

**SKOWNAN FIRST NATION**

**CONSOLIDATED  
FINANCIAL STATEMENTS**

**MARCH 31, 2018**

# SKOWNAN FIRST NATION

MARCH 31, 2018

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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 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.

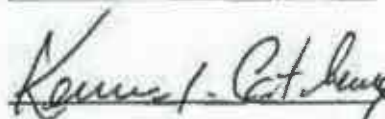


Chief

Councillor



Councillor



Councillor



Councillor



Councillor



## 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, 2018 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

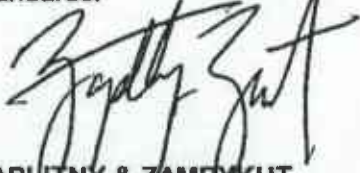
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain 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, 2018, 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 Professional Accountants

Dauphin, Manitoba  
October 16, 2018

**SKOWNAN FIRST NATION**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2018**

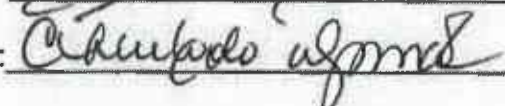
	2018	2017
<b>FINANCIAL ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 830,857	\$ 868,770
Accounts Receivable - Note 4	298,478	365,550
Inventory	4,832	6,690
	1,134,167	1,241,010
<b>LONG TERM</b>		
Funds in Trust - Note 5	582,245	96,870
	\$ 1,716,412	\$ 1,337,880
<b>FINANCIAL LIABILITIES</b>		
<b>CURRENT</b>		
Accounts Payable and Accrued Liabilities - Note 6	\$ 143,989	\$ 592,899
Deferred Revenue - Note 7	234,806	-
<b>LONG TERM</b>		
Long Term Debt - Note 8	3,575,247	3,968,890
Due to Replacement Reserve - Note 9	394,500	388,247
Moveable Assets Reserve - Note 10	38,571	38,571
	4,008,318	4,395,708
	4,387,113	4,988,607
<b>NET FINANCIAL DEBT</b>	(2,670,701)	(3,650,727)
<b>NON-FINANCIAL ASSETS</b>		
Tangible Capital Assets - Note 11	22,394,003	22,427,418
Prepaid Expenses	45,343	32,764
<b>ACCUMULATED SURPLUS</b>	\$ 19,768,645	\$ 18,809,455

Approved on Behalf of Skownan First Nation:

Chief: 

Councillor: 

Councillor: 

Councillor: 



# SKOWNAN FIRST NATION

## CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

FOR THE YEAR ENDED MARCH 31, 2018

	(Unaudited) 2018 Budget	2018	2017
<b>REVENUE</b>			
Aboriginal Affairs and Northern Development Canada (AANDC)	\$ 7,402,696	\$ 8,137,897	\$ 10,993,015
Government of Canada	-	112,490	72,473
First Nation and Inuit Health Branch (FNIHB)	1,150,400	1,810,421	1,171,752
Canada Mortgage and Housing Corporation (CMHC)	-	1,019,235	594,139
First Peoples Development Inc.	-	340,269	339,620
Enbridge Inc.	-	30,000	-
Contract Revenue	-	669,210	613,341
Province of Manitoba	-	-	17,996
Other	-	156,495	100,234
VLT Proceeds - Net	-	478,867	493,539
Concession - Net	-	3,917	(4,081)
Tobacco Tax Rebates	-	262,722	271,117
Solicitor General	-	34,804	17,402
Confectionary and Fuel - Net	-	263,897	220,072
Ice Derby	-	12,416	46,555
Rent	37,500	253,300	259,103
Interest	-	614	3,112
Revenue Deferred in Prior Year - Note 7	-	(234,806)	-
	8,590,596	13,351,748	15,209,389
<b>EXPENSES</b>			
Governance and Administration	525,500	869,056	698,261
Social	994,700	1,097,467	1,113,379
Health	1,217,500	2,170,943	1,430,566
Housing	-	1,315,656	1,262,529
Economic Development	68,645	1,077,557	901,797
Education	3,341,000	3,961,260	3,195,539
Operations and Maintenance	2,410,000	1,182,490	6,327,075
Training and Other	35,918	453,797	504,877
Gaming	-	597,119	615,074
	8,593,263	12,725,345	16,049,097
<b>ANNUAL SURPLUS (DEFICIT)</b>	\$ (2,667)	626,403	(839,708)
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>		18,809,455	19,649,163
<b>PRIOR PERIOD ADJUSTMENT - NOTE 14</b>		332,787	-
<b>ACCUMULATED SURPLUS, END OF YEAR</b>		\$ 19,768,645	\$ 18,809,455

