

## 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, 2016 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

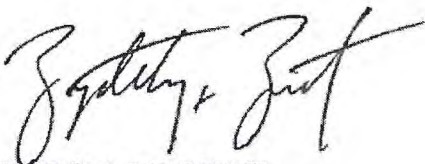
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain 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, 2016, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



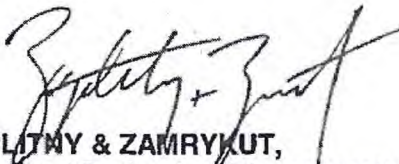
**ZAPLITNY & ZAMRYKUT,**  
Chartered Professional Accountants

Dauphin, Manitoba  
August 31, 2016

## NOTICE TO READER

To the Members of the Skownan First Nation:

On the basis of information provided by management, we have compiled the schedules of operations by program of the Skownan First Nation as at March 31, 2016 as required by the Aboriginal Affairs and Northern Development Canada Year End Financial Reporting Handbook. We have not performed an audit or a review engagement in respect of this financial information, and accordingly, we express no assurance thereon. Readers are cautioned that these statements may not be appropriate for their purpose.



**ZAPLITZKY & ZAMRYKUT,**  
Chartered Professional Accountants

Dauphin, Manitoba  
August 31, 2016

**SKOWNAN FIRST NATION**

**CONSOLIDATED  
FINANCIAL STATEMENTS**

**MARCH 31, 2016**



## 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.

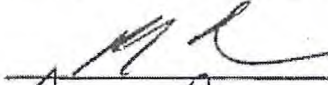

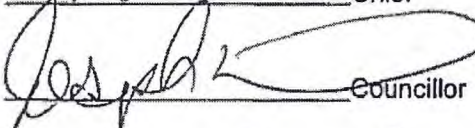
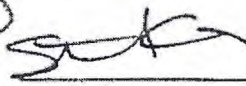
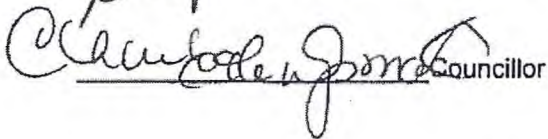
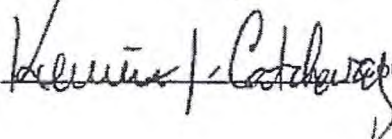
The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based upon estimates and judgments. When alternative accounting methods exist, management has 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 Professional 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

# SKOWNAN FIRST NATION

MARCH 31, 2016

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

	2016	2015
<b>FINANCIAL ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 1,154,927	\$ 1,021,212
Accounts Receivable - Note 4	229,641	387,124
Inventory	4,832	4,827
	1,389,400	1,413,163
<b>LONG TERM</b>		
Funds in Trust - Note 5	2,297,540	6,132
	\$ 3,686,940	\$ 1,419,295
<b>FINANCIAL LIABILITIES</b>		
<b>CURRENT</b>		
Accounts Payable and Accrued Liabilities - Note 6	\$ 603,980	\$ 628,527
Current Portion of Long Term Debt - Note 7	283,503	386,259
	887,483	1,014,786
<b>LONG TERM</b>		
Long Term Debt - Note 7	3,517,857	4,112,758
Due to Replacement Reserve - Note 8	382,014	392,901
Moveable Assets Reserve - Note 9	38,571	36,175
	3,938,442	4,541,834
	4,825,925	5,556,620
<b>NET FINANCIAL DEBT</b>	(1,138,985)	(4,137,325)
<b>NON-FINANCIAL ASSETS</b>		
Tangible Capital Assets - Note 10	20,755,655	21,763,467
Prepaid Expenses	32,493	38,127
<b>ACCUMULATED SURPLUS</b>	\$ 19,649,163	\$ 17,664,269

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, 2016

	(Unaudited) 2016 Budget	2016	2015
<b>REVENUE</b>			
Aboriginal Affairs and Northern Development Canada (AANDC)	\$ 9,093,777	\$ 9,909,629	\$ 9,229,326
Aboriginal and Northern Affairs Government of Canada	25,000	25,000	49,200
First Nation and Inuit Health Branch (FNIHB)	-	75,713	36,700
Canada Mortgage and Housing Corporation (CMHC)	-	1,103,546	971,321
First Peoples Development Inc.	-	248,446	247,509
Enbridge Inc.	-	333,385	333,385
Contract Revenue	-	40,000	-
Province of Manitoba	-	616,542	568,301
Other	500	518	580
VLT Proceeds - Net	-	4,221	26,365
Concession - Net	-	449,985	435,416
Bison	-	(24,022)	(12,937)
Emergency Measures Organization	-	78,863	88,073
Tobacco Tax Rebates	-	350,252	291,066
Manitoba Hydro	-	263,758	207,531
Solicitor General	33,626	51,650	101,300
Confectionary and Fuel - Net	-	26,901	33,626
Rent	35,000	227,405	262,049
Interest	-	268,406	350,520
	-	114	757
	9,187,903	14,050,312	13,220,088
<b>EXPENSES</b>			
Governance and Administration	547,500	783,130	701,818
Social	1,163,000	1,072,566	1,264,560
Health	-	1,386,527	1,231,637
Housing	-	495,189	551,595
Economic Development	68,645	1,301,302	984,446
Education	3,145,000	3,555,415	3,223,034
Operations and Maintenance	3,607,500	2,519,060	1,424,392
Training and Other	-	469,424	426,059
Gaming	-	482,805	410,465
	8,531,645	12,065,418	10,218,006
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ 656,258</b>	<b>1,984,894</b>	<b>3,002,082</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>		17,664,269	14,662,187
<b>ACCUMULATED SURPLUS, END OF YEAR</b>		<b>\$ 19,649,163</b>	<b>\$ 17,664,269</b>

