

SKOWNAN FIRST NATION

**CONSOLIDATED
FINANCIAL STATEMENTS**

MARCH 31, 2020

SKOWNAN FIRST NATION

MARCH 31, 2020

CONTENTS

	Page
AUDITORS' REPORT	1-2
CONSOLIDATED FINANCIAL STATEMENTS	
Consolidated Statement of Financial Position	3
Consolidated Statement of Operations	4
Consolidated Statement of Changes in Net Debt	5
Consolidated Statement of Cash Flows	6
Notes to Consolidated Financial Statements	7 - 18
SCHEDULES OF OPERATIONS BY SEGMENT	
Schedule 1 - Schedule of Consolidated Expenses by Object	19
Schedule 2 - Governance and Administration	20
Schedule 3 - Social	21
Schedule 4 - Health	22
Schedule 5 - Housing	23
Schedule 6 - Economic Development	24
Schedule 7 - Education	25
Schedule 8 - Operations and Maintenance	26
Schedule 9 - Training and Other	27
Schedule 10 - Gaming	28
REVIEW ENGAGEMENT REPORT	29
Schedule of Salaries, Honoraria and Travel for Elected Officials	30
REVIEW ENGAGEMENT REPORT	31
Schedule of Salaries, Honoraria and Travel for Unelected Officials	32

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:

Opinion

We have audited the accompanying consolidated financial statements of the Skownan First Nation which comprise of the statement of consolidated financial position as at March 31, 2020 and the consolidated statements of operations and accumulated surplus, change in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Skownan First Nation as at March 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

ZAPLITNY & ZAMRYKUT,
Chartered Professional Accountants

Dauphin, Manitoba
January 23, 2021

SKOWNAN FIRST NATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2020

	2020	2019
FINANCIAL ASSETS		
CURRENT		
Cash	\$ 3,009,580	\$ 1,785,725
Restricted Cash - Note 3	337,705	320,836
Accounts Receivable - Note 4	131,769	260,830
Inventory	9,914	5,162
	3,488,968	2,372,553
LONG TERM		
Investments - Note 5	10,000,000	-
	\$ 13,488,968	\$ 2,372,553
FINANCIAL LIABILITIES		
CURRENT		
Bank Indebtedness	\$ 676,576	\$ 1,318,521
Accounts Payable and Accrued Liabilities - Note 6	74,844	43,222
Deferred Revenue - Note 7	1,012,142	-
	1,763,562	1,361,743
LONG TERM		
Long Term Debt - Note 8	15,282,412	4,235,335
	17,045,974	5,597,078
NET DEBT	(3,557,006)	(3,224,525)
NON-FINANCIAL ASSETS		
Tangible Capital Assets - Note 10	23,389,589	23,028,146
ACCUMULATED SURPLUS	\$ 19,832,583	\$ 19,803,621

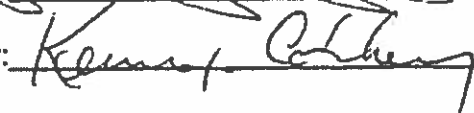
Approved on Behalf of Skownan First Nation:

Chief: 

Councillor: 

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, 2020

	(Unaudited) 2020 Budget	2020	2019
REVENUE			
Indigenous Services Canada	\$ 8,015,230	\$ 10,114,289	\$ 7,840,705
Government of Canada	-	75,000	63,740
First Nation and Inuit Health Branch (FNIHB)	-	2,774,099	1,977,112
Canada Mortgage and Housing Corporation (CMHC)	-	613,469	663,026
First Peoples Development Inc.	-	344,208	366,027
Contract Revenue	-	795,921	715,109
Other	-	-	50,536
VLT Proceeds - Net	-	483,312	486,303
Concession - Net	-	5,876	(2,117)
Bison	-	32,011	75,425
Tobacco Tax Rebates	-	220,817	252,457
Solicitor General	-	18,678	36,996
Confectionary and Fuel - Net	-	300,300	317,973
Ice Derby	-	-	15,411
Rent	-	290,781	267,718
Interest	-	174	113
Revenue Deferred in Prior Year - Note 7	-	-	-
Revenue Deferred to Subsequent Year-Note 7	-	(1,012,142)	-
	8,015,230	15,056,793	13,126,534
EXPENSES			
Governance and Administration	720,369	953,559	755,269
Social	1,050,530	1,292,635	1,218,924
Health	-	2,711,773	1,986,748
Housing	528,600	874,377	791,814
Economic Development	1,120,630	1,652,330	1,170,526
Education	2,870,400	3,906,321	3,849,509
Operations and Maintenance	1,580,410	2,155,848	2,683,955
Training and Other	120,470	496,151	530,090
Gaming	-	984,837	537,794
	7,991,409	15,027,831	13,524,629
ANNUAL SURPLUS (DEFICIT)	\$ 23,821	28,962	(398,095)
ACCUMULATED SURPLUS, BEGINNING OF YEAR		19,803,621	20,201,716
ACCUMULATED SURPLUS, END OF YEAR		\$ 19,832,583	\$ 19,803,621