(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, 2018**

	2018	2017
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ 626,403</b>	<b>\$ (839,708)</b>
Acquisition of Tangible Capital Assets	(1,205,194)	(2,290,981)
Amortization of Tangible Capital Assets	1,238,609	1,179,268
Change in Prepaid Expenses	(12,579)	(271)
Prior Period Adjustment - Note 14	332,787	-
<b>CHANGE IN NET FINANCIAL DEBT</b>	<b>980,026</b>	<b>(1,951,692)</b>
<b>NET FINANCIAL DEBT, BEGINNING OF YEAR</b>	<b>(3,650,727)</b>	<b>(1,699,035)</b>
<b>NET FINANCIAL DEBT, END OF YEAR</b>	<b>\$ (2,670,701)</b>	<b>\$ (3,650,727)</b>

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

**SKOWNAN FIRST NATION****STATEMENT OF CASH FLOWS****MARCH 31, 2018**

	2018	2017
<b>CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Cash Received From Contributors	\$ 13,418,820	\$ 15,085,480
Cash Paid to Suppliers	(9,282,390)	(10,287,077)
Cash Paid to Employees	(2,505,840)	(2,320,282)
Interest Paid	(69,666)	(80,797)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>1,560,924</b>	<b>2,397,324</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long Term Debt Repayments	(393,643)	(392,520)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital Additions	(1,205,194)	(2,290,981)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(37,913)</b>	<b>(286,177)</b>
<b>NET CASH AND CASH EQUIVALENTS, beginning of year</b>	<b>868,770</b>	<b>1,154,947</b>
<b>NET CASH AND CASH EQUIVALENTS, end of year</b>	<b>\$ 830,857</b>	<b>\$ 868,770</b>

<b>Cash and Cash Equivalents consists of:</b>	<b>2018</b>	<b>2017</b>
Cash	\$ 830,857	\$ 868,770
Bank Indebtedness	-	-

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



# SKOWNAN FIRST NATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2018

### 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.

# SKOWNAN FIRST NATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2018

### 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, 2018

### 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.



# SKOWNAN FIRST NATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2018

### 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 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, 2018**

### **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, 2018****4. ACCOUNTS RECEIVABLE**

	2018	2017
Aboriginal and Northern Development Canada	\$ 298,478	\$ 365,550

**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. PM & Associates was engaged by the First Nation to administer certain infrastructure projects on behalf of the Community. At March 31, 2018 there was \$574,805 held in trust by PM & Associates.

**6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	2018	2017
Trade	\$ 140,377	\$ 588,528
Accrued Interest	3,612	4,371
	\$ 143,989	\$ 592,899

**7. DEFERRED INCOME**

	2018	2017
AANDC -		
Culture and Recreation	\$ 234,806	\$ -



# SKOWNAN FIRST NATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2018

### 8. LONG TERM DEBT

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

	2018	2017
Canada Mortgage and Housing Corporation Terms: Monthly payments of \$3,664 including interest Interest: 1.62%	\$ 211,100	\$ 251,310
Canada Mortgage and Housing Corporation Terms: Monthly payments of \$3,881 including interest Interest: 1.67%	432,006	471,031
Canada Mortgage and Housing Corporation Terms: Monthly payments of \$3,996 including interest Interest: 1.49%	786,978	823,116
First Nation Bank Terms: Annual payments of \$93,342 plus interest at prime plus 1.25% Interest: 5.95%	356,940	460,612
TD Canada Trust Terms: Monthly payments of \$3,698 including interest Interest: 3.95%	95,603	135,346
Canada Mortgage and Housing Corporation Terms: Monthly payments of \$1,855 including interest Interest: 1.67%	407,296	422,641
Canada Mortgage and Housing Corporation Terms: Monthly payments of \$1,895 including interest Interest: 1.67%	415,934	431,605
First Peoples Development Terms: Monthly payments of \$3,571 including interest Interest: 0.00%	28,614	71,466
<b>Subtotal</b>	<b>\$ 2,734,471</b>	<b>\$ 3,067,127</b>

