

Ocean Man First Nation #69
Consolidated Financial Statements
March 31, 2018





Ocean Man First Nation #69

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For the year ended March 31, 2018

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Management's Responsibility



To the Members of Ocean Man First Nation #69:

The accompanying consolidated financial statements of Ocean Man First Nation #69 are the responsibility of management and have been approved by Council.

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Ocean Man First Nation #69 Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and the external auditors. The Council is also responsible for recommending the appointment of the First Nation's external auditors.

MNP LLP, an independent firm of Chartered Professional Accountants, is appointed by Council to audit the consolidated financial statements and report directly to the Members of Ocean Man First Nation #69; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Council and management to discuss their audit findings.

August 27, 2018

(Signature on file)

Finance Portfolio Councillor

Independent Auditors' Report

To the Members of Ocean Man First Nation #69:

We have audited the accompanying consolidated financial statements of Ocean Man First Nation #69, which comprise the consolidated statement of financial position as at March 31, 2018, and the consolidated statements of operations and accumulated surplus, changes in net financial assets, cash flows and the related schedules 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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements present fairly, in all material respects, the financial position of Ocean Man First Nation #69 as at March 31, 2018 and the results of its operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Prince Albert, Saskatchewan

August 27, 2018

MNP LLP

Chartered Professional Accountants



Ocean Man First Nation #69

Consolidated Statement of Financial Position

As at March 31, 2018

	2018	2017
Financial assets		
Current		
Cash and cash equivalents (Note 4)	1,174,187	823,315
Accounts receivable (Note 5)	78,974	160,510
Member advances (Note 6)	1,779	6,164
Subtotal of current assets	1,254,940	989,989
Portfolio investment (Note 7)	206,932	278,679
Funds held in trust (Note 8)	5,367,687	5,464,130
Restricted cash (Note 9)	394,826	344,086
Total financial assets	7,224,385	7,076,884
Liabilities		
Current		
Accounts payable and accruals	292,484	305,827
Deferred revenue (Note 10)	160,765	160,765
Native Claims loan funding (Note 11)	106,903	-
Current portion of long-term debt (Note 12)	147,324	158,207
Subtotal of current liabilities	707,476	624,799
Long-term debt (Note 12)	1,671,323	1,822,327
Total financial liabilities	2,378,799	2,447,126
Net financial assets	4,845,586	4,629,758
Contingency (Note 13)		
Non-financial assets		
Tangible capital assets (Schedule 1)	13,740,330	14,135,243
Prepaid expenses and deposits	231,799	114,201
Total non-financial assets	13,972,129	14,249,444
Accumulated surplus (Note 14)	18,817,715	18,879,201

Approved on behalf of the First Nation

<u>(Signature on file)</u>	Chief	<u>(Signature on file)</u>	Councillor
<u>(Signature on file)</u>	Councillor	<u>(Signature on file)</u>	Councillor
<u>(Signature on file)</u>	Councillor	<u>(Signature on file)</u>	Councillor

The accompanying notes are an integral part of these financial statements



Ocean Man First Nation #69

Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31, 2018

	<i>Schedules</i>	2018 Budget (Note 22)	2018 Actual	<i>2017 Actual</i>
Federal government funding (Note 19)				
Indigenous Services Canada		2,521,446	2,462,211	2,235,221
First Nations and Inuit Health Branch		233,153	337,520	264,696
Canada Mortgage and Housing Corporation		203,052	176,947	198,939
		2,957,651	2,976,678	2,698,856
Land leases		410,000	448,871	430,280
Other		65,000	224,463	447,088
Yorkton Tribal Administration Inc.		187,555	216,265	205,933
Oil, gas and seismic		50,000	205,617	59,652
First Nations Trust		130,000	172,910	170,550
Painted Hand Community Development Corporation		113,835	167,390	141,542
Rental income		154,000	149,825	202,933
Interest income		102,500	122,340	109,599
Taxation bylaw		55,000	51,862	53,663
Royalty revenue		60,000	19,756	50,754
Surface leases and right-of-way		43,000	33,243	47,774
Other forfeited funding		-	-	(3,580)
Forfeited federal government funding (Note 20)		-	(2,641)	-
		4,328,541	4,786,579	4,615,044
Program expenses				
Band Government	3	371,500	571,731	448,911
Band Project Revenue	4	834,600	891,950	1,121,533
Capital	5	393,422	395,219	477,649
Community Infrastructure	6	415,299	447,837	397,418
Economic Development	7	10,300	10,300	10,300
Education	8	1,597,743	1,535,656	1,343,050
Health	9	258,819	368,723	346,674
Reserves and Trusts	11	133,600	172,930	227,095
Social Services	12	312,295	451,681	456,490
Investment in Business Enterprises	13	5,120	2,038	6,464
		4,332,698	4,848,065	4,835,584
Surplus (deficit)		(4,157)	(61,486)	(220,540)
Accumulated surplus, beginning of year		18,879,201	18,879,201	19,099,741
Accumulated surplus, end of year		18,875,044	18,817,715	18,879,201

