

**Swan Lake First Nation -  
Consolidated**

**Financial Statements**  
**For the year ended March 31, 2018**

# **Swan Lake First Nation - Consolidated**

## **Financial Statements** **For the year ended March 31, 2018**

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## Management's Responsibility for Financial Reporting

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

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles. Financial statements are not precise since they include certain amounts based on 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 financial statements are presented fairly in all material respects.

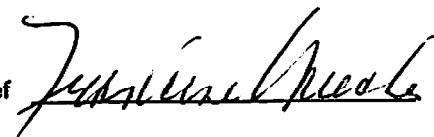
The Corporation maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Corporation's assets are appropriately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

The Chief and Council are responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the statements.

The Chief and Council reviews and approves the Corporation's financial statements. The Chief and Council meet periodically with management, 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 financial statements and the external auditor's report. The Chief and Council also consider the engagement of the external auditors.

The financial statements have been audited by BDO Canada LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. BDO Canada LLP have full and free access to the Chief and Council.

Chief





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148 - 10<sup>th</sup> Street  
Brandon MB R7A 4E6 Canada

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## Independent Auditor's Report

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### To the Members of Swan Lake First Nation

We have audited the accompanying financial statements of Swan Lake First Nation, which comprise the consolidated statement of financial position as at March 31, 2018, consolidated statements of changes in net debt, 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these 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 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 and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Swan Lake 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. Our report is intended solely for the Directors of Swan Lake First Nation and I.N.A.C. and should not be used by parties other than the Members of Swan Lake First Nation or I.N.A.C.

### Unaudited Information

We have not audited or otherwise attempted to verify the accuracy or completeness of the schedules on pages 18 to 78 of the organization's financial statements.

*BDO Canada LLP*

Chartered Professional Accountants

Brandon, Manitoba  
July 30, 2018

## **Swan Lake First Nation - Consolidated Statement of Financial Position**

March 31

2018

2017

## Financial Assets

Cash and short term investments (Note 2)	\$ 6,419,062	\$ 5,376,884
Trust funds - I.N.A.C. (Note 3)	43	235
Accounts receivable (Note 4)	315,492	455,807
Replacement reserve assets	214,817	104,801
	<b>6,949,414</b>	<b>5,937,727</b>

## Liabilities

Bank indebtedness (Note 6)	227,286	836,722
Accounts payable (Note 7)	1,964,596	657,470
Deferred revenue (Note 9)	434,122	190,569
Long-term debt (Note 8)	<u>23,150,772</u>	<u>23,259,990</u>
	<b>25,776,776</b>	<b>24,944,751</b>

### Net Debt

(18,827.362) (19,007.024)

## Non-Financial Assets

Tangible capital assets (Note 5)	37,875,453	35,413,372
Inventories	437,004	427,807
	<b>38,312,457</b>	<b>35,841,179</b>

### Accumulated Surplus

**\$ 19,485,095    \$ 16,834,155**

On behalf of the Chief and Council:

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## Swan Lake First Nation - Consolidated Statement of Net Debt

<u>For the year ended March 31</u>	<u>Budget</u>	<u>2018</u>	<u>2017</u>
<b>Annual Surplus</b>	\$ -	<b>\$ 2,650,941</b>	\$ 99,196
Acquisition of tangible capital assets	-	<b>(4,900,173)</b>	(7,367,555)
Amortization of tangible capital assets	-	<b>2,463,591</b>	1,618,299
Disposal of capital assets	-	<b>(25,500)</b>	(23,000)
	-	<b>188,859</b>	(5,673,060)
Use of inventories	-	<b>(9,197)</b>	(31,198)
<b>Decrease in net debt</b>	-	<b>179,662</b>	(5,704,258)
<b>Net debt</b> , beginning of year	-	<b>(19,007,024)</b>	(13,302,766)
<b>Net debt</b> , end of year	\$ -	<b>\$ (18,827,362)</b>	\$ (19,007,024)

