L.P. as at March 31, 2022**

	<b>2022</b> <i>(12 months)</i>	<b>2021</b> <i>(3 months)</i>
<b>Statement of financial position</b>		
Assets	<b>2,589,614</b>	3,204,916
Liabilities	<b>3,684,687</b>	3,259,540
<b>Statement of operations</b>		
Revenues	<b>5,333,056</b>	1,717,769
Expenses	<b>6,373,507</b>	1,772,393
Deficit for the year	<b>(1,040,451)</b>	(54,624)
<b>Statement of cash flows</b>		
Operating activities	<b>(1,882)</b>	(1,455,756)
Investing activities	<b>(466,222)</b>	(1,343,960)
Financing activities	<b>879,899</b>	2,608,549

The amount of long-term debt of Mitikon L.P. is \$430,144 as of March 31, 2022. Principal payments required in each of the next four years are as follows:

	\$
2023	198,687
2024	139,604
2025	81,363
2026	10,490

Related-party transactions - Mitikon L.P.:

During the year, the First Nation charged other revenues to Mitikon L.P. for \$52,717 (\$7,608 in 2021). The amount receivable on these transactions is nil as at March 31, 2022 (nil as at March 31, 2021). The First Nation also purchased goods and services or transfer funding for \$336,592 (\$13,001 in 2021) from Mitikon L.P. The amount payable on these and previous transactions is included in the accounts payable and accrued liabilities as at March 31, 2022, for \$304,648 (\$13,001 as at March 31, 2021). Moreover, another amount of \$159,474 is included in the accounts payables and accrued liabilities related to the sale of assets and liabilities from Kebaowek Land Management inc. occurred in 2021. Mitikon L.P. is also owing an amount of \$2,982,790 to Kebaowek First Nation as advances.

Moreover, during the year Mitikon L.P. invoiced revenues to Mikan Transport L.P. for \$78,480 (nil in 2021) and the amount receivable on these transaction is \$83,134 as at March 31, 2022 (nil as at March 31, 2021).

**Kebaowek First Nation**  
**Notes to the consolidated financial statements**  
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**5. Restricted cash and deposits**

	2022	2021
In-trust surplus	605	596
Operating and replacement reserves (Note 14)	<b>406,055</b>	405,243
	<b>406,660</b>	405,839

**6. Capital assets**

	Cost	Accumulated amortization	2022	2021
	Cost	Accumulated amortization	Net book value	Net book value
Assets under construction	<b>1,515,068</b>	-	<b>1,515,068</b>	1,512,998
Community buildings	<b>5,656,017</b>	1,398,737	<b>4,257,280</b>	1,655,308
Private housing	<b>11,492,632</b>	5,934,345	<b>5,558,287</b>	4,734,580
Water and sanitation systems	<b>17,915,120</b>	2,454,169	<b>15,460,951</b>	15,738,004
Roadway system	<b>3,843,239</b>	624,373	<b>3,218,866</b>	3,246,467
Motorized equipment	<b>3,056,132</b>	1,675,836	<b>1,380,296</b>	1,418,484
Building Migizy Odenaw Inc.	<b>662,331</b>	381,753	<b>280,578</b>	295,345
Equipment Migizy Odenaw Inc.	<b>527,665</b>	376,558	<b>151,107</b>	166,599
Restaurant equipment Migizy Odenaw Inc.	<b>61,059</b>	49,262	<b>11,797</b>	14,746
Office and other equipment	<b>1,557,810</b>	1,194,387	<b>363,423</b>	421,108
	<b>46,287,073</b>	<b>14,089,420</b>	<b>32,197,653</b>	29,203,639

