

SKOWNAN FIRST NATION

**CONSOLIDATED
FINANCIAL STATEMENTS**

MARCH 31, 2015

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SKOWNAN FIRST NATION

MARCH 31, 2015

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MANAGEMENT'S RESPONSIBILITY

To the Members of the Skownan First Nation

The accompanying consolidated financial statements of Skownan First Nation and all the information in this annual report are the responsibility of management and have been approved by Chief and Council.


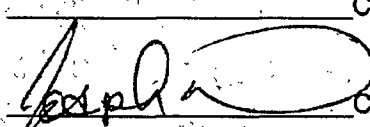
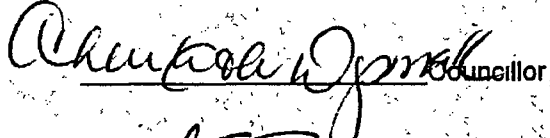
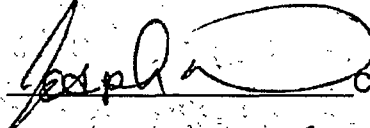

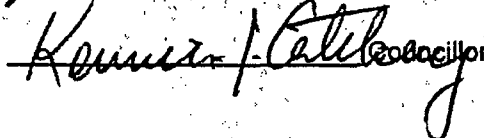
The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based upon estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the consolidated financial statements are presented fairly, in all material respects.

The First Nation maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable, and accurate and the First Nation's assets are appropriately accounted for and adequately safeguarded.

The First Nation's Chief and Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements.

The Finance Department reviews the First Nation's financial statements with the Chief and Council and recommends their approval. Chief and Council meet periodically with the Finance Department, as well as the external auditors, 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 annual report, the consolidated financial statements and the external auditor's report.

Zaplitny and Zamrykut, Chartered Accountants were appointed by the Chief and Council to audit the consolidated financial statements and report directly to them and the members of the First Nation, their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Chief and Council and management to discuss their findings.

 _____ Chief	 _____ Councillor
 _____ Councillor	 _____ Councillor
 _____ Councillor	 _____ Councillor

AUDITORS' REPORT

To the Members of the Skownan First Nation.

We have audited the accompanying consolidated financial statements of the Skownan First Nation, which comprise of the statement of financial position as at March 31, 2015 and the statements of accumulated surplus, changes in net financial debt, statement of operations, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

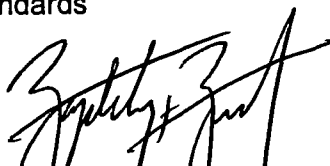
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements

We believe that the audit evidence we have obtained is sufficient to provide a basis for an audit opinion

Opinion

In our opinion the financial statements present fairly, in all material respects, the financial position of the Skownan First Nation as at March 31, 2015, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards



ZAPLUTNY & ZAMRYKUT,
Chartered Accountants

Dauphin, Manitoba
August 31, 2015

SKOWNAN FIRST NATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2015

	2015	2014
FINANCIAL ASSETS		
CURRENT		
Cash	\$ 1,021,212	\$ 371,075
Accounts Receivable - Note 4	387,124	426,107
Inventory	4,827	4,991
	1,413,163	802,173
LONG TERM		
Funds in Trust - Note 5	6,132	5,616
	\$ 1,419,295	\$ 807,789
FINANCIAL LIABILITIES		
CURRENT		
Bank Indebtedness	\$ -	\$ 3,939
Accounts Payable and Accrued Liabilities - Note 6	628,527	786,322
Current Portion of Long Term Debt - Note 7	386,259	308,304
	1,014,786	1,098,565
LONG TERM		
Long Term Debt - Note 7	4,112,758	3,207,259
Due to Replacement Reserve - Note 8	392,901	335,286
Moveable Assets Reserve - Note 9	36,175	33,816
	4,541,834	3,576,361
	5,556,620	4,674,926
NET FINANCIAL DEBT	(4,137,325)	(3,867,137)
NON-FINANCIAL ASSETS		
Tangible Capital Assets - Note 10	21,763,467	18,525,250
Prepaid Expenses	38,127	4,074
ACCUMULATED SURPLUS	\$ 17,664,269	\$ 14,662,187

Approved on Behalf of Skownan First Nation:

Chief: 

Councillor: 

Councillor: 

Councillor: 

(The accompanying notes are an integral part of these financial statements.)