## Swan Lake First Nation - Consolidated Statement of Operations

For the year ended March 31	Budget	2018	2017
<b>Revenue</b>			
I.N.A.C.	\$ 3,821,325	\$ 6,950,320	\$ 5,665,367
VLT revenues, net	-	3,150,061	2,939,704
Rental	-	2,141,280	1,115,145
Enbridge	-	1,798,638	47,738
Provincial funding	-	1,860,967	1,676,375
Four Corners	-	1,291,558	1,075,027
F.N.I.H.B.	1,136,517	1,809,795	1,253,040
Cigarettes	-	533,360	538,038
Other revenue	<u>98,826</u>	<u>2,001,046</u>	<u>2,464,918</u>
	<u>5,056,668</u>	<u>21,537,025</u>	<u>16,775,352</u>
<b>Expenditures</b>			
Band support/administration	1,256,359	3,242,949	1,740,200
Social	-	990,445	949,404
Education	2,158,641	2,588,148	2,345,046
Health	1,124,941	1,094,863	1,206,148
Housing	-	668,400	1,487,081
Operations and maintenance	633,485	2,260,177	3,984,635
Enterprises	-	8,041,102	4,963,642
	<u>5,173,426</u>	<u>18,886,084</u>	<u>16,676,156</u>
<b>Surplus (deficit) for year</b>	<b>\$ (116,758)</b>	<b>\$ 2,650,941</b>	<b>\$ 99,196</b>

## Swan Lake First Nation - Consolidated Statement of Cash Flows

For the year ended March 31	2018	2017
<b>Cash Flows from Operating Activities</b>		
Surplus for the year	\$ 2,650,941	\$ 99,196
Adjustments for		
Amortization of tangible capital assets	2,463,591	1,618,299
Gain on disposal of capital assets	<u>(25,500)</u>	<u>(23,000)</u>
	<b>5,089,032</b>	<b>1,694,495</b>
Changes in non-cash working capital balances		
Accounts receivable	140,507	690,892
Inventories	<u>(9,197)</u>	<u>(31,198)</u>
Accounts payable	1,307,126	(394,971)
Deferred revenue	243,553	(22,631)
Replacement reserve	<u>(110,016)</u>	<u>2</u>
	<b>1,571,973</b>	<b>242,094</b>
	<b>6,661,005</b>	<b>1,936,589</b>
<b>Cash Flows from Capital Activities</b>		
Purchase of tangible capital assets	<u>(4,900,173)</u>	<u>(7,367,555)</u>
<b>Cash Flows from Financing Activities</b>		
Repayment of long-term debt	(1,630,004)	(1,334,096)
Proceeds of long-term debt	<u>1,520,786</u>	<u>6,361,977</u>
	<b>(109,218)</b>	<b>5,027,881</b>
<b>Increase (decrease) in cash and cash equivalents during the year</b>	<b>1,651,614</b>	<b>(403,085)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>4,540,162</b>	<b>4,943,247</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 6,191,776</b>	<b>\$ 4,540,162</b>
<b>Represented by</b>		
Cash and short-term investments	\$ 6,419,062	\$ 5,376,884
Bank indebtedness	<u>(227,286)</u>	<u>(836,722)</u>
	<b>\$ 6,191,776</b>	<b>\$ 4,540,162</b>

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# Swan Lake First Nation - Consolidated Notes to Financial Statements

**March 31, 2018**

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## 1. Nature of Operations and Summary of Significant Accounting Policies

### Nature of Operations

Swan Lake First Nation is a First Nation government that provides a wide range of services to the members of its community. By its nature, the entity is non-taxable. The entity is governed by a board of elected Chief and Council.

### Basis of Presentation

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local government entities, as defined in the Canadian Institute of Chartered Accountants Public Sector Accounting and Auditing Handbook, and include all organizations, operations and activities that are:

- 1) accountable for the administration of their financial affairs and resources directly to the First Nation; and
- 2) owned or controlled by the First Nation.

### Reporting Entity

These financial statements consolidate the operations of all band administered departments plus the following band controlled entities:

- SLFN Enterprises
- Swan Lake First Nation Housing Authority
- Swan Lake First Nation Gaming Commission
- Swan Lake First Nation Farm
- 6226124 Manitoba Ltd.
- SLFN Property Management Ltd.

The TLE First Nation Trust is not consolidated with the Swan Lake First Nation financial statements. This entity has its own separate board of directors and is not under the control of the Chief and Council of Swan Lake First Nation.

### 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. The First Nation does not capitalize interest charges as part of the cost of its tangible capital assets.

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 First Nation, forests, water, and other natural resources are not recognized as tangible capital assets.