**7. Deferred revenue**

	Project	2022	2021
GCNWA Proposal	1011	<b>15,622</b>	73,122
Consolidated Revenues Fund	2000	-	29,906
Employment Insurance Fund	2001	<b>12,888</b>	-
Youth Work Experience Initiative	2003	<b>2,899</b>	-
CRF Covid	2005	<b>72,977</b>	-
FNEC - Science & Technology / Youth Employment Project	4501	<b>22,377</b>	10,550
FNEC - Summer Student Jobs	4502	<b>12,336</b>	3,573
FNEC - ICT Skills Link Program	4504	-	643
FNEC - Education Partnerships Program	4505	<b>7,010</b>	-
FNEC - Language and Culture	4506	<b>183,918</b>	118,236
FNEC - Partnership Initiative	4507	<b>42,312</b>	42,312
FNEC - Age 4 to 7 initiative	4508	<b>10,556</b>	-
Bullying	5041	<b>4,500</b>	13,500
Food Rescue	5046	<b>25,380</b>	6,380
Amounts to be carried forward		<b>412,775</b>	298,222

**Kebaowek First Nation**  
**Notes to the consolidated financial statements**  
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**7. Deferred revenue (continued)**

	<i>Project</i>	2022	2021
Amounts carried forward		<b>412,775</b>	298,222
FNQLHSSC - Avenir d'enfants	5951	<b>31,156</b>	40,474
FNQLHSSC - Gender Equality	5952	-	25,881
FNQLHSSC - Family violence	5953	<b>14,263</b>	-
FNQLHSSC - Sport participation	5954	<b>13,755</b>	9,952
FNQLHSSC - Cancer prevention	5955	<b>21,960</b>	-
Eco Patrol	6014	-	3,506
Police Infrastructure	8002	<b>363,510</b>	1,195,000
CMHC Construction 157 Ogima Street	9015	-	736,734
On-Reserve Emergency Repair Program - 101 Migizy Street (26-775-676)	9019	<b>7,000</b>	-
Comprehensive Planning	1102	-	22,688
Matamec	1104	<b>33,675</b>	33,675
SAA Phase A1 Engineer & Architect	1106	<b>230,089</b>	-
Cultural Center	1109	-	68,670
NIB Trust Fund	1112	-	47,467
Radio Station	1400	-	54,341
Land Management (MFFP)	1201	<b>57,870</b>	-
Sugarbush	1208	<b>12,812</b>	-
Nuclear Laboratories	1214	-	10,500
Ottawa River Keeper	1215	-	5,000
Gazoduc	1216	<b>70,114</b>	79,394
Temiskaming Dam - Environmental assessments	1217	<b>84,162</b>	85,933
Wasamac	1218	<b>101,050</b>	-
Nature Conservancy (AIKI-SIBI)	1219	<b>79,240</b>	-
Tripartite	1221	<b>291,585</b>	-
Capacity Support Program	1222	<b>47,375</b>	-
Radio-Active Waste	1223	<b>7,460</b>	-
Policy Framework	1225	<b>12,000</b>	-
Vital Metals Kipawa Mine	1226	<b>3,956</b>	-
ESAP Energy Services	1227	<b>34,376</b>	-
IAAC (CEAA) RIMNET	1229	<b>107,000</b>	-
Country Fest	1310	<b>19,390</b>	-
Culture Co-ordinator	1500	<b>81,975</b>	71,753
Anishenabe Mikawa	1501	<b>5,234</b>	5,654
Aboriginal Day	1503	<b>15,000</b>	-
		<b>2,158,782</b>	2,794,844

**Kebaowek First Nation**  
**Notes to the consolidated financial statements**  
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**8 ISC - Unexpended funding**