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

SKOWNAN FIRST NATION**CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT
FOR THE YEAR ENDED MARCH 31, 2020**

	2020	2019
ANNUAL SURPLUS (DEFICIT)	\$ 28,962	\$ (398,095)
Acquisition of Tangible Capital Assets	(1,810,695)	(1,984,460)
Amortization of Tangible Capital Assets	1,449,252	1,350,317
Change in Prepaid Expenses	-	45,343
CHANGE IN NET DEBT	(332,481)	(986,895)
NET DEBT, BEGINNING OF YEAR	(3,224,525)	(2,237,630)
NET DEBT, END OF YEAR	\$ (3,557,006)	\$ (3,224,525)

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

SKOWNAN FIRST NATION**CONSOLIDATED STATEMENT OF CASH FLOWS****MARCH 31, 2020**

	2020	2019
CASH PROVIDED BY OPERATING ACTIVITIES		
Cash Received From Contributors	\$ 15,094,441	\$ 13,164,182
Cash Paid to Suppliers	(8,802,609)	(10,349,456)
Cash Paid to Employees	(3,543,958)	(2,437,623)
Interest Paid	(101,587)	(108,073)
NET CASH PROVIDED BY OPERATING ACTIVITIES	2,646,287	269,030
 CASH FLOWS FROM FINANCING ACTIVITIES		
Long Term Debt Repayments	(301,625)	(220,882)
Advances of Long Term Debt	11,348,702	1,311,250
NET CASH PROVIDED BY FINANCING ACTIVITIES	11,047,077	1,090,368
 CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Additions	(1,810,695)	(1,984,460)
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,882,669	(625,062)
NET CASH AND CASH EQUIVALENTS, beginning of year	788,040	1,413,102
NET CASH AND CASH EQUIVALENTS, end of year	\$ 2,670,709	\$ 788,040
Cash and Cash Equivalents consists of:	2020	2019
Cash	\$ 3,009,580	\$ 1,785,725
Restricted Cash	337,705	320,836
Bank Indebtedness	(676,576)	(1,318,521)
	\$ 2,670,709	\$ 788,040

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

SKOWNAN FIRST NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

1. NATURE OF ENTITY

The Skownan First Nation (the "First Nation") is located in the province of Manitoba, and provides various services to its Members. Skownan First Nation includes the First Nation's government and all related entities that are accountable to the First Nation and are either owned or controlled by the First Nation.

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:

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.

Basis of presentation

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

Cash resources

Cash resources include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

SKOWNAN FIRST NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Funds held in Ottawa Trust Fund

Funds held in trust on behalf of First Nation members by the Government of Canada in the Ottawa Trust Fund are reported on the consolidated statement of financial position with an offsetting amount in accumulated surplus. Trust moneys consist of capital trust moneys derived from non-renewable resource transactions on the sale of land or other First Nation tangible capital assets; and revenue trust moneys generated primarily through land leasing transactions or interest earned on deposits held in trust.

Net debt

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

Tangible capital assets

Tangible capital assets are initially recorded at cost based on historical cost accounting records. Contributed tangible assets are recorded at their fair value at the date of contribution.