# SKOWNAN FIRST NATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2018

### 8. LONG TERM DEBT - Continued

	2018	2017
Subtotal - Continued from last page	\$ 2,734,471	\$ 3,067,127
CIBC	44,726	72,105
Terms: Monthly payments of \$2,489 including interest		
Interest: 4.50%		
Canada Mortgage and Housing Corporation	504,908	526,135
Terms: Monthly payments of \$2,464 including interest		
Interest: 1.62%		
Canada Mortgage and Housing Corporation	291,144	303,523
Terms: Monthly payments of \$1,452 including interest		
Interest: 1.67%		
	\$ 3,575,249	\$ 3,968,890

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

2018-19	\$353,181
2019-20	321,351
2020-21	280,878
2021-22	277,515
2022-23	236,629
Subsequent Years	2,105,695

# SKOWNAN FIRST NATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2018

### 9. 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 maintained a separate interest bearing bank account for the purposes of holding replacement reserve charges aside from normal operating funds at March 31, 2018. At there year end date the bank balance was \$138,731 (2016-17 \$84,463) The balance due to the Replacement Reserve Fund consists of:

	Pre 1997	Post 1996	2018	2017
Balance, Beginning of Year	\$ 125,696	\$ 262,551	\$ 388,247	\$ 382,015
Add: Annual Appropriation	6,915	45,200	52,115	52,115
Interest Earned on Account	Nil	Nil	Nil	Nil
	132,611	307,751	440,362	434,130
Less: Eligible Expenditures	Nil	45,862	45,862	45,883
Balance, End of Year	\$ 132,611	\$ 261,889	\$ 394,500	\$ 388,247

### 10. 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.

	2018	2017
Opening Balance	\$ 38,571	\$ 38,571
Add:		
Allocation to Moveable Assets Reserve	-	-
Less:		
Replacement Expenditures	-	-
Closing Balance	\$ 38,571	\$ 38,571



**SKOWNAN FIRST NATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2018**

**11. TANGIBLE CAPITAL ASSETS**

	Land	Buildings	Vehicles and Equipment	Roads	Water and Sewer	CMHC Housing	2018
<b>COST</b>							
Balance, Beginning of Year	\$ 110,000	\$ 28,493,749	\$ 2,306,312	\$ 725,411	\$ 5,842,169	\$ 7,105,882	\$ 44,583,523
Acquisition of Tangible Capital Assets	-	1,125,194	-	-	80,000	-	1,205,194
Disposals & Write Downs	-	-	-	-	-	-	-
Balance, End of Year	110,000	29,618,943	2,306,312	725,411	5,922,169	7,105,882	45,788,717
<b>ACCUMULATED AMORTIZATION</b>							
Balance, Beginning of Year	-	16,659,412	994,192	590,003	756,347	3,154,151	22,156,105
Amortization	-	862,075	153,295	16,870	183,954	222,415	1,238,609
Balance, End of Year	-	17,321,487	1,147,487	606,873	942,301	3,376,566	23,394,714
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<b>\$ 110,000</b>	<b>\$ 12,297,456</b>	<b>\$ 1,158,825</b>	<b>\$ 118,538</b>	<b>\$ 4,979,868</b>	<b>\$ 3,729,316</b>	<b>\$ 22,394,003</b>

**SKOWNAN FIRST NATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2018**

**11. TANGIBLE CAPITAL ASSETS**

	Land	Buildings	Vehicles and Equipment	Roads	Water and Sewer	CMHC Housing	2017
<b>COST</b>							
Balance, Beginning of Year	\$ 110,000	\$ 28,493,749	\$ 2,308,312	\$ 725,411	\$ 3,551,188	\$ 7,105,882	\$ 42,292,542
Acquisition of Tangible Capital Assets	-	-	-	-	2,290,981	-	2,290,981
Disposals & Write Downs	-	-	-	-	-	-	-
Balance, End of Year	110,000	28,493,749	2,308,312	725,411	5,842,169	7,105,882	44,583,523
<b>ACCUMULATED AMORTIZATION</b>							
Balance, Beginning of Year	-	18,051,345	840,897	573,133	579,726	2,931,736	20,976,837
Amortization	-	608,067	153,295	16,870	178,621	222,415	1,179,268
Balance, End of Year	-	18,659,412	994,192	590,003	758,347	3,154,151	22,156,105
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>							
	\$ 110,000	\$ 11,834,337	\$ 1,312,120	\$ 135,408	\$ 5,083,822	\$ 3,951,731	\$ 22,427,418