	<i>Project</i>	<b>2022</b>	<b>2021</b>
Addition to reserve	1006	-	20,000
Community Development Plan	1007	<b>60,434</b>	81,067
ISC Block - Unexpended funding	1009	<b>2,957,733</b>	172,181
COVID-19 Administration Costs	1010	<b>5,078</b>	157,536
Covid EMAP Phase 3	1012	<b>34,997</b>	61,944
Social Assistance - Service Delivery	3002	-	25,111
Covid-19 Social Assistance	3003	<b>76,379</b>	30,446
Post-Secondary Education	4001	-	148,426
Covid Post Secondary	4003	-	789
Nursing Station Maintenance	5000	-	3,678
Primary Health Care	5001	-	30,002
Home Care Nursing	5002	-	75,240
Environmental Health Officer	5003	-	20,884
Community Health Representative	5004	-	25,320
Brighter Futures	5005	-	50,078
Mental Health	5006	-	53,834
N.N.A.D.A.P. Prevention	5007	-	133,803
Prenatal Nutrition	5009	-	15,222
Aids / HIV	5012	-	64,268
Health Canada - Health Career Summer Student	5013	<b>3,321</b>	2,478
Tobacco Prevention	5014	-	22,090
Mental wellness Team	5016	<b>61,318</b>	119,164
Victims of Family Violence	5017	<b>10,959</b>	11,537
Traning (AHHRI)	5018	<b>1,064</b>	11,273
Respiratory Infections	5019	-	2,791
Management Support	5020	-	392,222
Fetal Alcohol Syndrom Disease	5021	-	16,566
Head Start	5027	-	38,979
First Line Services	5028	<b>606,683</b>	509,965
Canadian Oral Hygiene Initiative	5029	<b>30,538</b>	25,000
NASP - National Aboriginal Suicide Prevention Strategy	5030	-	9,454
Communicable Disease Emergencies Initiative (CDE)	5031	-	23,150
E-Health Infostructure Program	5034	-	186
New Health Center	5035	<b>2,750,000</b>	-
Home Support Program	5039	-	61,195
Traditional Healers	5040	<b>17,747</b>	30,810
Covid Mental Wellness	5044	-	79,976
Covid IELCC (Daycare)	5045	-	12,330
Headstart on Reserve IELCC	5047	-	58,088
Covid Clinical & Client Care	5048	-	65,523
Covid Communicable Disease	5049	-	63,966
Covid Diabetes	5050	<b>8,129</b>	14,729
Covid Headstart	5051	-	21,502
Covid O & M Facilities	5052	<b>224</b>	14,382
Covid Assisted Living	5053	<b>77,527</b>	45,122
Amounts to be carried forward		<b>6,702,131</b>	2,822,307

**Kebaowek First Nation**  
**Notes to the consolidated financial statements**  
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**8 ISC - Unexpended funding (continued)**

	<i>Project</i>	2022	2021
Amounts carried forward		<b>6,702,131</b>	2,822,307
Indian Day School	5054	-	5,429
First Line (CHRT)	5056	<b>281,259</b>	-
Jordan's Principal - Support	5977	<b>135,310</b>	-
Jordan's Principal - Support	5975	<b>18,525</b>	21,209
Jordan's Principal - Transportation	5980	-	860
Jordan's Principal - Day Programs	5981	<b>2,750</b>	-
Jordan's Principal - Education	5982	<b>39,415</b>	31,915
Jordan's Principal - Q2O Pharmacy/Medical	5983	-	217
Jordan's Principal - Q2GA Assisted technology	5985	-	1,552
Jordan's Principal - Q2G9 Education Assistance	5986	<b>25,776</b>	17,765
Jordan's Principal - Q2G2 Respite Care	5987	<b>2,652</b>	2,652
Jordan's Principal - Healthy Child Development	5988	<b>3,896</b>	-
Jordan's Principal - Q2G6 Audiology/Hearing	5990	7	-
Emergency Preparedness	6004	-	1,189
O&M Eco-Centre	6006	<b>190,039</b>	215,411
Waste Management	6007	<b>38,814</b>	12,525
O & M Garbage Truck	6008	<b>98,808</b>	48,128
O & M Roll off Truck	6009	<b>30,482</b>	-
Infrastructure - Water System	6010	<b>3,219</b>	77,454
Extension Amik Street	6011	<b>45,004</b>	99,243
Wastewater Treatment System (AQB03)	6012	-	6
Eco-Center	6013	<b>174,899</b>	294,382
Sewage Repair	6016	<b>3,794,740</b>	5,615
Asset Management (CQJ90)	6018	<b>40,000</b>	40,000
Covid Reopening Band Buildings	6019	<b>28,725</b>	90,125
Comprehensive Planning	1102	<b>25,472</b>	-
SAA Phase A1 Engineer & Architect	1106	-	447,336
Covid Economic Development	1114	<b>110,189</b>	-
		<b>11,792,112</b>	4,235,320