Amortization

Tangible capital assets are amortized annually using the following method at rates intended to amortize the cost of the assets over their estimated useful lives. Assets under construction are not amortized until the assets are put into use.

	Method	Rate
Buildings	Straight-line	20-50 years
Housing	Straight-line	25 years
Equipment	Straight-line	5-10 years
Roads and Bridges	Straight-line	30-50 years
Vehicles	Straight-line	3-15 years
Land Improvements	Straight-line	20 years

Long-lived assets

Long-lived assets consist of tangible capital assets. Long-lived assets held for use are measured 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, exceeds the value of future economic benefits associated with the asset. Impairment is measured as the amount by which the assets' carrying value exceeds the residual value of the assets' service potential to the First Nation. Any impairment is included in operations for the year.

SKOWNAN FIRST NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Liability for contaminated sites

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the First Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2020.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The First Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the weighted average method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated selling costs.

Revenue Recognition

Government transfer revenue, including, but not limited to, Indigenous Services Canada, Health Canada and Canada Mortgage and Housing Corporation funding, is recognized as the funding becomes receivable under the terms of applicable funding agreements. Funding received under the funding arrangements that relate to a subsequent fiscal period is reflected as deferred revenue on the consolidated statement of financial position in the year of receipt, and is matched with related department expenses in the year of their occurrence. Funding that is restricted for particular purposes is deferred and recognized when the eligible expenses have been incurred.

Investment and interest revenue is recognized on an accrual basis in the year that it is earned.

All other types of revenue are recognized by the First Nation when the services are provided or the goods are shipped and collectability is reasonably assured.

SKOWNAN FIRST NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Segments

The First Nation conducts its business through nine reportable segments as identified below. These operating segments are established by senior management to facilitate the achievement of 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. These segments are differentiated by the major activities or services they provide. 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

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.

Employee future benefits

The First Nation's employee future benefit programs consist of a defined contribution pension plan. The First Nation's contributions to the defined contribution plans are expenses as incurred.

SKOWNAN FIRST NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

3. RESTRICTED CASH

	2020	2019
CMHC Replacement Reserve Fund	\$ 330,470	\$ 312,925
Ottawa Trust Fund	7,235	7,911
	<u>\$ 337,705</u>	<u>\$ 320,836</u>

4. ACCOUNTS RECEIVABLE

	2020	2019
Indigenous Services Canada	\$ 131,769	\$ 260,830

5. INVESTMENTS

Skownan First Nation financed an investment during the year in the amount of \$10 Million for 10,000 units in Indigico Limited Partnership. The investment has been disclosed at accounting cost at the year end date.

Ottawa Trust Fund The Ottawa Trust Fund arises 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 similarly governed by Sections 63 to 69 of the Indian Act. Revenue from the Ottawa Trust Fund is recognized in the year in which it is earned, when it is measurable and when collection is reasonably assured. Capital and Revenue trust monies are transferred to the First Nation on the authorization of the Minister of Indigenous Services Canada, with consent of the First Nation's Chief and Council. The fund earned interest in the amount of \$512 during the fiscal year (\$471 2018-19).

CMHC replacement reserve As required as part of the First Nation's Canada Mortgage and Housing Corporation ("CMHC") Housing program, a separate bank account has been established for replacement of capital equipment and for major repairs to the houses. Under the terms of the agreements with CMHC, the replacement reserve must either be held in a separate bank account or invested in accounts or instruments secured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. At March 31, 2020, the replacement reserve bank account was fully funded (2018-19 - fully funded).

SKOWNAN FIRST NATION**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****MARCH 31, 2020****6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	2020	2019
Trade	\$ 67,348	\$ 35,726
Accrued Interest	7,496	7,496
	\$ 74,844	\$ 43,222

7. DEFERRED REVENUE

	2020	2019
Indigenous Services Canada -		
Skills Link	\$ 25,226	\$ -
Fisheries	127,610	-
Capacity Development	15,500	-
Capacity Innovation	7,894	-
Response	385,042	-
Private Admin 2nd Level	50,513	-
Solid Waste WMP	75,000	-
Waste Division WMP	200,000	-
Provincial Private Tuton	26,290	-
Culture and Recreation	56,960	-
Student Transportation	42,107	-
	\$ 1,012,142	\$ -