# SKOWNAN FIRST NATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2018

### 12. REVENUE RECONCILIATION

	2018	2017
Revenue per AANDC Cash Flow Statement	\$ 8,137,897	\$ 9,229,326
Culture and Recreation deferred to - 2018/2019	(234,806)	-
AANDC Revenue per Financial Statements	\$ 7,903,091	\$ 9,229,326

	2018	2017
Revenue per FNIHB Cash Flow Statement	\$ 1,810,421	\$ 1,171,752
FNIHB Revenue per Financial Statements	\$ 1,810,421	\$ 1,171,752

### 13. ECONOMIC DEPENDENCE

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

### 14. PRIOR YEAR ADJUSTMENT

Aboriginal Affairs and Northern Development Canada forgave debts outstanding from the First Nation during the 2017-18 fiscal year. The adjustments resulted in a decrease in accounts payable of \$332,787 and accrued liabilities of and an increase in opening equity of \$332,787.

### 15. PRIOR YEAR COMPARATIVES

Certain prior year comparatives have been restated to conform to the current years presentation.



# SKOWNAN FIRST NATION

## SCHEDULE 1 - GOVERNANCE AND ADMINISTRATION CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES FOR THE YEAR ENDED MARCH 31, 2018

	(Unaudited) 2018 Budget	2018	2017
<b>REVENUE</b>			
Aboriginal Affairs and Northern Development Canada (AANDC)	\$ 482,500	\$ 609,138	\$ 434,662
Rental	37,500	30,375	37,500
Other	-	-	6,552
Government of Canada	-	90,544	10,500
	520,000	730,057	489,214
<b>EXPENSES</b>			
Amortization	-	181,755	175,652
Aid and Assistance	35,000	50,552	31,558
Bank Charges and Interest	3,500	4,152	2,954
Chief and Council Honoraria and Travel	241,800	241,800	241,800
Office	25,600	23,033	31,300
Professional Fees	42,100	148,487	39,188
Repairs and Maintenance	8,500	12,078	7,372
Salaries and Benefits	145,000	180,277	145,946
Telephone	5,500	13,777	2,110
Training	3,500	200	4,748
Travel	15,000	12,945	15,633
	525,500	869,056	698,261
<b>ANNUAL SURPLUS (DEFICIT)</b>	\$ (5,500)	\$ (138,999)	\$ (209,047)

**SKOWNAN FIRST NATION****SCHEDULE 2 - SOCIAL****CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES  
FOR THE YEAR ENDED MARCH 31, 2018**

	(Unaudited) 2018 Budget	2018	2017
<b>REVENUE</b>			
Aboriginal Affairs and Northern Development Canada (AANDC)	\$ 996,320	\$ 1,043,334	\$ 991,731
<b>EXPENSES</b>			
Amortization	-	101,478	96,632
Office	3,500	2,119	4,437
Salaries and Benefits	32,000	37,149	36,408
Social Assistance	955,000	953,009	970,404
Travel	4,200	3,712	5,498
	994,700	1,097,467	1,113,379
<b>ANNUAL SURPLUS (DEFICIT)</b>	\$ 1,620	\$ (54,133)	\$ (121,648)