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**Kebaowek First Nation**  
**Notes to the consolidated financial statements**  
*March 31, 2022*

**9. Long-term debt**

	<b>2022</b>	<b>2021</b>
Loan, 3.07%, secured by ISC, payable by monthly instalments of \$391, capital and interest, maturing in 2025	<b>10,149</b>	14,457
Loan, 3.07%, secured by ISC, payable by monthly instalments of \$317, capital and interest, maturing in 2025	<b>8,232</b>	11,726
Loan, 2.18%, reimbursed during the year	-	3,846
Loan, 2.95%, secured by ISC, payable by monthly instalments of \$495, capital and interest, maturing in 2030	<b>41,348</b>	45,938
Loan, 1.84%, secured by ISC, payable by monthly instalments of \$1,258, capital and interest, maturing in 2033	<b>142,998</b>	155,345
Loan, 2.49%, secured by ISC, payable by monthly instalments of \$568, capital and interest, maturing in 2034	<b>66,442</b>	71,543
Loan, 1.50%, secured by ISC, payable by monthly instalments of \$1,591, capital and interest, maturing in 2033	<b>190,820</b>	206,944
Loan, 0.40%, secured by ISC, payable by monthly instalments of \$809, capital and interest, maturing in 2037	<b>139,758</b>	148,244
Loan, 0.71%, secured by ISC, payable by monthly instalments of \$553, capital and interest, maturing in 2036	<b>86,396</b>	92,395
Loan, 1.30%, secured by ISC, payable by monthly instalments of \$1,222, capital and interest, maturing in 2028	<b>72,102</b>	85,735
Loan, 2.70%, secured by ISC, payable by monthly instalments of \$665, capital and interest, maturing in 2032	<b>65,302</b>	71,440
Loan, 2.22%, secured by ISC, payable by monthly instalments of \$1,030, capital and interest, maturing in 2041	<b>195,528</b>	203,449
Loan, 2.22%, secured by ISC, payable by monthly instalments of \$389, capital and interest, maturing in 2042	<b>73,748</b>	76,973
Loan, 1.13%, secured by ISC, payable by monthly instalments of \$552, capital and interest, maturing in 2036	<b>84,295</b>	90,006
Loan, 2.41%, secured by ISC, payable by monthly instalments of \$1,205, capital and interest, maturing in 2044	<b>239,015</b>	247,625
Loan, 1.69%, secured by ISC, payable by monthly instalments of \$244, capital and interest, maturing in 2030	<b>19,994</b>	22,565
Loan, 0.71%, secured by ISC, payable by monthly instalments of \$530, capital and interest, maturing in 2027	<b>26,593</b>	32,735
Loan from CMHC (RRAP)(1)	<b>9,082</b>	50,730
Loan, 2.60%, secured by ISC, payable by monthly instalments of \$168, capital and interest, maturing in 2032	<b>17,633</b>	19,034
Loan, 1.87%, secured by ISC, payable by monthly instalments of \$1,115, capital and interest, maturing in 2045	<b>242,871</b>	251,640
Loan, 1.75%, secured by ISC, payable by monthly instalments of \$514, capital and interest, maturing in 2045	<b>115,146</b>	119,271
Loan, 1.73%, secured by ISC, payable by monthly instalments of \$718, capital and interest, maturing in 2045	<b>163,102</b>	168,857
Amounts to be carried forward	<b>2,010,554</b>	2,190,498