The accompanying notes are an integral part of these financial statements



Ocean Man First Nation #69

Consolidated Statement of Changes in Net Financial Assets

For the year ended March 31, 2018

	2018 Budget (Note 22)	2018 Actual	2017 Actual
Annual surplus (deficit)	(4,157)	(61,486)	(220,540)
Purchases of tangible capital assets	-	(63,070)	(160,951)
Amortization of tangible capital assets	435,000	457,983	461,307
	435,000	394,913	300,356
Acquisition of prepaid expenses, net	-	(117,599)	(41,654)
Increase in net financial assets	430,843	215,828	38,162
Net financial assets, beginning of year	4,629,758	4,629,758	4,591,596
Net financial assets, end of year	5,060,601	4,845,586	4,629,758

The accompanying notes are an integral part of these financial statements



Ocean Man First Nation #69

Consolidated Statement of Cash Flows

For the year ended March 31, 2018

	2018	2017
Cash provided by (used for) the following activities		
Operating activities		
Deficit	(61,486)	(220,540)
Non-cash items		
Amortization	457,983	461,307
	396,497	240,767
Changes in:		
Accounts receivable	81,536	(17,371)
Due from members	4,385	6,650
Prepaid expenses and deposits	(117,599)	(41,654)
Accounts payable and accruals	(13,342)	(31,470)
Deferred revenue	-	80,000
	351,477	236,922
Financing activities		
Repayment of long-term debt	(161,888)	(190,973)
Native Claims loan proceeds	106,903	-
	(54,985)	(190,973)
Capital activities		
Purchases of tangible capital assets	(63,070)	(160,951)
Investing activities		
Partnership equity withdrawal from PHC Holdings Limited Partnership	71,747	52,880
Transfer to restricted cash	(50,740)	(13,047)
Decrease in funds held in trust (Note 8)	96,443	293,218
	117,450	333,051
Increase in cash resources	350,872	218,049
Cash resources, beginning of year	823,315	605,266
Cash resources, end of year	1,174,187	823,315

The accompanying notes are an integral part of these financial statements



Ocean Man First Nation #69

Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

1. Operations

The Ocean Man First Nation #69 (the "First Nation") is located in the Province of Saskatchewan, and provides various services to its members. The Ocean Man First Nation #69 financial reporting entity includes the operations of the First Nation and all related entities which are accountable to the First Nation and are controlled by the First Nation.

2. Change in accounting policy

Effective April 1, 2017, the First Nation adopted the recommendations relating to the following Sections, as set out in the CPA Canada Public Sector Accounting Handbook:

- PS 2200 *Related Party Disclosures*
- PS 3420 *Inter-entity Transactions*
- PS 3210 *Assets*
- PS 3320 *Contingent Assets*
- PS 3380 *Contractual Rights*

Pursuant to the recommendations, the changes were applied prospectively, and prior periods have not been restated. There was no material impact on the consolidated financial statements of adopting the new Sections.

3. 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 financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity, except for First Nation business entities.

The First Nation has consolidated the assets, liabilities, revenue and expenses of the following entities and departments:

- Ocean Man First Nation #69
- Ocean Man First Nation Housing Authority
- Lost Horse Hills Ranch Inc.