SKOWNAN FIRST NATION

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS FOR THE YEAR ENDED MARCH 31, 2015

	(Unaudited) 2015 Budget	2015	2014
REVENUE			
Aboriginal Affairs and Northern Development Canada (AANDC)	\$ 5,899,635	\$ 9,229,326	\$ 6,059,803
Aboriginal and Northern Affairs	-	49,200	-
First Nation and Inuit Health Branch (FNIHB)	950,000	971,322	971,055
Canada Mortgage and Housing Corporation (CMHC)	200,000	247,509	225,449
First Peoples Development Inc	-	333,385	363,511
Contract Revenue	180,000	568,301	204,337
Province of Manitoba	-	580	-
Other	50,000	26,365	50,602
VLT Proceeds - Net	-	435,416	437,927
Concession - Net	-	(12,937)	15,012
Bison	-	379,139	20,629
Tobacco Tax Rebates	-	207,531	252,560
Manitoba Hydro	-	101,300	-
Solicitor General	-	33,626	33,626
Confectionary and Fuel - Net	-	262,049	287,325
Rent	150,000	350,520	319,825
Interest	-	757	653
	7,429,635	13,183,389	9,242,314
EXPENSES			
Governance and Administration	502,000	701,818	725,064
Social	1,015,000	1,264,560	1,222,969
Health	976,973	1,231,639	1,148,108
Housing	307,787	551,494	501,406
Economic Development	287,000	984,446	528,688
Education	2,911,200	3,217,848	2,843,686
Operations and Maintenance	1,079,000	1,459,680	1,576,204
Training and Other	-	426,059	364,882
Gaming	-	343,763	453,645
	7,078,960	10,181,307	9,364,652
ANNUAL SURPLUS (DEFICIT)	\$ 350,675	3,002,082	(122,338)
ACCUMULATED SURPLUS, BEGINNING OF YEAR		14,662,187	14,284,136
PRIOR PERIOD ADJUSTMENT - NOTE 13		-	500,389
ACCUMULATED SURPLUS, END OF YEAR		\$ 17,664,269	\$ 14,662,187

(The accompanying notes are an integral part of these financial statements)

SKOWNAN FIRST NATION

STATEMENT OF CHANGES IN NET FINANCIAL DEBT FOR THE YEAR ENDED MARCH 31, 2015

	2015	2014
ANNUAL SURPLUS (DEFICIT)	\$ 3,002,082	\$ (122,338)
Acquisition of Tangible Capital Assets	(4,331,504)	(1,073,649)
Amortization of Tangible Capital Assets	1,093,287	940,598
Change in Prepaid Expenses	(34,053)	(4,074)
Prior Period Adjustment - Note 13	-	500,389
CHANGE IN NET FINANCIAL DEBT	(270,188)	240,926
NET FINANCIAL DEBT, BEGINNING OF YEAR	(3,867,137)	(4,108,063)
NET FINANCIAL DEBT, END OF YEAR	\$ (4,137,325)	\$ (3,867,137)

(The accompanying notes are an integral part of these financial statements)

SKOWNAN FIRST NATION**STATEMENT OF CASH FLOWS****MARCH 31, 2015**

	2015	2014
CASH PROVIDED BY OPERATING ACTIVITIES		
Cash Received From Contributors	\$ 13,222,350	\$ 9,122,830
Cash Paid to Suppliers	(10,608,409)	(6,540,945)
Cash Paid to Employees	(1,791,979)	(1,016,113)
Interest Paid	(77,690)	(150,882)
NET CASH PROVIDED BY OPERATING ACTIVITIES	744,272	1,414,890
CASH FLOWS FROM FINANCING ACTIVITIES		
Long Term Debt Repayments	(325,697)	(358,876)
Advances of Long Term Debt	1,309,151	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	983,454	(358,876)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Additions	(1,073,650)	(1,073,650)
NET INCREASE IN CASH AND CASH EQUIVALENTS	654,076	(17,636)
NET CASH AND CASH EQUIVALENTS, beginning of year	367,136	384,772
NET CASH AND CASH EQUIVALENTS, end of year	\$ 1,021,212	\$ 367,136

Cash and Cash Equivalents consists of:	2015	2014
Cash	\$ 1,021,212	\$ 371,075
Bank Indebtedness	-	(3,939)
	\$ 1,021,212	\$ 367,136

(The accompanying notes are an integral part of these financial statements.)