(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, 2016

	2016	2015
<b>ANNUAL SURPLUS (DEFICIT)</b>	\$ 1,984,894	\$ 3,002,082
Acquisition of Tangible Capital Assets	(79,817)	(4,331,504)
Amortization of Tangible Capital Assets	1,087,629	1,093,287
Change in Prepaid Expenses	5,634	(34,053)
<b>CHANGE IN NET FINANCIAL DEBT</b>	2,998,340	(270,188)
<b>NET FINANCIAL DEBT, BEGINNING OF YEAR</b>	(4,137,325)	(3,867,137)
<b>NET FINANCIAL DEBT, END OF YEAR</b>	\$ (1,138,985)	\$ (4,137,325)

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

**SKOWNAN FIRST NATION****STATEMENT OF CASH FLOWS****MARCH 31, 2016**

	<b>2016</b>	<b>2015</b>
<b>CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Cash Received From Contributors	\$ 14,050,312	\$ 13,259,049
Cash Paid to Suppliers	(11,119,003)	(10,645,129)
Cash Paid to Employees	(1,945,023)	(1,791,979)
Interest Paid	(75,076)	(77,690)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>911,210</b>	<b>744,251</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long Term Debt Repayments	(697,657)	(325,697)
Advances of Long Term Debt	-	1,309,151
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<b>(697,657)</b>	<b>983,454</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital Additions	(79,817)	(1,073,650)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>133,736</b>	<b>654,055</b>
<b>NET CASH AND CASH EQUIVALENTS, beginning of year</b>	<b>1,021,191</b>	<b>367,136</b>
<b>NET CASH AND CASH EQUIVALENTS, end of year</b>	<b>\$ 1,154,927</b>	<b>\$ 1,021,191</b>
<b>Cash and Cash Equivalents consists of:</b>	<b>2016</b>	<b>2015</b>
Cash	\$ 1,154,927	\$ 1,021,212
Bank Indebtedness	-	-

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



# SKOWNAN FIRST NATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

### 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.  
Skownan Business Centre

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.

# SKOWNAN FIRST NATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

### 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.

#### (g) Inventory

Due to the difficulties in assigning values to livestock, bison inventory is valued at a nominal cost of \$1 and the purchase of livestock is treated as an expenditure at the time the First Nation receives ownership of the animals.



# SKOWNAN FIRST NATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### (h) 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.



# SKOWNAN FIRST NATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### (i) 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 has 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.

# SKOWNAN FIRST NATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

### 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, 2016

### 4. ACCOUNTS RECEIVABLE

	2016	2015
Aboriginal Affairs and Northern Development Canada	\$ 184,641	\$ 387,124
FNIHB	45,000	-
	\$ 229,641	\$ 387,124

### 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.

During the year, the First Nation engaged the engineering firm PM & Associates to administer a water treatment project on their behalf. At year end date there was \$2,290,981 in trust with PM & Associates.

### 6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2016	2015
Trade	\$ 598,773	\$ 623,640
Accrued Interest	5,207	4,887
	\$ 603,980	\$ 628,527



# SKOWNAN FIRST NATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

### 7. LONG TERM DEBT

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

	2016	2015
Canada Mortgage and Housing Corporation Terms: Monthly payments of \$3,664 including interest Interest: 1.62%	\$ 290,887	\$ 329,810
Canada Mortgage and Housing Corporation Terms: Monthly payments of \$3,881 including interest Interest: 1.67%	509,431	547,160
Canada Mortgage and Housing Corporation Terms: Monthly payments of \$3,996 including interest Interest: 1.49%	858,594	893,479
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%	173,553	210,279
Peace Hills Trust Terms: Monthly payments of \$5,761 including interest Interest: 5.25%	-	11,597
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%	114,318	157,175
Subtotal	\$ 1,946,783	\$ 2,351,494

# SKOWNAN FIRST NATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

### 7. LONG TERM DEBT - Continued

	2016	2015
Subtotal - Continued from last page	\$ 1,946,783	\$ 2,351,494
CIBC	106,951	136,819
Terms: Monthly payments of \$2,489 including interest		
Interest: 4.50%		
Canada Mortgage and Housing Corporation	547,042	567,575
Terms: Monthly payments of \$2,464 including interest		
Interest: 1.62%		
Canada Mortgage and Housing Corporation	315,801	327,852
Terms: Monthly payments of \$1,452 including interest		
Interest: 1.67%		
Canada Mortgage and Housing Corporation	447,034	462,175
Terms: Monthly payments of \$1,895 including interest		
Interest: 1.67%		
Canada Mortgage and Housing Corporation	437,749	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%		
	\$ 3,801,360	\$ 4,499,017
Less: Current Portion	283,503	386,259
	\$ 3,517,857	\$ 4,112,758