SKOWNAN FIRST NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

8. LONG TERM DEBT

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

	2020	2019
Canada Mortgage and Housing Corporation Terms: Monthly payments of \$3,742 including interest Interest: 2.49%	\$ 129,703	\$ 170,827
Canada Mortgage and Housing Corporation Terms: Monthly payments of \$4,036 including interest Interest: 2.50%	354,377	393,451
Canada Mortgage and Housing Corporation Terms: Monthly payments of \$3,976 including interest Interest: 1.44%	713,153	750,319
TD Canada Trust Terms: Monthly payments of \$3,668 including interest Interest: 3.46%	11,256	54,261
Canada Mortgage and Housing Corporation Terms: Monthly payments of \$1,855 including interest Interest: 1.67%	375,843	391,693
Canada Mortgage and Housing Corporation Terms: Monthly payments of \$1,895 including interest Interest: 1.67%	383,814	400,000
First Nations Finance Authority Terms: Monthly payments of \$59,275 including interest Interest: 3.65%	11,348,702	-
Subtotal	\$ 13,316,848	\$ 2,160,551

SKOWNAN FIRST NATION**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****MARCH 31, 2020****8. LONG TERM DEBT - Continued**

	2020	2019
Subtotal - Continued from last page	\$ 13,316,848	\$ 2,160,551
Canada Mortgage and Housing Corporation Terms: Monthly payments of \$2,670 including interest Interest: 2.50%	464,522	484,706
Canada Mortgage and Housing Corporation Terms: Monthly payments of \$1,493 including interest Interest: 1.97%	266,281	278,828
Canada Mortgage and Housing Corporation Terms: Monthly payments of \$3,436 including interest Interest: 2.50%	464,965	494,203
Canada Mortgage and Housing Corporation Terms: Monthly payments of \$5,606 including interest Interest: 2.52%	769,796	817,047
	\$ 15,282,412	\$ 4,235,335

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

2020-21	\$1,300,932
2021-22	1,295,616
2022-23	1,301,688
2023-24	1,262,517
2024-25	1,267,706
Subsequent Years	8,853,953

SKOWNAN FIRST NATION**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****MARCH 31, 2020****9. ACCUMULATED SURPLUS**

	2020	2019
Equity in Ottawa Trust Funds	\$ 8,423	\$ 7,911
CMHC Replacement Reserve	336,283	326,761
CMHC Operating Surplus	53,132	53,132
Investment In Tangible Capital Assets	18,107,177	19,697,543
Unrestricted Accumulated Surplus (Deficit)	1,327,568	(281,726)
	\$ 19,832,583	\$ 19,803,621

SKOWNAN FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

10. TANGIBLE CAPITAL ASSETS

	Land	Buildings	Vehicles and Equipment	Roads	Water and Sewer	CMHC Housing	2020
COST							
Balance, Beginning of Year	\$ 110,000	\$ 29,618,943	\$ 2,793,003	\$ 725,411	\$ 6,298,711	\$ 8,234,549	\$ 47,780,617
Acquisition of Tangible Capital Assets	-	1,496,700	76,676	-	-	237,319	1,810,695
Disposals & Write Downs	-	-	-	-	-	-	-
Balance, End of Year	110,000	31,115,643	2,869,679	725,411	6,298,711	8,471,868	49,591,312
ACCUMULATED AMORTIZATION							
Balance, Beginning of Year	-	17,983,562	1,365,536	623,743	1,126,255	3,653,375	24,752,471
Amortization	-	721,943	249,676	16,870	183,954	276,809	1,449,252
Balance, End of Year	-	18,705,505	1,615,212	640,613	1,310,209	3,930,184	26,201,723
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 110,000	\$ 12,410,138	\$ 1,254,467	\$ 84,798	\$ 4,988,502	\$ 4,541,684	\$ 23,389,589