### Amortization

Assets are amortized over their expected useful life at the following rates:

Water Treatment Plant	5%	Declining Balance
Buildings	5%	Declining Balance
Medical Vans	30%	Declining Balance
Vehicles	20%	Declining Balance
CMHC Housing	4%	Straight Line
Roads	3%	Straight Line
Potato Chip Plant	20%	Straight Line
Band Buildings	5%	Declining Balance
VLT Lounge	4%	Declining Balance
Equipment	20%	Declining Balance
Wind Farm	5%	Declining Balance
Water Lines	4%	Straight Line

No amortization is recorded on the irrigation dam - non depreciable.

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# Swan Lake First Nation - Consolidated Notes to Financial Statements

**March 31, 2018**

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## 1. Nature of Operations and Summary of Significant Accounting Policies (continued)

<b>Revenue Recognition</b>	Funding received under the terms of agreements are recognized as revenue when collection has been reasonably assured and the stipulations to earn the funding have been met. Other revenue is recognized when services are provided and collectability is reasonably assured. Rental revenue is recognized when the rental space has been used and collectability is reasonable assured. VLT revenue is recognized daily on a net basis once Swan Lake First Nation has calculated the percentage payout remitted to Liquor and Gaming Authority of Manitoba. Confectionary revenue is recognized at the time of sale. Four Corners gas revenue is recognized at the time of fill up.  The amounts recognized as deferred program revenue have been externally restricted to be used on program delivery as specified by the appropriate funding authority.
<b>Due from/to Related Parties</b>	The Swan Lake First Nation Farm has a year end of November 30. The amount Due from / to Related Parties represents the transactions for the farm that have flowed through the band since November 30. As transactions for the farm are minimal during the period December 1 - March 31, the preceding treatment is deemed appropriate.
<b>Use of Estimates</b>	The preparation of financial statements in accordance with Canadian generally accepted accounting principals requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. Estimates by management have been made in the following areas:  - The useful life of capital assets
<b>Trust Funds</b>	Trust funds represent the Indian Monies Trust funds held by the Federal Government. These funds are administered by the Federal Government.

# Swan Lake First Nation - Consolidated Notes to Financial Statements

**March 31, 2018**

## 2. Cash and Short-term Investments

	2018	2017
Swan Lake First Nation	\$ (14,667)	\$ 31,499
Swan Lake First Nation - Social	5,912	(2,310)
Swan Lake First Nation Housing Authority	102,668	300,371
Gaming Commission	234	92
Swan Lake First Nation Farm	5,510	4,465
SLFN Enterprises	2,253,439	1,379,478
SLFN Enterprises - ATM/VLT cash on hand	147,111	475,443
SLFN Enterprises - term deposits	3,591,731	2,318,343
Four Corners Gas Bar	82,636	15,579
SLFN Instaloans	<u>17,202</u>	<u>17,202</u>
 Cash and short-term investments	 <u>\$ 6,191,776</u>	 <u>\$ 4,540,162</u>
 Represented by:		
Cash and short-term investments	\$ 6,419,062	\$ 5,376,884
Bank indebtedness	<u>(227,286)</u>	<u>(836,722)</u>
 <u>\$ 6,191,776</u>	 <u>\$ 4,540,162</u>	

## 3. Trust Funds Held by Federal Government

Trust fund 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. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

	Opening Balance	Additions	Withdrawals	2018 Total	2017 Total
Revenue Capital	194 41	\$ 3,931 -	\$ 4,123 -	\$ 2 41	\$ 194 41
<b>Fund Total</b>	<b>235</b>	<b>\$ 3,931</b>	<b>\$ 4,123</b>	<b>\$ 43</b>	<b>\$ 235</b>

# Swan Lake First Nation - Consolidated Notes to Financial Statements

**March 31, 2018**

## 4. Accounts Receivable

	2018	2017
SLFN Enterprises	\$ 53,513	\$ 24,480
I.N.A.C. program funding	-	272,023
F.N.I.H.B. program funding	10,550	-
GST	34,536	43,787
Property Management	35,592	-
CMHC retrofit funding	-	71,340
Four Corners	3,328	-
CEDO loans	50,207	45,084
Occupant receivables	17,107	12,860
Other	149,475	22,110
Trust	19,898	19,898
Allowance for doubtful accounts	<u>(58,714)</u>	<u>(55,775)</u>
	<b>\$ 315,492</b>	<b>\$ 455,807</b>