All inter-entity balances have been eliminated on consolidation; however, transactions between departments have not been eliminated in order to present the results of operations for each specific department. Lost Horse Hills Ranch Inc. reports using a fiscal year-end of October 31 compared to the First Nation fiscal year-end of March 31. The operating result of Lost Horse Hills Ranch Inc. are included in the consolidated financial statements using its year-end date of October 31.

Other economic interests

The First Nation is a member of Yorkton Tribal Council (YTC). YTC is an organization of six Nations. YTC's mandate is to enhance the services provided to member Nations.

The First Nation is also a member of Yorkton Tribal Council Child and Family Services Inc. (YTCCFS). The mandate of YTCCFS is to provide child and family protection and prevention services on reserve to the members.

3. Significant accounting policies *(Continued from previous page)*

Basis of presentation

Sources of financing and expenditures are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as they become available and measurable; expenditures 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 includes balances with banks and short-term investments. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Restricted cash

Restricted cash consists of funds held in the CMHC replacement reserve and operating reserve bank accounts, as well as funds managed by a project manager. The CMHC reserves are used to pay eligible expenditures of the CMHC housing units and the project manager is responsible for completion of capital projects.

Portfolio investment

Long-term investments in entities that are not controlled by the First Nation are accounted for using the cost method. They are recorded at cost, less any provision for other than temporary impairment.

Tangible capital assets

Tangible capital assets are initially recorded at cost. Contributed tangible capital assets are recorded at their fair value at the date of contribution. Land purchased is recorded at purchase price plus acquisition costs.

Amortization

Tangible capital assets are amortized annually using the straight line method at rates intended to amortize the cost of the assets over their estimated useful lives:

	Rate
Buildings	25 years
CMHC housing	40 years
First Nation housing	40 years
Water and sewer infrastructure	10-50 years
Vehicles and equipment	5 years
Computer equipment	4 years
Furniture and fixtures	5 years

Projects under construction are not amortized until they are put into use.

3. Significant accounting policies *(Continued from previous page)*

Funds held in Ottawa Trust Fund

Funds held in trust on behalf of the 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 monies consist of:

- Capital trust monies derived from non-renewable resource transactions, the sale of land or other First Nation tangible capital assets; and
- Revenue trust monies generated primarily through land leasing transactions or interest earned on deposits held in trust.

Revenue related to the receipt of funds held in the Ottawa Trust Fund is recognized when it is received. These monies are reported on by the Government of Canada.

Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets and prepaid expenses.

Net financial assets

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

Revenue recognition

Government transfers

The First Nation recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the First Nation recognizes revenue as the liability is settled. Transfers of non-depreciable assets are recognized in revenue when received or receivable.

Non-government funding

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under funding arrangements that relate to a subsequent fiscal period are reflected as deferred revenue on the statement of financial position in the year of receipt.

Other revenue

Lease revenue is recognized over the lease term. Other revenue are earned from services provided by the First Nation and are recognized when the service has been provided.

Funds held in Ottawa Trust Fund

Due to measurement uncertainty, revenue related to funds held in the Ottawa Trust Fund is recognized when amounts can be reasonably estimated and collectability is known.

3. Significant accounting policies *(Continued from previous page)*

Measurement uncertainty

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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. These estimates/assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the records in the periods in which they become known.

Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets. Legal provisions are recorded when the likelihood of loss and amount of settlement can be determined. Liabilities for contaminated sites are estimated based on the best information available regarding potentially contaminated sites for which the First Nation is responsible.

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, 2018.

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 will not recognize any liability as it is not expected any economic benefit will be given up.

Segments

The First Nation conducts its business through 11 reportable segments: Band Government, Band Project Revenue, Capital, Community Infrastructure, Education, Economic Development, Health, Ottawa Trust, Reserves and Trusts, Social Services, and Investment in Commercial Enterprises. These operating segments are established by Chief and Council 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 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.

4. Cash and cash equivalents

	2018	2017
Cash in bank	930,759	579,887
Guaranteed Investment Certificate, bearing interest at 0.75% maturing in June 2018	77,428	77,428
Term deposit, bearing interest at 0.75% maturing in May 2018	81,000	81,000
Term deposits, bearing interest at 1.5% maturing in October and November 2018	85,000	85,000
	1,174,187	823,315

Chief and Council has designated \$77,428 held in Guaranteed Investment Certificates to be used for fencing, dugouts, water, and land improvements.