SKOWNAN FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

10. TANGIBLE CAPITAL ASSETS

	Land	Buildings	Vehicles and Equipment	Roads	Water and Sewer	CMHC Housing	2019
COST							
Balance, Beginning of Year	\$ 110,000	\$ 29,618,943	\$ 2,306,312	\$ 725,411	\$ 5,929,609	\$ 7,105,882	\$ 45,796,157
Acquisition of Tangible Capital Assets	-	-	486,691	-	369,102	1,128,667	1,984,460
Disposals & Write Downs	-	-	-	-	-	-	-
Balance, End of Year	110,000	29,618,943	2,793,003	725,411	6,298,711	8,234,549	47,780,617
ACCUMULATED AMORTIZATION							
Balance, Beginning of Year	-	17,321,487	1,154,927	606,873	942,301	3,376,566	23,402,154
Amortization	-	662,075	210,609	16,870	183,954	276,809	1,350,317
Balance, End of Year	-	17,983,562	1,365,536	623,743	1,126,255	3,653,375	24,752,471
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 110,000	\$ 11,635,381	\$ 1,427,467	\$ 101,668	\$ 5,172,456	\$ 4,581,174	\$ 23,028,146

SKOWNAN FIRST NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2020

11. REVENUE RECONCILIATION

	2020	2019
Revenue per ISC Cash Flow Statement	\$ 10,114,289	\$ 7,840,705
ISC Revenue per Financial Statements	\$ 10,114,289	\$ 7,840,705

	2020	2019
Revenue per FNIHB Cash Flow Statement	\$ 2,774,099	\$ 1,977,112
FNIHB Revenue per Financial Statements	\$ 2,774,099	\$ 1,977,112

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 comparatives have been restated to conform to the current years presentation.

SKOWNAN FIRST NATION**SCHEDULE 1 - SCHEDULE OF CONSOLIDATED EXPENSES BY OBJECT
FOR THE YEAR ENDED MARCH 31, 2020**

	2020	2019
Accommodations	\$ 250,539	\$ 102,313
Administration	107,455	119,224
Allowances	217,155	209,178
Amortization	1,449,252	1,342,897
Bank Charges and Interest	127,217	21,950
Basic Needs	1,052,795	1,016,268
Board Travel, Training and Honoraria	248,650	305,718
Community and Band Member Assistance	185,000	90,082
Contract Work	773,790	1,526,964
Equipment Rental	25,342	30,769
Fuel	211,858	210,616
Insurance	232,724	236,211
Interest on Long Term Debt	557,248	83,679
Office	161,346	154,303
Professional Development	59,163	27,995
Professional Fees	153,579	117,297
Projects and Program Costs	632,992	414,549
Recoveries	3,176	42,690
Repairs and Maintenance	1,600,583	1,473,128
Salaries and Benefits	3,444,318	2,263,334
Student Transportation	262,336	314,576
Travel	117,276	293,500
Tuition	2,831,654	2,858,371
Utilities	118,216	122,132
Workshops	204,167	146,885
	\$ 15,027,831	\$ 13,524,629

SKOWNAN FIRST NATION
SCHEDULE 2 - GOVERNANCE AND ADMINISTRATION
CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES
FOR THE YEAR ENDED MARCH 31, 2020

	(Unaudited) 2020 Budget	2020	2019
REVENUE			
Indigenous Services Canada	\$ -	\$ 652,692	\$ 421,694
Government of Canada	-	-	15,740
	-	652,692	437,434
EXPENSES			
Amortization	-	229,789	195,599
Bank Charges and Interest	-	4,289	6,011
Chief and Council Honoraria and Travel	-	248,650	305,718
Insurance	-	-	351
Office	-	18,236	18,878
Professional Fees	-	25,103	25,163
Recovery	-	1,691	-
Salaries and Benefits	-	374,233	138,250
Supplies	-	4,681	742
Telephone	-	15,715	14,329
Travel	-	23,504	6,037
Workshops	-	7,668	44,191
	-	953,559	755,269
ANNUAL SURPLUS (DEFICIT)	\$ -	\$ (300,867)	\$ (317,835)

SKOWNAN FIRST NATION**SCHEDULE 3 - SOCIAL****CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES****FOR THE YEAR ENDED MARCH 31, 2020**