SKOWNAN FIRST NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

1. NATURE OF ENTITY

The Skownan First Nation is a community located near Waterhen, Manitoba. The First Nation provides general government, education, protection, housing and health programs to the general membership through various First Nation departments and entity's. The First Nation receives program funding direct from Aboriginal Affairs and Northern Development Canada, the Canada Mortgage and Housing Corporation, First Peoples Development, and Health Canada and carries out programs within the community in accordance with the provisions set forth in the annual funding agreements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards and include the following significant accounting policies:

(a) Reporting Entity and Principles of Financial Reporting

The First Nation's reporting entity includes the First Nation's government and all related entities which are accountable to the First Nation and are either owned or controlled by the First Nation. These financial statements consolidate the assets, liabilities, and results of operations for the following entities:

Skownan First Nation
Skownan CMHC Housing
Skownan Employment Training and Daycare
Skownan Health Authority
Skownan VLT Operation
SKO Construction Inc

All inter-entity balances have been eliminated for the purposes of consolidating all of the above entities. However, transactions between programs have not been eliminated in reporting the results of operations

(b) Inventory

The Bison herd was not available at the year end date to conduct an inventory count, therefore, the animals are disclosed on the statement of financial position at the nominal amount of \$1. All other inventory has been recorded at cost using the FIFO method (First In, First Out)

(c) Replacement Reserve

The Replacement Reserve account is funded by an annual charge against earnings

(d) Revenue Recognition

Funding received under the terms of agreements is recognized as revenue when the related expenses are incurred. Funding received but not yet expended is recorded as deferred revenue or a liability to the funding body depending upon the nature of the program revenue. Other revenue is recognized as it is earned.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

(e) Long-Lived Assets

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

The First Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying value of an asset, or group of assets may not be recoverable. Impairment losses are recognized when undiscounted future cash flows from its use and disposal are less than the asset's value. Impairment is measured as the amount by which the asset's carrying value exceeds its fair value. Any impairment is included in earnings for the year.

(f) Measurement Uncertainty

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 disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may vary from current estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

(g) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Donated assets are recorded at their estimated fair value upon acquisition. Certain tangible capital assets for which historical cost information is not available have been recorded at current fair market values discounted by a relevant inflation factor. Certain assets are disclosed at a nominal value as the determination of current fair market value was not available.

General Tangible Capital Assets

Land	Indefinite
Land Improvements	10 to 30 years
Buildings and Leasehold Improvements	
Buildings	25 to 40 years
Leasehold Improvements	Life of lease
Vehicles and Equipment	
Vehicles	5 to 10 years
Machinery, Equipment and Furniture	5 to 20 years
Maintenance and Road Construction Equipment	20 years
Computer Hardware and Software	4 years

Infrastructure Assets

Transportation	
Land	Indefinite
Road Surface	20 years
Road Grade	20 years
Bridges	30 to 45 years
Water and Sewer	
Land	Indefinite
Buildings	25 to 40 years
Underground Networks	30 years
Machinery and Equipment	20 years

Certain assets which have historical or cultural value including works of art, historical documents as well as historical and cultural artifacts are not recognized as tangible capital assets because a reasonable estimate of the future benefits associated with such property cannot be made. Intangibles, Crown lands that have not been purchased by the Community, forests, water, and other natural resources are not recognized as tangible capital assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**(h) Financial Segment Reporting**

The First Nation conducts its business through 10 reportable segments as reported below. These operating segments are established by senior management to facilitate the achievement to the First Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

The First Nation's segments are as follows.

Governance and administration - reports on governance and administration activities

Social - reports on social assistance programs

Health - Reports on health and wellness programs funded by Health Canada

Housing - Reports on activities related to developing and sustaining housing, including CMHC subsidized housing

Economic Development - Reports on services that facilitate economic development

Education - Reports on the operations of education programs

Operations and Maintenance - Reports on general operations and maintenance programs in the First Nation

Ottawa Trust - Reports on funding held in the Ottawa Trust

Training and Other - Reports on training and other activities

Gaming - Reports on the Video Lottery Terminal operations.

Inter-segment transfers are recorded at their exchange amount. The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in the Significant Accounting Policies.

