

**SKOWNAN FIRST NATION  
CONSOLIDATED  
FINANCIAL STATEMENTS**

**MARCH 31, 2023**

# SKOWNAN FIRST NATION

MARCH 31, 2023

## CONTENTS

---

	Page
<b>INDEPENDENT AUDITORS' REPORT</b>	1-2
<b>CONSOLIDATED FINANCIAL STATEMENTS</b>	
Consolidated Statement of Financial Position	3
Consolidated Statement of Operations and Accumulated Surplus	4
Consolidated Statement of Changes in Net Debt	5
Consolidated Statement of Cash Flows	6
Notes to Consolidated Financial Statements	7 - 18
<b>SCHEDULES OF OPERATIONS BY SEGMENT</b>	
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
<b>REVIEW ENGAGEMENT REPORT</b>	29
Schedule of Salaries, Honoraria and Travel for Elected Officials	30
<b>REVIEW ENGAGEMENT REPORT</b>	31
Schedule of Salaries, Honoraria and Travel for Senior Unelected Officials	32

## INDEPENDENT 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, 2023 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.

### **Basis for Disclaimer of Opinion**

We were unable to obtain adequate audit evidence to confirm material amounts recorded as asset, liability, revenue and expenditure accounts. As a result of these matters, we were unable to determine what adjustments, if any, might have been necessary to the reported assets, liabilities and accumulated surplus, as well as the elements making up the statement of operations and changes in net debt and cash flows.

### **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 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 than 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. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

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*

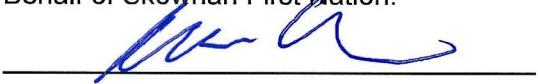
**ZAPLITNY & ZAMRYKUT,**  
Chartered Professional Accountants  
510 Main Street North  
Dauphin, Manitoba  
R7N 1C9

January 23, 2024

**SKOWNAN FIRST NATION**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2023**

	<b>2023</b>	<b>2022</b>
<b>FINANCIAL ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 5,755,433	\$ 6,090,321
Restricted Cash - Note 3	446,485	390,744
Accounts Receivable - Note 4	-	2,095,733
Inventory	5,822	4,833
	<hr/> 6,207,740	<hr/> 8,581,631
<b>LONG TERM</b>		
Investments	10,000,000	10,000,000
	<hr/> \$ 16,207,740	<hr/> \$ 18,581,631
<b>FINANCIAL LIABILITIES</b>		
<b>CURRENT</b>		
Bank Indebtedness	\$ 1,339	\$ -
Accounts Payable and Accrued Liabilities - Note 5	283,403	432,061
Deferred Revenue - Note 6	404,901	2,715,629
	<hr/> 689,643	<hr/> 3,147,690
<b>LONG TERM</b>		
Long Term Debt - Note 7	18,647,750	18,635,909
	<hr/> 19,337,393	<hr/> 21,783,599
<b>NET DEBT</b>	<hr/> (3,129,653)	<hr/> (3,201,968)
<b>NON-FINANCIAL ASSETS</b>		
Tangible Capital Assets - Note 9	24,545,674	23,550,082
<b>ACCUMULATED SURPLUS - NOTE 8</b>	<hr/> \$ 21,416,021	<hr/> \$ 20,348,114

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 FINANCIAL POSITION**  
**AS AT MARCH 31, 2023**

	<b>2023</b>	<b>2022</b>
<b>FINANCIAL ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 5,755,433	\$ 6,090,321
Restricted Cash - Note 3	446,485	390,744
Accounts Receivable - Note 4	-	2,095,733
Inventory	5,822	4,833
	6,207,740	8,581,631
<b>LONG TERM</b>		
Investments	10,000,000	10,000,000
	\$ 16,207,740	\$ 18,581,631
<b>FINANCIAL LIABILITIES</b>		
<b>CURRENT</b>		
Bank Indebtedness	\$ 1,339	\$ -
Accounts Payable and Accrued Liabilities - Note 5	283,403	432,061
Deferred Revenue - Note 6	404,901	2,715,629
	689,643	3,147,690
<b>LONG TERM</b>		
Long Term Debt - Note 7	18,647,750	18,635,909
	19,337,393	21,783,599
<b>NET DEBT</b>	(3,129,653)	(3,201,968)
<b>NON-FINANCIAL ASSETS</b>		
Tangible Capital Assets - Note 9	24,545,674	23,550,082
<b>ACCUMULATED SURPLUS - NOTE 8</b>	<u>\$ 21,416,021</u>	<u>\$ 20,348,114</u>