Ocean Man First Nation #69

Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

5. Accounts receivable

	2018	2017
Other	14,466	88,902
Goods and Services Tax	67,284	66,934
CMHC - subsidy	14,394	16,501
Indigenous Services Canada	-	10,000
Painted Hand Community Development Corporation	16,959	7,188
First Nations and Inuit Health Branch	-	12,126
Land leases	-	9,080
Yorkton Tribal Council	32,545	15,871
	145,648	226,602
Less: allowance for doubtful accounts	(66,674)	(66,092)
	78,974	160,510

6. Due from members

Advances due from members are unsecured, non-interest bearing and without fixed terms of repayment.

	2018	2017
Amounts due from members	215,524	181,821
Allowance for doubtful accounts	(213,745)	(175,657)
	1,779	6,164

7. Portfolio investment

	2018	2017
Measured at cost:		
PHC Holdings Limited Partnership - 14.28%	206,932	278,679

Summarized financial information as at December 31, 2018 for the non-publicly traded portfolio investment is presented below:

	Assets	Liabilities	Revenue	Expenses	Comprehensive Income
PHC Holdings Limited Partnership	10,378,964	5,504,040	1,503,725	577,352	926,373

Ocean Man First Nation's partners' capital account in PHC Holdings Limited Partnership as at December 31, 2017 is \$690,509.



Ocean Man First Nation #69

Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

8. Funds held in trust

Capital and revenue trust monies are transferred to the First Nation on the authorization of the First Nation's Council, with the consent of the Minister of Indigenous Services Canada.

	2018	2017
Capital Trust		
Balance, beginning of year	5,361,562	5,310,808
Royalties	19,756	50,754
	5,381,318	5,361,562
Less: Transfers to Nation	214,561	-
Balance, end of year	5,166,757	5,361,562
Revenue Trust		
Balance, beginning of year	102,568	446,541
Interest	118,319	106,167
Surface leases and right-of-way	33,243	47,774
	254,130	600,482
Less: Transfers to Nation	53,200	497,914
Balance, end of year	200,930	102,568
	5,367,687	5,464,130

Date and No. of BCR	Date Funds Released to First Nation	Balance Beginning of Year	Amount Received from Trust Fund	Actual Amount Spent	Balance End of Year	Purpose for Release of Funds
Revenue Trust						
2017-18/23	August 8, 2017	-	133,000	133,000	-	See Note A
2017-18/25	August 8, 2017	-	28,835	28,835	-	See Note B
2017-18/22	August 8, 2017	-	52,726	52,726	-	See Note C
2017	December 1, 2017	-	53,200	53,200	-	See Note D
Total withdrawals		-	267,761	267,761	-	

Note A: Insurance Policy - See Community Infrastructure - Insurance expense, Band Project Revenue - Insurance expense.

Note B: O&M Services - See Community Infrastructure - Contracted services expense and Repairs and maintenance expense.

Note C: Legal Fees - See Band Project Revenue - Professional fees expense.

Note D: Christmas Gifts - See Band Project Revenue - Per capita distribution, office supplies and training material, contracted services.



Ocean Man First Nation #69
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

9. Restricted cash

	2018	2017
Project management bank account	88,154	32,329
CMHC reserve bank account	306,672	311,757
	394,826	344,086

Restricted cash consists of cash managed by capital project managers who are responsible for payment of expenses relating to capital projects funded by ISC. Funds held in the CMHC replacement reserve bank account are to be used to pay eligible expenditures of the CMHC housing units.

10. Deferred revenue

The following table represents changes in the deferred revenue balance attributable to each major category of external restrictions:

	<i>Balance, beginning of year</i>	<i>Contributions received</i>	<i>Amount recognized as revenue</i>	<i>Balance, end of year</i>
INAC low pressure water	7,115	-	-	7,115
INAC school renovation	73,650	-	-	73,650
INAC new school feasibility study	80,000	-	-	80,000
	160,765	-	-	160,765

11. Native Claims loan funding

The First Nation is seeking compensation for failure of the Crown to provide certain benefits. The balance payable represents funds advanced via Promissory Notes by the Government of Canada to the First Nation to finance its costs to pursue the claim. The promissory Notes are non-interest bearing and are to be repaid by the earlier of March 31, 2022 or the date on which the claim is settled.