3. FINANCIAL INSTRUMENTS

The First Nation classifies its financial instruments into one of the following categories based on the purpose for which the asset was acquired or liability was incurred. The First Nation's accounting policy for each category is as follows:

Assets held-for-trading

Financial instruments classified as assets held-for-trading are reported at fair value at each balance sheet date, and any change in fair value is recognized in net income (loss) in the period during which the change occurs. Transaction costs are expensed when incurred. In these financial statements, cash and cash equivalents have been classified as held-for-trading. The carrying amount of these items approximates the fair value because of the short term maturity of these instruments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**MARCH 31, 2015****3. FINANCIAL INSTRUMENTS - Continued****Available-for-sale investments**

Financial instruments classified as available-for-sale are reported at fair value at each balance sheet date, and any change in fair value is recognized in net assets in the period in which the change occurs. All transactions related to marketable securities are recorded on a settlement date basis. In these financial statements, there are no assets classified as available for sale.

Held-to-maturity

Financial instruments classified as held-to-maturity are financial assets with fixed or determinable payments and fixed maturities that the organization's management has the positive intention and ability to hold to maturity. These assets are initially recorded at fair value and subsequently carried at amortized cost, using the effective rate method. Transaction costs are included in the amount initially recognized. In these financial statements, no assets have been classified as held-to-maturity.

Loans and receivables and other financial liabilities

Financial instruments classified as loans and receivables and other financial liabilities are carried at amortized cost using the effective interest method. Transaction costs are expensed when incurred.

In these financial statements, accounts receivable have been classified as loans and receivables. Accounts payable and amounts due to a related nation entity have been classified as other financial liabilities. The carrying value of these items approximates the fair value because of the short term nature of these instruments and because they are subject to normal credit terms.

Risk

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

SKOWNAN FIRST NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

4. ACCOUNTS RECEIVABLE

	2015	2014
Aboriginal Affairs and Northern Development Canada -		
Tuition Agreements	\$ 62,902	\$ 82,998
Business Development	-	33,520
Emergency Snow Removal	324,222	309,589
	\$ 387,124	\$ 426,107

5. FUNDS HELD IN TRUST

The Ottawa trust accounts arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2015	2014
Trade	\$ 623,640	\$ 781,360
Accrued Interest	4,887	4,962
	\$ 628,527	\$ 786,322

SKOWNAN FIRST NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

7. LONG TERM DEBT

These loans are secured by a ministerial guarantee by the Government of Canada unless otherwise noted.

	2015	2014
Canada Mortgage and Housing Corporation Terms: Monthly payments of \$3,664 including interest Interest 1.62%	\$ 329,810	\$ 368,120
Canada Mortgage and Housing Corporation Terms: Monthly payments of \$3,881 including interest Interest 1.67%	547,160	584,286
Canada Mortgage and Housing Corporation Terms: Monthly payments of \$3,996 including interest Interest 1.49%	893,479	927,879
Toromont CAT Terms: Monthly payments of \$1,000 including interest in addition to a payment of \$50,000 made annually Interest: 5.95%	193,559	-
TD Canada Trust Terms: Monthly payments of \$3,698 including interest Interest 3.95%	210,279	245,755
Peace Hills Trust Terms: Monthly payments of \$5,761 including interest Interest: 5.25%	11,597	78,529
Catalyst Credit Union Interest: 0.00% Terms: Annual payments of \$44,400 Security: Annual Funding	8,435	-
First Peoples Development Terms: Monthly payments of \$3,571 including interest Interest: 0.00%	157,175	200,000
Subtotal	\$ 2,351,494	\$ 2,404,569

SKOWNAN FIRST NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

7. LONG TERM DEBT - Continued

	2015	2014
Subtotal - Continued from last page	\$ 2,351,494	\$ 2,404,569
CIBC	136,819	183,477
Terms: Monthly payments of \$2,489 including interest		
Interest: 4.50%		
Canada Mortgage and Housing Corporation	567,575	587,800
Terms: Monthly payments of \$2,464 including interest		
Interest: 1.62%		
Canada Mortgage and Housing Corporation	327,852	339,717
Terms: Monthly payments of \$1,452 including interest		
Interest: 1.67%		
Canada Mortgage and Housing Corporation	462,175	-
Terms: Monthly payments of \$1,895 including interest		
Interest: 1.67%		
Canada Mortgage and Housing Corporation	452,577	-
Terms: Monthly payments of \$1,855 including interest		
Interest: 1.67%		
Toromont CAT	200,525	-
Terms: Monthly payments of \$1,000 including interest in addition to a payment of \$50,000 made annually		
Interest: 5.95%		
	\$ 4,499,017	\$ 3,515,563
Less: Current Portion	386,259	308,304
	\$ 4,112,758	\$ 3,207,259