Principal repayments over the next five years are estimated as follows:

2016-17	\$283,503
2017-18	289,098
2018-19	280,614
2019-20	255,293
2020-21	199,929
Subsequent Years	2,492,923



# SKOWNAN FIRST NATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

### 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, 2016. The balance due to the Replacement Reserve Fund consists of:

	Pre 1997	Post 1996	2016	2015
Balance, Beginning of Year	\$ 124,467	\$ 268,434	\$ 392,901	\$ 335,286
Add: Annual Appropriation	6,915	45,200	52,115	57,615
Interest Earned on Account	Nil	Nil	Nil	Nil
	131,382	313,634	445,016	392,901
Less: Eligible Expenditures	12,600	50,401	63,001	Nil
Balance, End of Year	\$ 118,782	\$ 263,233	\$ 382,015	\$ 392,901

### 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.

	2016	2015
Opening Balance	\$ 36,175	\$ 33,816
Add:		
Allocation to Moveable Assets Reserve	2,396	2,359
Less:		
Replacement Expenditures	-	-
Closing Balance	\$ 38,571	\$ 36,175



# SKOWNAN FIRST NATION

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2016

### 10. TANGIBLE CAPITAL ASSETS

	Land	Buildings	Vehicles and Equipment	Roads	Water and Sewer	CMHC Housing	2016
<b>COST</b>							
Balance, Beginning of Year	\$ 110,000	\$ 28,493,749	\$ 1,666,445	\$ 725,411	\$ 3,551,188	\$ 7,105,882	\$ 41,652,675
Acquisition of Tangible Capital Assets	-	-	79,817	-	-	-	79,817
Disposals & Write Downs	-	-	-	-	-	-	-
Balance, End of Year	110,000	28,493,749	1,746,262	725,411	3,551,188	7,105,882	41,732,492
<b>ACCUMULATED AMORTIZATION</b>							
Balance, Beginning of Year	-	15,443,278	687,602	556,263	492,744	2,709,321	19,889,208
Amortization	-	608,067	153,295	16,870	86,982	222,415	1,087,629
Balance, End of Year	-	16,051,345	840,897	573,133	579,726	2,931,736	20,976,837
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	\$ 110,000	\$ 12,442,404	\$ 905,365	\$ 152,278	\$ 2,971,462	\$ 4,174,146	\$ 20,755,655

# SKOWNAN FIRST NATION

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2016

### 10. TANGIBLE CAPITAL ASSETS

	Land	Buildings	Vehicles and Equipment	Roads	Water and Sewer	CMHC Housing	2015
<b>COST</b>							
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
<b>ACCUMULATED AMORTIZATION</b>							
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
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	\$ 110,000	\$ 13,050,471	\$ 978,843	\$ 169,148	\$ 3,058,444	\$ 4,396,561	\$ 21,763,467

# SKOWNAN FIRST NATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2016

### 11. REVENUE RECONCILIATION

	2016	2015
Revenue per AANDC Cash Flow Statement	\$ 9,909,629	\$ 9,229,326
AANDC Revenue per Financial Statements	\$ 9,909,629	\$ 9,229,326

	2016	2015
Revenue per FNIHB Cash Flow Statement	\$ 1,103,546	\$ 971,321
FNIHB Revenue per Financial Statements	\$ 1,103,546	\$ 971,321

### 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 COMPARATIVES

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



**SKOWNAN FIRST NATION**  
**SCHEDULE OF TANGIBLE ASSET PURCHASES AND DEBT REPAYMENT BY PROGRAM**  
**FOR THE YEAR ENDED MARCH 31, 2016**

	Surplus/(Deficit)	Amortization	Capital Asset Additions	Capital Funding	Repayment of Debt	Adjusted Surplus/(Deficit)
<b>PROGRAMS</b>						
Contributions - Equipment - Capital	\$ 50,000	-	\$ -	\$ -	\$ (50,000)	\$ -
Remedial Project	(5,000)	-	(4,100)	-	-	(9,100)
SKO Construction	134,749	-	(28,494)	-	-	106,255
Building Rental	(815)	-	(12,736)	-	-	(13,551)
Manitoba Hydro - Special Projects	(8,263)	-	(27,486)	-	-	(35,749)
Policing	(14,700)	-	(7,000)	-	-	(21,700)

**Tangible Capital Asset Addition Details:**

**Remedial Project**

Appliances \$4,100

**SKO Construction**

Lodge Furniture \$25,000  
AAA Alarm System \$3,494

**Building Rental**

Appliances \$12,736

**Manitoba Hydro - Special Projects**

Exercise Equipment \$24,421  
Snooker Table \$3,065

**Policing**

2006 Chevrolet Impala \$7,000