## 5. Tangible Capital Assets

	2018	2017				
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Water treatment plant	\$ 4,137,862	\$ 1,565,438	\$ 2,572,424	\$ 4,137,862	\$ 1,426,121	\$ 2,711,741
Buildings	24,284,766	3,287,844	20,996,922	24,135,617	2,790,371	21,345,246
Irrigation dam	286,783	-	286,783	286,783	-	286,783
Medical vans	405,832	301,315	104,517	327,871	256,522	71,349
Vehicles	636,204	421,867	214,337	461,916	246,461	215,455
CMHC housing	6,935,643	2,542,792	4,392,851	6,054,955	2,300,594	3,754,361
Roads	853,154	531,907	321,247	853,154	510,578	342,576
Potato chip plant	2,383,634	2,383,634	-	2,383,634	2,383,634	-
Band buildings	11,245,184	3,574,340	7,670,844	8,226,584	2,809,672	5,416,912
VLT lounge	552,437	336,528	215,909	465,408	313,519	151,889
Equipment	5,516,959	4,894,520	622,439	5,040,062	4,404,507	635,555
Wind Farm	134,008	51,442	82,566	134,008	44,741	89,267
Water Lines	829,625	663,185	166,440	800,000	630,000	170,000
Land	228,174	-	228,174	222,238	-	222,238
	<b>\$ 58,430,265</b>	<b>\$ 20,554,812</b>	<b>\$ 37,875,453</b>	<b>\$ 53,530,092</b>	<b>\$ 18,116,720</b>	<b>\$ 35,413,372</b>

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## Swan Lake First Nation - Consolidated Notes to Financial Statements

**March 31, 2018**

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**6. Bank Indebtedness**

The SLFN Enterprises Ltd. bank account carries an overdraft limit of \$250,000 and has unused credit facility of \$22,714, secured by a general security agreement. The Swan Lake First Nation regular bank and Social bank accounts do not carry an overdraft limit.

**7. Accounts Payable**

	<b>2018</b>	<b>2017</b>
Trade accounts payable	\$ 1,840,733	\$ 530,278
School division payables	24,423	24,423
Accrued liabilities	99,440	102,087
I.N.A.C. payable	-	682
	<b>\$ 1,964,596</b>	<b>\$ 657,470</b>

**8. Long-term Debt**

	<b>2018</b>	<b>2017</b>
Canada Mortgage and Housing Authority mortgage repayable monthly at \$1,910 including interest at 1.11% secured by a ministerial guarantee, matures April 1, 2026.	\$ 177,158	\$ 197,993
Canada Mortgage and Housing Authority mortgage repayable monthly at \$1,484 including interest at 1.84% secured by a ministerial guarantee, matures July 1, 2027.	152,712	167,631
Canada Mortgage and Housing Authority mortgage repayable monthly at \$2,176 including interest at 1.62% secured by a ministerial guarantee, matures March 1, 2028.	240,990	263,017
Canada Mortgage and Housing Authority mortgage repayable monthly at \$1,696 including interest at 1.92% secured by a ministerial guarantee, matures January 1, 2029.	199,005	215,382
Canada Mortgage and Housing Authority mortgage repayable monthly at \$1,206 including interest at 1.92% secured by a ministerial guarantee, matures April 1, 2029.	144,471	156,062
Canada Mortgage and Housing Authority mortgage repayable monthly at \$1,540 including interest at 1.05% secured by a ministerial guarantee, matures March 1, 2030.	208,338	224,546
Canada Mortgage and Housing Authority mortgage repayable monthly at \$3,709 including interest at 1.84% secured by a ministerial guarantee, matures July 1, 2032.	560,588	594,657