	<i>(Unaudited)</i> 2020 Budget	2020	2019
REVENUE			
Indigenous Services Canada	\$ -	\$ 1,187,530	\$ 1,125,977
EXPENSES			
Amortization	-	104,517	104,517
Office	-	4,361	4,014
Salaries and Benefits	-	129,155	89,421
Social Assistance	-	1,052,795	1,016,268
Travel	-	1,807	4,704
	-	1,292,635	1,218,924
ANNUAL SURPLUS (DEFICIT)	\$ -	\$ (105,105)	\$ (92,947)

SKOWNAN FIRST NATION

SCHEDULE 4 - HEALTH

CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2020

	(Unaudited) 2020 Budget	2020	2019
REVENUE			
First Nation and Inuit Health Branch (FNIHB)	\$ -	\$ 2,774,099	\$ 1,977,112
Indigenous Services Canada	-	14,000	14,000
	-	2,788,099	1,991,112
EXPENSES			
Administration Fees	-	44,112	43,140
Aid and Assistance	-	600	2,590
Amortization	-	236,888	221,478
Bank Charges and Interest	-	120	41
Insurance	-	10,094	6,497
Office	-	116,378	93,611
Professional Development	-	58,502	18,832
Projects	-	209,766	145,773
Professional Fees	-	23,218	18,477
Repairs and Maintenance	-	203,249	17,465
Salaries and Benefits	-	1,472,230	1,094,617
Travel	-	167,807	202,221
Utilities	-	27,224	15,663
Workshops	-	141,585	106,343
	-	2,711,773	1,986,748
ANNUAL SURPLUS (DEFICIT)	\$ -	\$ 76,326	\$ 4,364

SKOWNAN FIRST NATION**SCHEDULE 5 - HOUSING****CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES****FOR THE YEAR ENDED MARCH 31, 2020**

	<i>(Unaudited)</i> 2020 Budget	2020	2019
REVENUE			
Canada Mortgage and Housing Corporation (CMHC)	\$ -	\$ 613,469	\$ 428,220
Other Income	-	-	47,686
Rent	-	290,781	267,718
	-	904,250	743,624
EXPENSES			
Administration	-	19,200	19,200
Amortization	-	276,809	276,809
Bank Charges and Interest	-	-	39
Insurance	-	60,595	60,670
Interest on Long Term Debt	-	86,730	83,679
Professional Fees	-	3,500	3,500
Repairs and Maintenance	-	427,543	341,686
Travel	-	-	6,231
	-	874,377	791,814
ANNUAL SURPLUS (DEFICIT)	\$ -	\$ 29,873	\$ (48,190)

SKOWNAN FIRST NATION

SCHEDULE 6 - ECONOMIC DEVELOPMENT

CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2020

	(Unaudited) 2020 Budget	2020	2019
REVENUE			
Indigenous Services Canada	\$ -	\$ 364,110	\$ 87,215
Contract Revenue	-	795,921	715,109
Government of Canada	-	75,000	48,000
Ice Derby	-	-	15,411
Confectionary and Fuel - Net	-	300,300	317,973
Bison	-	32,011	75,425
Revenue Deferred to Subsequent Year - Note 7	-	(127,610)	-
	-	1,375,710	1,259,133
EXPENSES			
Amortization	-	88,256	88,256
Administration	-	44,143	56,884
Bank and Interest Charges	-	8,989	12,800
Community Activities	-	8,898	7,492
Contract Work	-	8,747	18,155
Equipment Rental	-	25,342	30,769
Fuel	-	188,483	181,060
Insurance	-	15,191	62,287
Office	-	5,193	5,258
Professional Fees	-	99,947	14,907
Projects	-	77,414	83,000
Repairs and Maintenance	-	388,826	112,576
Salaries and Benefits	-	673,339	446,266
Telephone	-	5,151	5,025
Travel	-	7,917	36,522
Utilities	-	6,494	9,269
	-	1,652,330	1,170,526
ANNUAL SURPLUS (DEFICIT)	\$ -	\$ (276,620)	\$ 88,607