Principal repayments over the next five years are estimated as follows

2015-16	\$386,259
2016-17	368,937
2017-18	371,813
2018-19	377,522
2019-20	247,171
Subsequent Years	2,747,315

SKOWNAN FIRST NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

8. DUE TO REPLACEMENT RESERVE

Under the terms of agreements with Canada Mortgage and Housing Corporation, the replacement reserve bank account is to be credited annually for each project. These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation. The funds in the account may only be used as approved by Canada Mortgage and Housing Corporation. Withdrawals are applied first to interest and then principal. The Skownan First Nation CMHC Housing Authority did not maintain a separate interest bearing bank account for the purposes of holding replacement reserve charges aside from normal operating funds at March 31, 2015. The balance due to the Replacement Reserve Fund consists of

	Pre 1997	Post 1996	2015	2014
Balance, Beginning of Year	\$ 112,052	\$ 223,234	\$ 335,286	\$ 282,775
Add: Annual Appropriation	12,415	45,200	57,615	55,087
Interest Earned on Account	Nil	Nil	Nil	Nil
	124,467	268,434	392,901	337,862
Less: Eligible Expenditures	Nil	Nil	Nil	2,576
Balance, End of Year	\$ 124,467	\$ 268,434	\$ 392,901	\$ 335,286

9. MOVEABLE ASSETS RESERVE

Under the terms of the operating agreement with Health Canada, the Moveable Asset Reserve is funded annually by Health Canada. The funds in the account may be used only for the replacement of moveable assets in excess of \$1,000 and no amounts of these funds can be transferred to the operating budget.

	2015	2014
Opening Balance	\$ 33,816	\$ 31,526
Add:		
Allocation to Moveable Assets Reserve	2,359	2,290
Less:		
Replacement Expenditures	-	-
Closing Balance	\$ 36,175	\$ 33,816

SKOWNAN FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

10. TANGIBLE CAPITAL ASSETS

	Land	Buildings	Vehicles and Equipment	Roads	Water and Sewer	CMHC Housing	2015
COST							
Balance, Beginning of Year	\$ 110,000	\$ 28,493,749	\$ 1,147,720	\$ 725,411	\$ 648,716	\$ 6,195,575	\$ 37,321,171
Acquisition of Tangible Capital Assets	-	-	518,725	-	2,902,472	910,307	4,331,504
Disposals & Write Downs	-	-	-	-	-	-	-
Balance, End of Year	110,000	28,493,749	1,666,445	725,411	3,551,188	7,105,882	41,652,675
ACCUMULATED AMORTIZATION							
Balance, Beginning of Year	-	14,835,211	547,902	539,393	408,429	2,464,986	18,795,921
Amortization	-	608,067	139,700	16,870	84,315	244,335	1,093,287
Balance, End of Year	-	15,443,278	687,602	556,263	492,744	2,709,321	19,889,208
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS							
	\$ 110,000	\$ 13,050,471	\$ 978,843	\$ 169,148	\$ 3,058,444	\$ 4,396,561	\$ 21,763,467

SKOWNAN FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

10. TANGIBLE CAPITAL ASSETS

	Land	Buildings	Vehicles and Equipment	Roads	Water and Sewer	CMHC Housing	2014
COST							
Balance, Beginning of Year	\$ 110,000	\$ 27,685,415	\$ 920,520	\$ 725,411	\$ 610,601	\$ 6,195,575	\$ 36,247,522
Acquisition of Tangible Capital Assets	-	808,334	227,200	-	38,115	-	1,073,649
Disposals & Write Downs	-	-	-	-	-	-	-
Balance, End of Year	110,000	28,493,749	1,147,720	725,411	648,716	6,195,575	37,321,171
ACCUMULATED AMORTIZATION							
Balance, Beginning of Year	-	14,227,186	461,421	522,523	396,676	2,247,517	17,855,323
Amortization	-	608,025	86,481	16,870	11,753	217,469	940,598
Balance, End of Year	-	14,835,211	547,902	539,393	408,429	2,464,986	18,795,921
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 110,000	\$ 13,658,538	\$ 599,818	\$ 186,018	\$ 240,287	\$ 3,730,589	\$ 18,525,250