# Swan Lake First Nation - Consolidated Notes to Financial Statements

**March 31, 2018**

## 8. Long-term Debt (continued)

Canada Mortgage and Housing Authority mortgage repayable monthly at \$1,204 including interest at 1.30% secured by a ministerial guarantee, matures December 1, 2030.	<b>169,688</b>	181,849
Canada Mortgage and Housing Authority mortgage repayable at \$1,269 including interest at 1.62%, secured by ministerial guarantee, matures February 1, 2033.	<b>201,694</b>	213,557
Canada Mortgage and Housing Authority mortgage repayable at \$1,188 including interest at 1.14%, secured by ministerial guarantee, matures May 1, 2036	<b>233,937</b>	245,465
Canada Mortgage and Housing Authority mortgage repayable monthly at \$1,184 including interest at 1.31% secured by a ministerial guarantee, matures December 1, 2036.	<b>236,153</b>	247,197
Canada Mortgage and Housing Authority mortgage repayable monthly at \$2,351 including interest at 1.50%, secured by ministerial guarantee, matured July 1, 2037	<b>473,456</b>	494,464
Canada Mortgage and Housing Authority mortgage, repayable monthly at \$589 including interest of 1.77%, secured by ministerial guarantee, matures November 1, 2039.	<b>127,089</b>	131,864
Canada Mortgage and Housing Authority mortgage, repayable monthly at \$543 including interest of 1.39%, secured by ministerial guarantee, matures June 1, 2040.	<b>124,779</b>	129,535
Canada Mortgage and Housing Authority mortgage, repayable monthly at \$1,721 including interest of 1.11% secured by ministerial guarantee, matures April 1, 2036.	<b>338,356</b>	355,164
Canada Mortgage and Housing Authority mortgage on housing project still under construction at year end. Payment terms will be determined at the completion of the project.	<b>108,764</b>	-
Canada Mortgage and Housing Authority mortgage on housing project still under construction at year end. Payment terms will be determined at the completion of the project.	<b>681,635</b>	-
TD Canada Trust mortgage (DOCFS Building), repayable monthly at \$5,189 principle and interest, interest payable at a rate of 2.85%, matures February 2026.	<b>445,244</b>	494,330
Dakota Ojibway Child and Family Services (DOCFS) loan repayable annually in the amount of the surplus between loan payments for DOCFS building and the rental revenue received for the fiscal year from DOCFS. Loan is non-interest bearing and non-secured.	<b>95,307</b>	139,223
Peace Hills Trust loan (potato chip plant), repayable monthly, interest-only payments at prime plus .50%. Secured by GIC held with Peace Hills Trust. Matures Nov 2017.	<b>697,907</b>	700,000
TD Canada Trust Loan (administration building), repayable monthly at \$6,992 principle and interest, interest payable at 3.36%, matures August 2022.	<b>676,847</b>	735,764

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## Swan Lake First Nation - Consolidated Notes to Financial Statements

**March 31, 2018**

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**8. Long-term Debt (continued)**

TD Canada Trust loan (geothermal system), repaid in the fiscal year.	-	7,761
TD Canada Trust loan (RV Park/Log Cabins), repayable monthly at \$5,189 principle and interest, interest payable at a rate of 2.35%, matures February 2030.	674,969	721,537
TD Canada Trust loan (Enterprises), repayable monthly at \$2,762 principle and interest, interest payable at a rate of 3.0%, matures April 2022.	380,387	-
RBC loan (water treatment plant), repayable monthly at \$48,622 principle and interest, interest payable at 3.25%, matures on March 1, 2021.	5,792,527	6,217,911
RBC Loan (Headingley building), repayable monthly at \$55,203 principle and interest, interest payable at 3.25%, matures on April 1, 2021.	9,417,188	9,729,179
TD Canada Trust loan repaid in the fiscal year.	-	11,211
TD Canada Trust loan (Hi-Trac) repayable monthly at \$3,871 principle and interest, interest payable at a rate of 3.53%, matures February 2024.	247,705	284,691
TD Canada Trust loan (Cultural Centre), repayable monthly at \$2,074 principle and interest, interest payable at a rate of 3.75%, matures September 2022.	343,878	400,000
	<hr/>	<hr/>
	23,150,772	23,259,990
Less amounts due within one year included in current liabilities	<hr/>	<hr/>
	1,218,971	7,753,569
	<hr/>	<hr/>
	<b>\$ 21,931,801</b>	<b>\$ 15,506,421</b>

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## Swan Lake First Nation - Consolidated Notes to Financial Statements

**March 31, 2018**

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### 8. Long-term Debt (continued)

Security on RBC loans listed above is as follows:

- Band council resolutions
- Evidences of indebtedness
- General security agreement
- Assignment of agreement with casino operator
- Assignment of all I.N.A.C. funding and grants related to water treatment plant
- Guarantee in the amount of \$6,990,000 from Swan Lake First Nation in support of 6226124 Manitoba Ltd. and postponement of previous claims
- General assignment of rents and leases
- Mortgage of leaseland located at 4818 Portage Avenue and 200 Alpine Way.