SKOWNAN FIRST NATION

SCHEDULE 7 - EDUCATION

CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2020

	(Unaudited) 2020 Budget	2020	2019
REVENUE			
Indigenous Services Canada	\$ -	\$ 3,964,601	\$ 3,713,500
Revenue Deferred to Subsequent Year - Note 7	-	(175,870)	-
	-	3,788,731	3,713,500
EXPENSES			
Accommodations	-	250,539	102,313
Allowances	-	217,155	209,178
Amortization	-	108,962	108,962
Office	-	2,994	2,082
Professional Development	-	661	3,702
Recovery	-	1,485	42,690
Repairs and Maintenance	-	3,161	31,283
Salaries and Benefits	-	147,832	123,998
Special Activities	-	54,414	31,503
Student Transportation	-	262,336	314,576
Travel Staff	-	25,128	20,851
Tuition	-	2,831,654	2,858,371
	-	3,906,321	3,849,509
ANNUAL SURPLUS (DEFICIT)	\$ -	\$ (117,590)	\$ (136,009)

SKOWNAN FIRST NATION

SCHEDULE 8 - OPERATIONS AND MAINTENANCE CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES FOR THE YEAR ENDED MARCH 31, 2020

	(Unaudited) 2020 Budget	2020	2019
REVENUE			
Indigenous Services Canada	\$ -	\$ 3,782,696	\$ 2,602,295
Solicitor General	-	18,678	36,996
Revenue Deferred to Subsequent Year-Note 7	-	(660,042)	-
	-	3,141,332	2,639,291
EXPENSES			
Amortization	-	349,100	299,765
Contract Work	-	765,043	1,508,809
Fuel	-	23,375	29,556
Insurance	-	143,244	102,704
Office	-	9,187	9,554
Professional Fees	-	-	50,000
Repairs and Maintenance	-	548,949	402,207
Salaries and Benefits	-	270,552	207,472
Travel	-	5,257	2,704
Utilities	-	41,141	71,184
	-	2,155,848	2,683,955
ANNUAL SURPLUS (DEFICIT)	\$ -	\$ 985,484	\$ (44,664)

SKOWNAN FIRST NATION

SCHEDULE 9 - TRAINING AND OTHER

CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2020

	(Unaudited) 2020 Budget	2020	2019
REVENUE			
Indigenous Services Canada	\$ -	\$ 148,660	\$ 110,830
First Peoples' Development Inc.	-	344,208	366,027
Other	-	-	2,850
Revenue Deferred to Subsequent Year-Note 7	-	(48,620)	-
	-	444,248	479,707
EXPENSES			
Amortization	-	47,511	47,511
Interest and Bank Charges	-	1,459	3,059
Office	-	23,175	20,906
Participant Allowances	-	82,306	70,623
Program Costs	-	126,403	105,536
Professional Development	-	12,144	9,163
Professional Fees	-	3,500	5,250
Projects	-	-	4,999
Repairs and Maintenance	-	-	2,066
Salaries and Benefits	-	198,153	240,085
Travel	-	1,000	14,230
Utilities	-	-	6,662
Workshops	-	500	-
	-	496,151	530,090
ANNUAL SURPLUS (DEFICIT)	\$ -	\$ (51,903)	\$ (50,383)

SKOWNAN FIRST NATION

SCHEDULE 10 - GAMING

CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2020

	(Unaudited) 2020 Budget	2020	2019
REVENUE			
Gaming Proceeds - Net	\$ -	\$ 483,312	\$ 486,303
Interest	-	176	113
Tobacco Rebates	-	220,817	252,457
Concessions - Net	-	5,876	(2,117)
	-	710,181	736,756
EXPENSES			
Amortization	-	7,420	7,420
Bank Charges and Interest	-	-	2,483
Donations	-	175,502	234,211
Insurance	-	3,600	4,993
Interest and Bank Charges	-	470,518	-
MLC Commissions and Fees	-	113,819	75,121
Office	-	1,822	3,448
Professional Fees	-	1,811	1,806
Repairs and Maintenance	-	24,174	25,693
Salaries and Benefits	-	152,314	146,980
Travel	-	11,366	12,338
Telephone and Utilities	-	22,491	23,301
	-	984,837	537,794
ANNUAL SURPLUS (DEFICIT)	\$ -	\$ (274,656)	\$ 198,962