SKOWNAN FIRST NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015

11. REVENUE RECONCILIATION

	2015	2014
Revenue per AANDC Cash Flow Statement	\$ 9,229,326	\$ 6,039,758
Water Under \$1 5 Million deferred to - 2013/2014	-	20,045
AANDC Revenue per Financial Statements	\$ 9,229,326	\$ 6,059,803

	2015	2014
Revenue per FNIHB Cash Flow Statement	\$ 971,322	\$ 971,055
FNIHB Revenue per Financial Statements	\$ 971,322	\$ 971,055

12. ECONOMIC DEPENDENCE

The First Nation receives a significant portion of its revenues pursuant to a funding arrangement with the Government of Canada

13. PRIOR YEAR ADJUSTMENT

The Skownan Business Centre had overstated the payables related to the construction of its restaurant and gas bar by \$457,252, therefore an adjustment in the amount was made to reduce payables and increase equity. The Canada Mortgage and Housing Corporation also required an adjustment to decrease in the replacement reserve liability of \$43,137 and an increase to the accumulated surplus of \$43,137

14. PRIOR YEAR COMPARATIVES

Certain prior year figures have been reclassified to conform with the current year's presentation

SKOWNAN FIRST NATION

SCHEDULE 1 - GOVERNANCE AND ADMINISTRATION CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES FOR THE YEAR ENDED MARCH 31, 2015

	<i>(Unaudited)</i>		
	2015		
	Budget	2015	2014
REVENUE			
Aboriginal Affairs and Northern Development			
Canada (AANDC)	\$ 529,146	\$ 534,529	\$ 403,532
Rental	-	39,100	43,668
Other	-	15,740	26,739
Solicitor General	33,626	33,626	33,626
	562,772	622,995	507,565
EXPENSES			
Amortization	-	174,654	170,854
Aid and Assistance	25,000	24,802	32,923
Bank Charges and Interest	3,500	2,690	4,201
Chief and Council Honoraria and Travel	225,000	256,386	211,254
Office	15,000	25,280	16,392
Professional Fees	35,000	27,516	34,316
Recovery	-	8,440	-
Repairs and Maintenance	3,500	1,200	6,138
Salaries and Benefits	120,000	130,983	201,923
Telephone	15,000	15,160	15,003
Training	2,500	8,528	-
Travel	25,000	26,179	32,060
	469,500	701,818	725,064
ANNUAL SURPLUS (DEFICIT)	\$ 93,272	\$ (78,823)	\$ (217,499)

SKOWNAN FIRST NATION

SCHEDULE 2 - SOCIAL

CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2015

	(Unaudited) 2015 Budget	2015	2014
REVENUE			
Aboriginal Affairs and Northern Development Canada (AANDC)	\$ 1,160,000	\$ 1,173,596	\$ 1,147,989
EXPENSES			
Amortization	-	94,711	89,633
Office	3,000	2,160	6,785
Professional Fees	1,500	380	4,890
Salaries and Benefits	50,000	47,511	48,349
Social Assistance	1,105,500	1,118,200	1,073,312
Travel	-	1,598	-
	1,160,000	1,264,560	1,222,969
ANNUAL SURPLUS (DEFICIT)	\$ -	\$ (90,964)	\$ (74,980)

SKOWNAN FIRST NATION

SCHEDULE 3 - HEALTH

CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2015

	<i>(Unaudited)</i>		
	2015		
	Budget	2015	2014
REVENUE			
First Nation and Inuit Health Branch (FNIHB)	\$ 971,200	\$ 971,322	\$ 971,055
Aboriginal Affairs and Northern Development Canada (AANDC)	68,313	68,313	68,313
	1,039,513	1,039,635	1,039,368
EXPENSES			
Administration Fees	45,000	46,982	44,112
Aid and Assistance	10,000	21,129	12,563
Amortization	-	168,798	152,866
Bank Charges and Interest	500	346	602
Insurance	10,000	8,425	10,698
Office	30,000	33,930	31,144
Professional Development	12,000	20,025	11,608
Projects	115,000	104,803	121,570
Professional Fees	12,000	40,032	10,126
Repairs and Maintenance	15,000	23,038	12,025
Reserve Allocation	-	2,359	2,290
Salaries and Benefits	620,000	625,599	611,460
Supplies	2,500	3,196	667
Travel	60,000	68,432	59,061
Utilities	18,000	18,469	18,600
Vehicle Operating	35,000	34,966	46,083
Workshops	-	11,110	2,633
	985,000	1,231,639	1,148,108
ANNUAL SURPLUS (DEFICIT)	\$ 54,513	\$ (192,004)	\$ (108,740)