# SKOWNAN FIRST NATION

## SCHEDULE 3 - HEALTH

### CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2018

	(Unaudited) 2018 Budget	2018	2017
<b>REVENUE</b>			
First Nation and Inuit Health Branch (FNIHB)	\$ 1,150,400	\$ 1,810,421	\$ 1,171,752
Aboriginal Affairs and Northern Development Canada (AANDC)	68,313	68,313	68,313
Administration Fees	-	64,240	263
	1,218,713	1,942,974	1,240,328
<b>EXPENSES</b>			
Administration Fees	-	115,240	43,728
Aid and Assistance	5,000	6,760	7,661
Amortization	-	195,776	173,460
Bank Charges and Interest	1,500	1,412	1,310
Insurance	4,200	4,593	3,659
Office	52,000	80,012	42,571
Professional Development	25,000	24,859	20,806
Projects	165,000	164,515	156,030
Professional Fees	12,300	14,780	11,713
Repairs and Maintenance	24,600	18,803	22,625
Respite	-	90,092	-
Salaries and Benefits	674,000	1,151,600	680,560
Supplies	58,900	38,028	62,610
Travel	172,000	168,329	173,463
Utilities	23,000	12,419	17,844
Workshops	-	83,725	12,526
	1,217,500	2,170,943	1,430,566
<b>ANNUAL SURPLUS (DEFICIT)</b>	\$ 1,213	\$ (227,969)	\$ (190,238)



# SKOWNAN FIRST NATION

## SCHEDULE 4 - HOUSING

### CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2018

	(Unaudited) 2018 Budget	2018	2017
<b>REVENUE</b>			
Canada Mortgage and Housing Corporation (CMHC)	\$ -	\$ 1,019,235	\$ 244,698
Rent	-	222,925	221,603
	-	1,242,160	466,301
<b>EXPENSES</b>			
Administration	-	19,200	19,200
Amortization	-	222,415	222,415
Bank Charges and Interest	-	162	40
Insurance	-	67,840	60,735
Interest on Long Term Debt	-	43,055	52,456
Professional Fees	-	67,817	106,500
Repairs and Maintenance	-	719,586	649,623
Replacement Reserve	-	52,115	52,115
Salaries and Benefits	-	118,500	22,628
Travel	-	4,966	76,817
	-	1,315,656	1,262,529
<b>ANNUAL SURPLUS (DEFICIT)</b>	\$ -	\$ (73,496)	\$ (796,228)

# SKOWNAN FIRST NATION

## SCHEDULE 5 - ECONOMIC DEVELOPMENT

### CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2018

	<i>(Unaudited)</i>		
	2018	2018	2017
	Budget		
<b>REVENUE</b>			
Aboriginal Affairs and Northern Development			
Canada (AANDC)	\$ 68,645	\$ 68,645	\$ 68,645
Contract Revenue	-	669,210	642,310
Ice Derby	-	12,416	-
Confectionary and Fuel - Net	-	263,897	220,072
	68,645	1,014,168	931,027
<b>EXPENSES</b>			
Amortization	-	84,595	88,011
Administration	-	97,369	11,453
Bank and Interest Charges	-	16,163	18,859
Equipment Rental	-	30,421	10,193
Fuel	-	109,844	77,675
Insurance	-	52,617	71,296
Office	-	19,313	16,160
Professional Fees	-	11,505	4,980
Projects	68,645	7,693	5,430
Repairs and Maintenance	-	218,574	161,123
Salaries and Benefits	-	387,172	405,389
Supplies	-	9,245	8,485
Travel	-	21,140	11,346
Utilities	-	11,906	11,397
	68,645	1,077,557	901,797
<b>ANNUAL SURPLUS (DEFICIT)</b>	\$ -	\$ (63,389)	\$ 29,230

# SKOWNAN FIRST NATION

## SCHEDULE 6 - EDUCATION

### CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES FOR THE YEAR ENDED MARCH 31, 2018

	(Unaudited) 2018 Budget	2018	2017
<b>REVENUE</b>			
Aboriginal Affairs and Northern Development Canada (AANDC)	\$ 3,341,000	\$ 3,953,928	\$ 3,207,766
<b>EXPENSES</b>			
Accommodations	204,000	216,619	52,780
Allowances	225,000	225,504	177,524
Amortization	-	104,639	96,471
Office	5,000	9,708	10,350
Professional Development	1,500	1,225	1,468
Salaries and Benefits	165,000	128,917	167,666
Special Activities	35,000	49,686	32,801
Student Transportation	265,000	285,092	253,072
Supplies	8,000	25,000	443
Travel	29,600	31,952	21,802
Tuition	2,402,900	2,882,918	2,381,162
	3,341,000	3,961,260	3,195,539
<b>ANNUAL SURPLUS (DEFICIT)</b>	\$ -	\$ (7,332)	\$ 12,227