**Kebaowek First Nation**  
**Notes to the consolidated financial statements**  
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**9. Long-term debt (continued)**

	<b>2022</b>	<b>2021</b>
Amounts carried forward	<b>2,010,554</b>	2,190,498
Loan, 6,00%, payable by monthly instalments of \$2,900, capital and interest, maturing in 2026	97,731	125,741
Loan, 6,00%, payable by bi-annual instalments of \$25,370 by the Secrétariat aux affaires autochtones, capital and interest, maturing in 2024	94,302	137,436
Loan in progress, 5.75%, payable by bi-annual instalments of \$81,959 by the Secrétariat aux affaires autochtones, capital and interest	1,110,144	-
Loan 3.69%, secured by motorized equipment of a net book value of \$42,315, payable by monthly instalments of \$859, capital and interest, maturing in 2027	39,769	-
Loan in progress, approved by CMHC, with a term of 25 years, interests and other terms to be determined	145,750	145,750
Loan in progress, approved by CMHC, with a term of 25 years, interests and other terms to be determined	107,400	107,400
Loan-subsidy in the amount of \$60,000, guaranteed by the Government of Canada, repayable in a single installment of \$40,000 on December 31, 2023, effective rate of 5.00% <sup>(2)</sup>	40,000	30,000
<b>Current portion</b>	<b>3,645,650</b>	2,736,825
	<b>229,537</b>	263,701
	<b>3,416,113</b>	2,473,124

Capital payments due within each of the next five years are as follow:

	\$
2023	229,537
2024	269,194
2025	178,166
2026	148,054
2027	133,573

(1) Under this program, an agreement has been reached by the Kebaowek First Nation and the CMHC concerning the cumulative contributions for the major repairs of houses located on the First Nation's territory (RRAP).

Should all the conditions of the agreement be met by the First Nation, the amortization of these loans will be made by remission instalments based on a straight-line method of amortization of three to five years. Should the conditions not be respected by the First Nation, the outstanding balance of these loans will be repaid by the First Nation as a usual mortgage (subject of interest charges).

(2) If the loan is not repaid on December 31, 2023, an amount of \$60,000 will become repayable over 24 months and will bear interest at the rate of 5.00% where only interest at the rate of 5.00% will be paid until the principal is repaid no later than December 31, 2025. An amount of \$10,000 has been inscribed to revenues in the current year.

**Kebaowek First Nation**  
**Notes to the consolidated financial statements**  
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**10. Reserves for acquisition of capital assets**

The First Nation has reserved funds for the future acquisition of capital assets in accordance with funding agreements. Here is the detail of these reserves as at March 31, 2022:

	2022	2021
School bus	44,082	44,082
Public works equipment	200,000	200,000
Single apartment building	71,551	71,551
Band rental	52,625	31,625
Police department	210,322	210,322
Fire truck	205,000	205,000
	<b>783,580</b>	762,580

**11. Cumulative operating and funds balances**

The cumulative operating and funds balances as at March 31, 2022, do not take into consideration possible modifications following the review and analysis of the present consolidated financial statements by ISC, CMHC, FNEC and FNHRDCQ. Any adjustment resulting from these analyses will be recorded in the current year as an adjustment of funds balances or in the results as indicated by ISC, CMHC, FNEC, FNHRDCQ, FNQLHSSC or Secrétariat aux affaires autochtones.