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, 2023**

	<i>(Unaudited)</i> <b>2023</b> <b>Budget</b>	<b>2023</b>	<b>2022</b>
<b>REVENUE</b>			
Indigenous Services Canada	\$ 6,181,897	\$ 16,655,975	\$ 13,021,150
Government of Canada	-	259,386	10,500
First Nation and Inuit Health Branch (FNIHB)	1,979,045	1,663,670	2,184,924
Canada Mortgage and Housing Corporation (CMHC)	514,138	792,994	561,652
First Peoples Development Inc.	-	360,496	311,621
Contract Revenue	-	614,164	2,058,395
Province of Manitoba	-	52,500	-
Indigenous Language Heritage Canada	-	238,065	-
Other	721,687	324,560	-
VLT Proceeds - Net	-	444,769	437,208
Concession - Net	-	(19,787)	(876)
Administration	-	1,554	-
Tobacco Tax Rebates	-	311,094	300,035
Donations	-	11,800	-
Solicitor General	-	9,724	92,702
Confectionary and Fuel - Net	-	422,708	582,343
Interest Income	-	697	527
Insurance Proceeds	-	15,071	-
Rent	173,940	575,260	431,427
Manitoba First Nation Casino Contribution	-	15,614	-
Deferred Revenue - Prior Year - Note 6	-	2,715,628	1,036,539
Deferred Revenue - Current Year - Note 6	-	(404,901)	(2,715,628)
	9,570,707	25,061,041	18,312,519
<b>EXPENSES</b>			
Governance and Administration	1,177,414	3,533,684	1,228,145
Social	912,465	2,116,057	1,913,732
Health	3,555,554	4,533,946	3,577,556
Housing	658,198	1,881,477	930,717
Economic Development	66,245	1,260,807	2,292,894
Education	3,325,101	6,183,506	4,111,863
Operations and Maintenance	650,175	2,906,554	2,407,852
Training and Other	-	1,141,256	428,023
Gaming	-	435,847	441,712
	10,345,152	23,993,134	17,332,494
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ (774,445)</b>	<b>1,067,907</b>	<b>980,025</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>		<b>20,348,114</b>	<b>19,368,089</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>		<b>\$ 21,416,021</b>	<b>\$ 20,348,114</b>

(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, 2023**

	<b>2023</b>	<b>2022</b>
<b>ANNUAL SURPLUS (DEFICIT)</b>	\$ 1,067,907	\$ 980,025
Acquisition of Tangible Capital Assets	(2,939,397)	(943,369)
Amortization of Tangible Capital Assets	1,943,805	1,720,662
<b>CHANGE IN NET DEBT</b>	72,315	1,757,318
<b>NET DEBT, BEGINNING OF YEAR</b>	(3,201,968)	(4,959,286)
<b>NET DEBT, END OF YEAR</b>	\$ (3,129,653)	\$ (3,201,968)