# SKOWNAN FIRST NATION

## SCHEDULE 7 - OPERATIONS AND MAINTENANCE

### CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2018

	(Unaudited) 2018 Budget	2018	2017
<b>REVENUE</b>			
Aboriginal Affairs and Northern Development Canada (AANDC)	\$ 2,410,000	\$ 2,358,621	\$ 5,951,898
Government of Canada	-	-	51,000
Aboriginal and Northern Affairs	-	-	25,000
Enbridge Inc.	-	30,000	60,000
Solar Project	-	-	80,000
Solicitor General	-	34,804	17,402
Other Income	-	89,000	15,669
Canada Mortgage and Housing Corporation	-	-	349,441
	2,410,000	2,512,425	6,550,410
<b>EXPENSES</b>			
Administration	-	5,000	29,500
Aid and Assistance	-	-	12,753
Amortization	-	294,011	265,312
Contract Work	368,000	110,685	2,294,245
Insurance	42,000	92,694	21,687
Office	-	11,598	2,349
Professional Fees	-	-	81,878
Project Management Fees	-	-	23,148
Repairs and Maintenance	1,785,000	391,114	2,861,800
Salaries and Benefits	215,000	194,243	300,937
Septic Tanks	-	-	118,325
Supplies and Materials	-	-	223,077
Travel	-	30,801	56,818
Utilities	-	52,344	35,246
	2,410,000	1,182,490	6,327,075
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ -</b>	<b>\$ 1,329,935</b>	<b>\$ 223,335</b>

# SKOWNAN FIRST NATION

## SCHEDULE 8 - OTTAWA TRUST

### CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2018

	(Unaudited) 2018 Budget	2018	2017
<b>REVENUE</b>			
Interest	\$ -	\$ 525	\$ 488
<b>ANNUAL SURPLUS (DEFICIT)</b>	\$ -	\$ 525	\$ 488

# SKOWNAN FIRST NATION

## SCHEDULE 9 - TRAINING AND OTHER CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES FOR THE YEAR ENDED MARCH 31, 2018

	(Unaudited) 2018 Budget	2018	2017
<b>REVENUE</b>			
Aboriginal Affairs and Northern Development Canada (AANDC)	\$ 35,918	\$ 35,918	\$ 130,000
First Peoples' Development Inc.	-	340,269	339,620
Government of Canada	-	21,946	-
Ice Derby	-	-	46,555
Manitoba Hydro	-	-	52,750
Other	-	3,255	-
	35,918	401,388	568,925
<b>EXPENSES</b>			
Amortization	-	46,520	48,511
Interest and Bank Charges	-	3,325	2,979
Office	-	20,925	13,230
Participant Allowances	-	67,894	59,175
Program Costs	35,918	92,631	104,829
Professional Development	-	6,844	2,042
Professional Fees	-	6,785	3,500
Projects	-	15,253	33,296
Repairs and Maintenance	-	3,994	30,313
Salaries and Benefits	-	176,138	165,772
Supplies	-	2,713	25,840
Travel	-	4,948	10,660
Utilities	-	5,827	4,730
	35,918	453,797	504,877
<b>ANNUAL SURPLUS (DEFICIT)</b>	\$ -	\$ (52,409)	\$ 64,048



# SKOWNAN FIRST NATION

## SCHEDULE 10 - GAMING

### CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2018

	(Unaudited) 2018 Budget	2018	2017
<b>REVENUE</b>			
Gaming Proceeds - Net	\$ -	\$ 478,867	\$ 493,539
Interest	-	89	2,624
Tobacco Rebates	-	262,722	271,117
Concessions - Net	-	3,917	(4,081)
	-	745,595	763,199
<b>EXPENSES</b>			
Amortization	-	7,420	8,147
Bank Charges and Interest	-	1,922	2,060
Donations	-	262,373	287,241
Insurance	-	2,421	7,186
MLC Commissions and Fees	-	114,628	115,858
Office	-	5,273	600
Professional Fees	-	3,788	2,534
Repairs and Maintenance	-	28,611	12,966
Salaries and Benefits	-	131,844	156,826
Travel	-	14,233	10,691
Telephone and Utilities	-	24,606	10,965
	-	597,119	615,074
<b>ANNUAL SURPLUS (DEFICIT)</b>	\$ -	\$ 148,476	\$ 148,125