**12. Accumulated surplus**

The accumulated surplus of Kebaowek First Nation is divided among several surpluses and reserves, as detailed below:

	2022	2021
Reserves for acquisition of capital assets (Note 10)	783,580	762,580
Economic investment deficit	(4,499,687)	(2,831,943)
Non-established	605	596
Operating reserve fund - Article 95	82,745	85,511
Replacement reserve fund - Article 95	324,375	290,014
Replacement reserve- Multiplex	89,000	89,000
Net investment in capital assets	28,566,163	26,480,974
Cumulative operating surplus	8,112,312	7,763,408
	<b>33,459,093</b>	32,640,140

**13. Additional information relating to the consolidated statement of cash flows**

	2022	2021
<i>Changes in non-cash operating working capital items</i>		
Accounts receivable	(2,700,669)	(1,942,812)
Inventories	(11,209)	(7,326)
Prepaid expenses	(388,749)	40,433
ISC - Unexpended funding	7,556,792	1,907,950
Accounts payable and accrued liabilities	708,139	(453,619)
Deferred revenue	(636,062)	1,522,679
	<b>4,528,242</b>	1,067,305

**Kebaowek First Nation**  
**Notes to the consolidated financial statements**  
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**14. Replacement reserve**

Under the terms of the agreement with CMHC, the replacement reserve fund - Article 95 is to be credited annually. These funds along with accumulated interest must be held in a separate bank account and/or invested only in accounts or instruments insured by CMHC from time to time. The funds in the account may only be used as approved by CMHC. Withdrawals are credited to interest first and then capital.

**15. Contingencies and guarantees**

The First Nation is a guarantor for personal housing mortgages to residents of the community for the amount of \$1,422,687 as of March 31, 2022 (\$1,604,114 as of March 31, 2021).

Moreover, the First Nation is also a guarantor for loans in Mikan Transport L.P. and Mitikon L.P for respectively the amount of \$1,322,605 and \$115,027 as of March 31, 2022.

**16. Financial instruments**

**Interest rate risk**

The long-term debt bears interest at fixed rates. Consequently, the cash flows exposure is not significant. However, the fair value of loans having fixed rates of interest could fluctuate because of changes in market interest rates. The short-term loans represent a limited exposure to interest rate risk due to their short-term maturity.

**Credit risk**

The First Nation provides credit to its tenants in the normal course of its operations. It carries out, on a continuing basis, credit checks on its clients and maintains provisions for potential credit losses. The First Nation also provides advances to controlled entities and maintain provisions for potential depreciation of these investments.

**Credit facility (bank loan)**

An authorized line of credit of \$500,000, bearing interest at prime rate (2.70% as at March 31, 2022) plus 1.00%, is available. The loans are repayable on demand and fluctuate regularly. The credit line is renewable on an annual basis and guaranteed by a first ranking hypothec of \$750,000 on all borrower's present and future claims. No amount was used as at March 31, 2022.

An authorized credit card of \$150,000, bearing interest at 19.99%, is also available. An amount of \$24,009 included under the accounts payable and accrued liabilities was used as at March 31, 2022.

**Fair value of financial assets and liabilities**

The fair value represents approximately the amounts of the financial instruments that would be exchanged between the consenting parties, according to the current market value of instruments which the risk, capital and duration are the same. Certain estimates and decisions were required to arrive at the fair value of financial instruments which was based upon actualization and other evaluation methods which depend largely on hypothesis of estimated cash flows and the actualization rate depending on different degrees of risk.

The fair value of cash, accounts receivable, restricted cash and deposits and accounts payable and accrued liabilities approximates their carrying values due to their short-term maturity.

**Kebaowek First Nation**  
**Notes to the consolidated financial statements**  
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**17. Pension plan**

The First Nation supports a contributory defined benefit pension plan for substantially all of its employees (except for the police department which is described below). It is a multiemployer plan that is administered by the Native Benefits Plan. The pension for native employees is 8.50% of the gross salary and the employer contributes 1.82 times the employee's contribution. For the non-native employees, it is 6.80% of the gross salary and the employer contributes 1.82 times the employee's contribution.

For the police department, the rate is 9.50% of the gross salary for the native employees and 7.20% for the non-native employees. The employer contributes 2.00 times the employee's contribution.