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

**SKOWNAN FIRST NATION**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

**MARCH 31, 2023**

	<b>2023</b>	<b>2022</b>
<b>CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Cash Received From Contributors	\$ 25,061,041	\$ 18,312,519
Cash Paid to Suppliers	(16,918,775)	(10,482,235)
Cash Paid to Employees	(4,850,650)	(4,016,699)
Interest on Long Term Debt	(540,186)	(281,365)
Interest Paid	(104,360)	(125,880)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>2,647,070</b>	<b>3,406,340</b>
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Change in Long Term Debt (Net)	11,841	(672,774)
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital Additions	(2,939,397)	(943,369)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(280,486)</b>	<b>1,790,197</b>
<b>NET CASH AND CASH EQUIVALENTS, beginning of year</b>	<b>6,481,065</b>	<b>4,690,868</b>
<b>NET CASH AND CASH EQUIVALENTS, end of year</b>	<b>\$ 6,200,579</b>	<b>\$ 6,481,065</b>
 <b>Cash and Cash Equivalents consists of:</b>		
Cash	\$ 5,755,433	\$ 6,090,321
Restricted Cash	446,485	390,744
Bank Indebtedness	(1,339)	-
	<b>\$ 6,200,579</b>	<b>\$ 6,481,065</b>

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

# SKOWNAN FIRST NATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023

### 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 are the representations of management, prepared in accordance with Canadian public sector accounting standards, and include the following significant accounting policies:

#### *Reporting Entity*

The consolidated financial statements are presented on a consolidated basis which includes the unincorporated business operations which are owned and/or controlled by the First Nation and programs for which separate financial statements are issued as listed in the significant accounting policies notes under the *segments* heading.

All inter-entity balances have been eliminated for the purposes of consolidating all of the 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.

#### *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.

#### *Inventory*

Inventory of fuel and convenience store merchandise 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.

# SKOWNAN FIRST NATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023

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

#### *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.

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

#### *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.

Rent is recorded in the year it is earned. At the end of each year, management evaluates the extent of the collectibility of its rent revenue and records a bad debt expense and allowance for doubtful accounts for amounts designated as unlikely to be collected.

Other revenue is recognized by the First Nation when services are provided or goods are shipped and collectibility is reasonably assured.

# SKOWNAN FIRST NATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023

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

#### ***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.

#### ***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, 2023.

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.

#### ***Non-financial assets***

The First Nation's tangible capital assets and other non-financial assets are accounted for as assets because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the First Nation unless they are sold.

#### ***Financial Instruments***

Financial instruments include cash, restricted cash, accounts receivable, bank indebtedness, accounts payable and accruals and long-term debt. Unless otherwise stated, it is management's opinion that the First Nation is not exposed to significant interest, currency or credit risk arising from the financial instruments. Unless otherwise stated, the book value of the First Nation's financial assets and liabilities approximates their fair value due to the short-term maturities of the instruments. The fair value of the First Nation's long-term debt is approximated by its carrying value as the terms and conditions of similar instruments are not materially different from those associated with the First Nation's long term debt.

# SKOWNAN FIRST NATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023

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

#### ***Measurement uncertainty***

The preparation of consolidated financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenditures during the reporting period.

Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where necessary. Amortization is based on the estimated useful lives of the related tangible capital assets. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

#### ***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, 2023

### **3. RESTRICTED CASH**

	<b>2023</b>	<b>2022</b>
CMHC Replacement Reserve Fund	\$ 436,672	\$ 382,991
Ottawa Trust Fund	9,813	7,753
	<b>\$ 446,485</b>	<b>\$ 390,744</b>

### **4. ACCOUNTS RECEIVABLE**

	<b>2023</b>	<b>2022</b>
Indigenous Services Canada	\$ -	\$ 2,095,733

### **5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<b>2023</b>	<b>2022</b>
Trade	\$ 265,739	\$ 422,419
Accrued Interest	17,664	9,642
	<b>\$ 283,403</b>	<b>\$ 432,061</b>