SKOWNAN FIRST NATION**SCHEDULE 4 - HOUSING****CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES****FOR THE YEAR ENDED MARCH 31, 2015**

	<i>(Unaudited)</i>		
	2015 Budget	2015	2014
REVENUE			
Canada Mortgage and Housing Corporation (CMHC)	\$ -	\$ 247,509	\$ 225,449
Rent	-	311,420	260,185
	-	558,929	485,634
EXPENSES			
Administration	-	19,200	19,200
Amortization	-	244,335	217,469
Insurance	-	47,571	58,302
Interest on Long Term Debt	-	54,657	127,125
Professional Fees	-	4,624	3,500
Repairs and Maintenance	-	123,492	20,723
Replacement Reserve	-	57,615	55,087
	-	551,494	501,406
ANNUAL SURPLUS (DEFICIT)	\$ -	\$ 7,435	\$ (15,772)

SKOWNAN FIRST NATION

SCHEDULE 5 - ECONOMIC DEVELOPMENT CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES

	<i>(Unaudited)</i>		
	2015 Budget	2015	2014
REVENUE			
Aboriginal Affairs and Northern Development Canada (AANDC)	\$ 68,645	\$ 68,645	\$ 102,165
Contract Revenue	-	568,301	204,337
Confectionary & Fuel - Net	-	262,049	287,325
Bison	-	379,139	20,629
Other	-	-	7,880
	68,645	1,278,134	622,336
EXPENSES			
Amortization	-	87,433	81,553
Administration	-	9,698	3,446
Donations	-	6,000	-
Equipment Rental	8,645	329,345	3,500
Fuel	-	13,931	71,566
Insurance	-	28,115	-
Interest and Bank Charges	-	14,823	13,810
MLC Commissions and Fees	-	6,765	-
Office	-	12,234	14,089
Professional Development	-	380	-
Professional Fees	-	9,618	4,572
Projects	-	5,861	2,511
Repairs and Maintenance	30,000	57,278	26,500
Salaries and Benefits	30,000	388,734	283,559
Travel	-	6,186	2,621
Utilities	-	8,045	20,961
	68,645	984,446	528,688
ANNUAL SURPLUS (DEFICIT)	\$ -	\$ 293,688	\$ 93,648

SKOWNAN FIRST NATION

SCHEDULE 6 - EDUCATION

CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES FOR THE YEAR ENDED MARCH 31, 2015

	(Unaudited) 2015 Budget	2015	2014
REVENUE			
Aboriginal Affairs and Northern Development Canada (AANDC)	\$ 3,258,000	\$ 3,305,171	\$ 2,727,610
Government of Canada	-	-	12,192
	3,258,000	3,305,171	2,739,802
EXPENSES			
Accommodations	35,000	44,009	20,836
Allowances	185,000	165,102	225,979
Amortization	-	94,322	90,354
Office	15,000	13,978	27,727
Projects	10,000	380	13,177
Salaries and Benefits	125,000	123,541	150,901
Student Transportation	230,000	222,321	235,523
Supplies	25,000	25,943	30,319
Travel	12,000	10,552	30,440
Tuition	2,550,000	2,517,700	2,018,430
	3,187,000	3,217,848	2,843,686
ANNUAL SURPLUS (DEFICIT)	\$ 71,000	\$ 87,323	\$ (103,884)

SKOWNAN FIRST NATION

SCHEDULE 7 - OPERATIONS AND MAINTENANCE CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES FOR THE YEAR ENDED MARCH 31, 2015

	(Unaudited) 2015 Budget	2015	2014
REVENUE			
Aboriginal Affairs and Northern Development Canada (AANDC)	\$ 1,865,000	\$ 4,079,072	\$ 1,590,149
Aboriginal and Northern Affairs	-	49,200	-
Revenue Deferred in Prior Year - Note 7	-	-	20,045
	1,865,000	4,128,272	1,610,194
EXPENSES			
Administration	10,000	7,728	44,651
Amortization	-	173,232	95,624
Contract Work	450,000	495,967	434,249
Insurance	65,000	68,846	68,031
Professional Fees	1,500	1,500	1,650
Repairs and Maintenance	350,000	393,460	429,413
Salaries and Benefits	250,000	223,476	364,119
Supplies and Materials	650,000	59,658	117,048
Travel	4,500	5,058	1,925
Utilities	25,500	30,755	19,494
	1,806,500	1,459,680	1,576,204
ANNUAL SURPLUS (DEFICIT)	\$ 58,500	\$ 2,668,592	\$ 33,990