Security on TD loans listed above is as follows:

- General security agreement
- Band council resolutions
- Assignment of fire insurance issued in the name of Swan Lake First Nation
- Specific assignment of lease between Swan Lake First Nation, Dakota Ojibway Child and Family Services and TD Bank
- Assignment of term deposits and credit balances in the amount of \$820,000
- Guarantee of advances by Swan Lake First Nation in support of SLFN Enterprises Ltd.

Principal repayments for the next five years and thereafter are as follows:

2019	\$ 1,218,971
2020	1,255,987
2021	14,137,343
2022	492,463
2021	505,635
Thereafter	<u>5,540,373</u>
	<u>\$ 23,150,772</u>

Interest paid on long term-term debt was \$514,267 (2017 - \$603,789).

# Swan Lake First Nation - Consolidated Notes to Financial Statements

**March 31, 2018**

## **9. Deferred Revenue**

	<b>2018</b>	<b>2017</b>
Opening	\$ 190,569	\$ 213,200
Add: Amounts deferred		
Bipole III program funding	44,656	-
I.N.A.C. program funding - Jordan's Principle	345,507	-
I.N.A.C. program funding - Land Management	-	122,418
I.N.A.C. program funding - Education	-	67,608
Other program funding	-	543
Less: Amounts recognized in the year	<u>(146,610)</u>	<u>(213,200)</u>
	<b>\$ 434,122</b>	<b>\$ 190,569</b>

## **10. Internal Charges**

To properly reflect expenditures by program, certain internal charges have been included in one program's expenditure and another program's revenue. \$1,839,161 of internal transfers have been removed from both revenue and expenditures on the statement of operations - combined.

## **11. Replacement Reserve**

Under the terms of the agreement with Canada Mortgage and Housing Corporation, the replacement reserve accounts for each phase are to accumulate with annual appropriations until they reach the final accumulation amounts plus interest.

These funds, along with the 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 or as may otherwise be approved by Canada Mortgage and Housing Corporation and withdrawals are credited first to interest, then to principal.

The amount of replacement reserve at March 31, 2018 is \$275,978. \$275,978 is funded and set aside in a separate bank account. The annual replacement reserve allocation is \$61,300.

## **12. Payroll Remittances**

Swan Lake First Nation entered into an agreement with Aboriginal Affairs and Northern Development Canada for funding contributions for employees registered pension plans and the Canada Pension Plan for Aboriginal Affairs and Northern Development Canada funded employees. The following amounts relate to the agreement as well as source deductions remitted to Canada Revenue Agency and group insurance payments submitted to Rice Financial and Great West Life.

Total eligible salaries	\$ 2,470,631
Employee's contributions:	
Canada Pension Plan	21,990
EI	44,298
Income tax	137,019
Employer's contributions:	
Private pension plan	113,495
Canada Pension Plan	21,990
EI	62,010
Group Insurance	90,215

All unremitted amounts were remitted in April, 2018.

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# Swan Lake First Nation - Consolidated Notes to Financial Statements

**March 31, 2018**

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## **13 Prior Year Figures**

The prior year figures have been changed to conform with the current year accounting policies.

## **14. Segmented Information**

Swan Lake First Nation - Consolidated is a First Nation government that provides a wide range of services to the members of its community. For management reporting purposes the First Nations' operations and activities are organized and reported by Program. Programs were created for the purpose of recording specific activities in accordance with specific regulations, restrictions or limitations. These activities can also be categorized into segments. The following significant segments have been identified and as such are separately disclosed:

### Education

Education contains activities that provide education to band members for primary, secondary schooling and sponsorship to attend post secondary institutions.

### Social

Social contains activities that provide financial support or support by other means to band members that is aimed at developing both the individual as well as the community.

### Band Support/Administration

Band support/administration contains activities that are necessary for the management and governance of the First Nation organization.

### Operations and Maintenance

Operations and maintenance contains all activities that relate to the maintenance of land, buildings and infrastructure of the First Nation.

### Health Services

Health Services contains activities that provide medical services to band members.

### Rental Housing

Rental Housing contains activities that provide housing and repairs and maintenance to band members' housing.

### Enterprises

Enterprises contain business activities operated by the first nation.