# SKOWNAN FIRST NATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023

### 6. DEFERRED REVENUE

	2023	2022
Indigenous Services Canada -		
Major Capital Projects - Housing New		
Construction	\$ -	\$ 172,875
New Construction 3 Unit - Capital	-	476,284
Post Secondary Student Support	-	52,914
Elementary - Secondary School SR	-	47,976
Family Violence Prevention	-	12,000
Service Delivery	360,000	112,893
Water Systems	-	58,901
Wastewater	-	67,202
Roads and Bridges - Snow Clearing	-	111,246
Capacity Building	-	50,592
Capacity Development	-	119,844
Prov/Private Admin 2nd Level	-	205,745
Teacher/Res/Group Home	-	10,497
Prov Private Student Support	-	111,005
Admin & Support 1	-	769
LEDSP Covid 19	-	19,494
Major Renos/Extensions/Repairs	-	13,844
Solid Waste - Garbage Bins	-	9,157
Canadian Prenatal Program	-	11,277
Home and Community Care - Transfer	-	58,082
Jordan's Principle	-	167,779
Health - Admin	-	6,578
Canadian Mental Health	-	114,144
Canadian Health Representative	-	10,147
Response	-	385,042
Solid Waste WMP	-	75,000
Waste Div. WMP	-	200,000
Health - In Home Care	-	34,342
Asset Management	9,901	-
CFS Building	35,000	-
	\$ 404,901	\$ 2,715,629

# SKOWNAN FIRST NATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023

### 7. LONG TERM DEBT

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

	2023	2022
Canada Mortgage and Housing Corporation Terms: Monthly payments of \$3,742 including interest Interest: 2.49%	\$ -	\$ 44,316
Canada Mortgage and Housing Corporation Terms: Monthly payments of \$4,036 including interest Interest: 2.50%	231,074	273,194
Canada Mortgage and Housing Corporation Terms: Monthly payments of \$4,103 including interest Interest: 1.88%	599,592	637,219
Canada Mortgage and Housing Corporation Terms: Monthly payments of \$1,815 including interest Interest: 1.22%	331,391	349,023
First Nations Bank of Canada Terms: Monthly payments of \$4,490 plus interest Interest: 6.70%	920,399	974,276
Canada Mortgage and Housing Corporation Terms: Monthly payments of \$1,777 including interest Interest: 1.22%	324,509	341,775
Canada Mortgage and Housing Corporation Terms: Monthly payments of \$1,681 including interest Interest: 3.70%	227,484	240,399
<b>Subtotal</b>	<b>\$ 2,634,449</b>	<b>\$ 2,860,202</b>

# SKOWNAN FIRST NATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023

### **7. LONG TERM DEBT - Continued**

	<b>2023</b>	<b>2022</b>
Subtotal - Continued from last page	\$ 2,634,449	\$ 2,860,202
Canada Mortgage and Housing Corporation	400,761	422,536
Terms: Monthly payments of \$2,670 including interest		
Interest: 2.50%		
Canada Mortgage and Housing Corporation	372,655	404,184
Terms: Monthly payments of \$3,436 including interest		
Interest: 2.50%		
Canada Mortgage and Housing Corporation	620,441	671,464
Terms: Monthly payments of \$5,606 including interest		
Interest: 2.52%		
First Nations Finance Authority	10,842,235	11,120,891
Terms: Monthly payments of \$59,275 including interest		
Interest: 3.65%		
Canada Mortgage and Housing Corporation	803,298	846,998
Terms: Monthly payments of \$4,117 including interest		
Interest: 0.69%		
Canada Mortgage and Housing Corporation	1,553,217	1,611,976
Terms: Monthly payments of \$7,410 including interest		
Interest: 1.91%		
Canada Mortgage and Housing Corporation	669,034	697,658
Terms: Monthly payments of \$2,932 including interest		
Interest: 0.96%		
	<hr/> \$ 17,896,090	<hr/> \$ 18,635,909

# SKOWNAN FIRST NATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023

### **7. LONG TERM DEBT - Continued**

	<b>2023</b>	<b>2022</b>
Subtotal - Continued from last page	\$ 17,896,090	\$ 18,635,909
Canada Mortgage and Housing Corporation	619,503	-
Terms: Monthly payments of \$4,643 including interest		
Interest: 3.98%		
 Caterpillar Financial	 132,157	 -
Terms: Monthly payments of \$900 including interest		
Interest: 4.99%		
	 \$ 18,647,750	 \$ 18,635,909