The First Nation also offers a voluntary pension plan for employees not covered by ISC, ISC - Health Branch and police activities. The contribution by the employees is 5.00% and the First Nation contributes the same amount.

For the current fiscal year, the pension plan expenses amounted to \$261,066 (\$259,468 in 2021).

**18. Comparative figures**

Certain figures for 2021 have been reclassified to conform to the presentation adopted in 2022.

**Kebaowek First Nation**  
**Notes to the financial statements**  
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**19. Expenses**

	<b>2022</b>	<b>2021</b>
Cost of goods sold	<b>2,434,459</b>	2,121,539
Advertising	3,302	11,851
Salaries and fringe benefits	<b>3,651,075</b>	3,387,868
Allocations	<b>807,360</b>	459,235
Administration fees	<b>868,700</b>	612,628
Councillors' honoraries	-	27,000
Contracts	<b>231,077</b>	228,593
Amortization of deferred governmental assistance	(16,203)	(17,056)
Amortization of capital assets	<b>1,246,657</b>	1,165,214
Doubtful accounts	<b>181,769</b>	65,174
Management expenses	<b>57,131</b>	65,563
Energy	<b>142,338</b>	146,777
Membership fees	<b>22,927</b>	2,180
Gas	<b>71,994</b>	44,712
Insurances	<b>223,413</b>	160,698
Interest and bank charges	<b>24,738</b>	24,613
Interest on long-term debt	<b>67,260</b>	59,547
Licences and permits	<b>51,786</b>	39,519
Maintenance expenses	<b>129,352</b>	148,934
Material and supplies	<b>539,429</b>	389,941
Other	-	12,818
Pension plan	<b>261,066</b>	259,468
Professional fees	<b>1,261,639</b>	1,033,560
Recreation activities expenses	-	324
Registration fees	-	20,470
Rental	<b>146,725</b>	114,813
Room and board	<b>386,861</b>	414,927
Telephone	<b>49,345</b>	56,390
Training expenses	<b>45,113</b>	11,927
Transfer to Migizy Odenaw Childcare Center	<b>176,250</b>	55,129
Transfer to the replacement reserve	<b>33,550</b>	33,550
Transportation expenses	<b>222,601</b>	102,583
Travel	<b>65,923</b>	52,440
Tuition fees	<b>700,020</b>	308,761
Water, garbage and sewer expenses	<b>9,504</b>	10,368
Workshops expenses	<b>236,916</b>	146,839
Transfer to economic development businesses	<b>332,692</b>	20,621
Gain on disposal of capital assets	<b>(10,192)</b>	-
	<b>14,656,577</b>	11,799,518

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**Kebaowek First Nation**  
**Notes to the financial statements**  
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**20. Segment disclosure**

	<b>Administration and band government</b>		<b>Human resources development</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>Revenues</b>				
Federal government transfers	(1,798,028)	400,843	441,091	329,719
Other revenues	1,134,212	875,809	(239,362)	(163,660)
	<b>(663,816)</b>	1,276,652	<b>201,729</b>	166,059
<b>Expenses</b>				
Salaries and fringe benefits	537,820	459,921	21,954	47,654
Amortization	30,585	32,208	-	-
Other expenses	901,553	607,166	179,775	118,405
	<b>1,469,958</b>	1,099,295	<b>201,729</b>	166,059
	<b>(2,133,774)</b>	177,357	-	-
<b>Social assistance</b>		<b>Education</b>		
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>Revenues</b>				
Federal government transfers	754,435	692,332	1,651,875	1,354,319
Other revenues	4,429	7,735	(20,777)	(17,660)
	<b>758,864</b>	700,067	<b>1,631,098</b>	1,336,659
<b>Expenses</b>				
Salaries and fringe benefits	30,537	31,875	240,851	236,745
Amortization	-	-	14,483	15,317
Other expenses	350,875	306,665	1,369,415	956,658
	<b>381,412</b>	338,540	<b>1,624,749</b>	1,208,720
	<b>377,452</b>	361,527	<b>6,349</b>	127,939
<b>Health</b>		<b>Public works</b>		
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>Revenues</b>				
Federal government transfers	4,940,396	2,433,889	1,393,140	2,532,710
Provincial governments transfers	62,000	52,000	-	-
Other revenues	(38,759)	(18,411)	217,093	221,532
	<b>4,963,637</b>	2,467,478	<b>1,610,233</b>	2,754,242
<b>Expenses</b>				
Salaries and fringe benefits	1,193,312	1,099,758	474,973	434,679
Amortization	38,550	41,629	592,742	567,647
Other expenses	1,717,008	1,298,112	638,814	536,481
	<b>2,948,870</b>	2,439,499	<b>1,706,529</b>	1,538,807
	<b>2,014,767</b>	27,979	<b>(96,296)</b>	1,215,435