Ocean Man First Nation #69

Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

12. Long-term debt

The following loans are secured by government guarantees, and relate to the construction of on-reserve housing. The First Nation receives a subsidy from Canada Mortgage and Housing Corporation to assist with the payment of principal and interest on the following loans:

<i>CMHC Phase</i>	<i>Monthly Payment Including Interest</i>	<i>Interest Rate</i>	<i>Renewal Date</i>	2018	2017
I	-	-	-	-	11,241
IV	1,078	1.44%	1-Feb-2022	118,580	118,580
V	1,108	2.35%	1-Sep-2018	133,111	133,111
VI	1,772	1.14%	1-Jun-2021	185,022	185,022
VII	4,111	2.35%	1-Sep-2018	496,903	496,903
VIII	2,991	1.14%	1-Jun-2021	474,502	474,502
IX	3,165	2.02%	1-Aug-2018	530,149	530,149
				1,801,069	1,949,508
Stoughton Credit Union term loan repayable in monthly installments of \$575 including interest at 6.75%; secured by 2014 GMC Savana van; matures May 2020.				12,956	18,822
Stoughton Credit Union term loan repayable in monthly installments of \$671 including interest at 5.75%; secured by 2013 Chevrolet Express van; matures October 2018.				4,622	12,204
				1,818,647	1,980,534
Less: current portion				147,324	158,207
				1,671,323	1,822,327

Principal repayments on long-term debt in each of the next five years, assuming loans are renewed at similar rates and terms, are estimated as follows:

2019	147,324
2020	146,187
2021	142,847
2022	146,120
2023	149,560

13. Contingency

An individual has filed a lawsuit claiming damages against Her Majesty the Queen in Right of Canada (the "Queen") relating to the re-establishment of the Ocean Man and Pheasant Rump First Nations in 1990. In the event that the individual's claim against the Queen is successful the Queen has filed third party claims against Ocean Man and Pheasant Rump First Nations for damages arising from the above lawsuit against the Queen. The action filed by the claimant has not progressed beyond the examination for discovery phase and no further activity by the claimant has transpired since 2009. As litigation is subject to many uncertainties, it is not possible to predict the ultimate outcome of the third party claim against Ocean Man First Nation #69 or to estimate the loss, if any, which may result.



Ocean Man First Nation #69

Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

14. Accumulated surplus

Accumulated surplus consists of the following:

	2018	2017
Equity in Ottawa Trust Funds (Note 8):		
Balance, beginning of year	5,464,130	5,757,349
Royalties, interest, lease, and other revenue	171,318	204,695
Withdrawals	(267,761)	(497,914)
	5,367,687	5,464,130
Equity in CMHC reserves (Note 15):		
Balance, beginning of year	378,948	331,611
Reserve allocation	41,100	45,100
Interest	4,020	3,432
Withdrawals	(20,100)	(1,195)
	403,968	378,948
Equity in tangible capital assets:		
Balance, beginning of year	12,154,709	12,264,092
Acquisition of tangible capital assets	63,070	160,951
Repayment of long-term debt	161,888	190,973
Amortization	(457,983)	(461,307)
	11,921,684	12,154,709
Equity in Native Claims loan:		
Loan proceeds	(106,903)	-
Equity in portfolio investment:		
Balance, beginning of year	278,679	331,559
Withdrawals	(71,747)	(52,880)
	206,932	278,679
Unrestricted surplus:		
Balance, beginning of year	602,735	415,131
Transfer from (to) equity in Ottawa Trust Funds	96,443	293,219
Transfer to equity in CMHC reserves	(25,020)	(47,338)
Transfer from tangible capital assets	233,025	109,383
Transfer from Native Claims loan funding	106,903	-
Transfer from (to) equity in portfolio investment	71,747	52,880
Annual deficit	(61,486)	(220,540)
	1,024,347	602,735
	18,817,715	18,879,201

The First Nation does not have a moveable assets reserve.

15. Equity in CMHC Reserves

Operating Reserve

The First Nation's CMHC Housing Program receives funding pursuant to the Post 1997 - Fixed Subsidy Program. Any surpluses are externally restricted and reserved for future operating losses that relate to the operation of houses under this Program.