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

2023-24	\$724,983
2024-25	745,543
2025-26	766,766
2026-27	788,677
2027-28	811,301
Subsequent Years	14,810,480

### **8. ACCUMULATED SURPLUS**

	<b>2023</b>	<b>2022</b>
Equity in Ottawa Trust Funds	\$ 9,812	\$ 8,031
CMHC Replacement Reserve	456,060	382,991
CMHC Operating Surplus	412,941	48,122
Investment In Tangible Capital Assets	16,097,232	16,024,782
Unrestricted Accumulated Surplus (Deficit)	4,439,976	3,884,188
	 \$ 21,416,021	 \$ 20,348,114

**SKOWNAN FIRST NATION**  
**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MARCH 31, 2023**

**9. TANGIBLE CAPITAL ASSETS**

	Land	Buildings	Vehicles and Equipment	Roads	Water and Sewer	CMHC Housing	2023
<b>COST</b>							
Balance, Beginning of Year	\$ 110,000	\$ 31,389,866	\$ 3,788,198	\$ 725,411	\$ 6,667,813	\$ 10,141,496	\$ 52,822,784
Acquisition of Tangible Capital Assets	-	761,389	1,556,396	-	-	621,612	2,939,397
Disposals & Write Downs	-	-	-	-	-	-	-
Balance, End of Year	110,000	32,151,255	5,344,594	725,411	6,667,813	10,763,108	55,762,181
<b>ACCUMULATED AMORTIZATION</b>							
Balance, Beginning of Year	-	20,043,366	2,168,202	674,353	1,678,117	4,708,664	29,272,702
Amortization	-	713,855	629,147	16,870	183,954	399,979	1,943,805
Balance, End of Year	-	20,757,221	2,797,349	691,223	1,862,071	5,108,643	31,216,507
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>							
	\$ 110,000	\$ 11,394,034	\$ 2,547,245	\$ 34,188	\$ 4,805,742	\$ 5,654,465	\$ 24,545,674

**SKOWNAN FIRST NATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2023**

**9. TANGIBLE CAPITAL ASSETS**

	Land	Buildings	Vehicles and Equipment	Roads	Water and Sewer	CMHC Housing	2022
<b>COST</b>							
Balance, Beginning of Year	\$ 110,000	\$ 31,115,643	\$ 3,119,052	\$ 725,411	\$ 6,667,813	\$ 10,141,496	\$ 51,879,415
Acquisition of Tangible Capital Assets	-	274,223	669,146	-	-	-	943,369
Disposals & Write Downs	-	-	-	-	-	-	-
Balance, End of Year	110,000	31,389,866	3,788,198	725,411	6,667,813	10,141,496	52,822,784
<b>ACCUMULATED AMORTIZATION</b>							
Balance, Beginning of Year	-	19,367,580	1,825,821	657,483	1,494,163	4,206,993	27,552,040
Amortization	-	675,786	342,381	16,870	183,954	501,671	1,720,662
Balance, End of Year	-	20,043,366	2,168,202	674,353	1,678,117	4,708,664	29,272,702
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>							
	\$ 110,000	\$ 11,346,500	\$ 1,619,996	\$ 51,058	\$ 4,989,696	\$ 5,432,832	\$ 23,550,082

# SKOWNAN FIRST NATION

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2023

### 10. REVENUE RECONCILIATION

	2023	2022
Revenue per ISC Cash Flow Statement	\$ 16,655,975	\$ 13,021,150
<u>ISC Revenue per Financial Statements</u>	<u>\$ 16,655,975</u>	<u>\$ 13,021,150</u>
	2023	2022
Revenue per FNIHB Cash Flow Statement	\$ 1,663,670	\$ 2,184,924
<u>FNIHB Revenue per Financial Statements</u>	<u>\$ 1,663,670</u>	<u>\$ 2,184,924</u>

### 11. ECONOMIC DEPENDENCE

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

### 12. PRIOR YEAR COMPARATIVES

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