**Kebaowek First Nation**  
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**20. Segment disclosure (continued)**

	Fire protection		Police security	
	2022	2021	2022	2021
<b>Revenues</b>				
Federal government transfers	85,062	85,069	839,677	596,888
Other revenues	-	10,933	-	-
	85,062	96,002	839,677	596,888
<b>Expenses</b>				
Salaries and fringe benefits	-	-	385,990	366,260
Amortization	-	-	45,757	45,603
Other expenses	76,895	69,267	180,338	161,339
	76,895	69,267	612,085	573,202
	8,167	26,735	227,592	23,686
		Housing	Economic development	
		2022	2021	2022
<b>Revenues</b>				
Federal government transfers	916,751	201,950	1,281,138	426,876
Provincial governments transfers	-	-	434,941	126,818
Other revenues	425,271	319,642	2,953,175	2,832,292
	1,342,022	521,592	4,669,254	3,385,986
<b>Expenses</b>				
Salaries and fringe benefits	50,381	48,216	455,565	452,873
Interests on long-term debt	49,294	59,547	16,620	-
Amortization	413,887	383,351	89,104	60,334
Other expenses	342,709	229,004	2,709,865	2,392,222
	856,271	720,118	3,271,154	2,905,429
	485,751	(198,526)	1,398,100	480,557
		Natural resources	Others	
		2022	2021	2022
<b>Revenues</b>				
Federal government transfers	569,596	99,469	35,308	(20,955)
Provincial governments transfers	553,556	408,651	45,000	45,000
Other revenues	153,361	137,881	182,403	126,097
	1,276,513	646,001	262,711	150,142
<b>Expenses</b>				
Salaries and fringe benefits	184,718	168,125	74,974	41,762
Interests on long-term debt	1,346	-	-	-
Amortization	21,549	18,195	-	930
Other expenses	1,040,464	410,386	183,874	101,184
	1,248,077	596,706	258,848	143,876
	28,436	49,295	3,863	6,266

**Kebaowek First Nation**  
**Notes to the financial statements**  
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**20. Segment disclosure (continued)**

	<b>Total</b>	
	<b>2022</b>	<b>2021</b>
<b>Revenues</b>		
Federal government transfers	<b>11,110,441</b>	9,133,109
Provincial governments transfers	<b>1,095,497</b>	632,469
Other revenues	<b>4,771,046</b>	4,332,190
	<b>16,976,984</b>	14,097,768
<b>Expenses</b>		
Salaries and fringe benefits	<b>3,651,075</b>	3,387,868
Interest on long-term debt	<b>67,260</b>	59,547
Amortization	<b>1,246,657</b>	1,165,214
Other expenses	<b>9,691,585</b>	7,186,889
	<b>14,656,577</b>	11,799,518
	<b>2,320,407</b>	2,298,250

The segment disclosure is presented before the net surplus (deficit) in the controlled entities and before elimination of revenue and expenses for consolidation purpose.