SKOWNAN FIRST NATION

SCHEDULE 8 - OTTAWA TRUST

CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2015

	<i>(Unaudited)</i>		
	2015 Budget	2015	2014
REVENUE			
Interest	\$ -	\$ 517	\$ 242
ANNUAL SURPLUS (DEFICIT)	\$ -	\$ 517	\$ 242

SKOWNAN FIRST NATION

SCHEDULE 9 - TRAINING AND OTHER CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES FOR THE YEAR ENDED MARCH 31, 2015

	(Unaudited) 2015 Budget	2015	2014
REVENUE			
First Peoples' Development Inc	\$ -	\$ 333,385	\$ 363,511
Manitoba Hydro	-	101,300	-
Other	-	4,935	3,791
Province of Manitoba	-	580	-
	-	440,200	367,302
EXPENSES			
Administration	-	2,500	-
Amortization	-	47,655	42,247
Interest and Bank Charges	-	2,453	2,037
Office	-	17,097	22,005
Participant Allowances	-	57,397	69,249
Program Costs	-	95,950	48,753
Professional Development	-	3,528	12,012
Professional Fees	-	18,611	3,500
Projects	-	3,000	-
Repairs and Maintenance	-	14,172	-
Salaries and Benefits	-	148,805	150,523
Travel	-	9,202	8,456
Utilities	-	5,689	6,100
	-	426,059	364,882
ANNUAL SURPLUS (DEFICIT)	\$ -	\$ 14,141	\$ 2,420

SKOWNAN FIRST NATION**SCHEDULE 10 - GAMING****CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES**

	<i>(Unaudited)</i>		
	2015 Budget	2015	2014
REVENUE			
Gaming Proceeds - Net	\$ -	\$ 435,416	\$ 437,927
Interest	-	240	411
Tobacco Rebates	-	207,531	252,560
ATM Fees	-	5,690	15,972
Concessions - Net	-	(12,937)	15,012
	-	635,940	721,882
EXPENSES			
Amortization	-	8,147	8,052
Administration	-	6,500	21,000
Donations	-	89,148	150,797
Insurance	-	3,000	4,099
Interest and Bank Charges	-	2,546	3,317
MLC Commissions and Fees	-	69,242	70,896
Office	-	6,487	7,413
Professional Fees	-	5,296	3,500
Repairs and Maintenance	-	26,788	24,697
Salaries and Benefits	-	117,988	145,898
Travel	-	4,351	11,799
Telephone and Utilities	-	4,270	2,177
	-	343,763	453,645
ANNUAL SURPLUS (DEFICIT)	\$ -	\$ 292,177	\$ 268,237

REVIEW ENGAGEMENT REPORT

To the Department of Aboriginal Affairs and Northern Development Canada:

We have reviewed the following Schedule of Salaries, Honoraria, and Travel for elected officials of the Skownan First Nation for the year ended March 31, 2015 as required in accordance with Sections 7.4.2 and 7.4.3 of the 2015 Aboriginal Affairs and Northern Development Canada Year End Financial Reporting Handbook. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures, and discussion related to information supplied to us by the First Nation.

A review does not constitute an audit and consequently we do not express an audit opinion on the following schedules

Based on our review, nothing has come to our attention that causes us to believe that the following Schedule is not, in all material respects, in accordance with Sections 7.4.2 and 7.4.3 of the 2015 Aboriginal Affairs and Northern Development Canada Year End Financial Reporting Handbook

This financial information is solely for the information and use of the Department of Aboriginal Affairs and Northern Development Canada. The financial information is not intended to be and should not be used by anyone other than the specified users or for any other purposes. We have issued an audit report dated August 31, 2015 on the consolidated financial statements of the Skownan First Nation for the year ended March 31, 2015, and reference should be made to those audited consolidated financial statements for complete information.



ZAPLITNY & ZAMRYKUT,
Chartered Accountants

Dauphin, Manitoba
August 31, 2015