At March 31, 2018 \$34,931 (2017 - \$50,904) is required to be on deposit to fund this reserve. The unfunded portion at March 31, 2017 is \$381 (2017- underfunded \$7,247).

Replacement Reserve

As required as part of the First Nation's CMHC Housing Program, a replacement reserve has been established for replacement of capital equipment and for major repairs to the houses.

At March 31, 2018 \$369,037 (2017 - \$328,045) is required to be on deposit to fund this reserve. The unfunded portion at March 31, 2018 is \$96,915 (2017 - underfunded \$59,945).

16. Credit arrangements

At March 31, 2018, the First Nation had a line of credit totaling \$250,000, none of which was drawn. This line of credit has an interest rate of 4.25% and is secured by the assignment of government funding.

17. Segments

During the year, the First Nation had 11 reportable segments. These segments are differentiated by the major activities or services they provide. The First Nation's segments are as follows:

Band Government - includes administration and governance activities.

Band Project Revenue - other band programs not funded by INAC or FNIHB.

Capital - reports on capital projects.

Community Infrastructure - includes activities for the maintenance of the community and its infrastructure.

Education - includes the operations of education programs.

Economic Development - reports on the First Nation's economic development activities.

Health - includes the administration and delivery of the health programs.

Ottawa Trust - reports on revenue allocated to the funds and transfers to other segments.

Reserves and Trusts - includes activities for the development of the First Nation's land.

Social Services - activities include delivering social programs.

Investment in Commercial Enterprises - reports on the gains and losses of the First Nation's business enterprise investments.

Inter-segment transfers are recorded at their exchange amount. The accounting policies of the segments are the same as those described in Note 3.

Details of the segment revenue and expenses are provided in the accompanying schedules. There are no revenue or expenses that have not been allocated to a segment.



Ocean Man First Nation #69
Notes to the Consolidated Financial Statements
For the year ended March 31, 2018

18. Economic dependence

Ocean Man First Nation #69 receives a significant portion of its revenue from Indigenous Services Canada ("ISC") as a result of treaties entered into with the Government of Canada. These treaties are administered by ISC under the terms and conditions of the *Indian Act*. The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these treaties.

19. Federal government funding reconciliation

	2018	2017
Indigenous Services Canada		
ISC funding per confirmation	2,469,771	2,321,701
Less: 2016/2017 Design Construction deferred revenue	-	(80,000)
Less: 2016/2017 Provincial Schools Direct Services funds not released	-	(6,480)
Less: 2017/2018 recovered funds - Provincial schools direct services	(7,560)	-
	2,462,211	2,235,221
First Nations Inuit and Health Branch		
FNIHB funding per confirmation	337,520	264,696
Canada Mortgage and Housing Corporation		
Subsidy	176,947	198,939
	2,976,678	2,698,856

20. Forfeited federal government funding reconciliation

	2018	2017
Indigenous Services Canada		
Basic Needs reconciliation	2,641	-

21. Comparative figures

Certain figures on the 2017 consolidated financial statements have been reclassified to conform with the 2018 consolidated financial statement presentation.

22. Budget information

The budget information has been approved by the First Nation's Chief and Council on March 6, 2017.

23. Compliance with authorities

The First Nation is required to make its financial statements publicly available and submit its financial statements to Indigenous Services Canada by July 29, 2018. As the audit report is dated after July 29, 2018, the First Nation is in breach of this agreement. The possible effect of this breach has not yet been determined.



Ocean Man First Nation #69

Schedule 1 - Schedule of Tangible Capital Assets

For the year ended March 31, 2018

	Buildings	CMHC housing	First Nation housing	Water and sewer infrastructure	Vehicles and equipment	Computer equipment	Subtotal
Cost							
Balance, beginning of year	5,257,462	4,604,690	1,001,201	1,320,463	355,746	121,489	12,661,051
Acquisition of tangible capital assets	9,956	-	-	-	53,114	-	63,070
Balance, end of year	5,267,418	4,604,690	1,001,201	1,320,463	408,860	121,489	12,724,121
Accumulated amortization							
Balance, beginning of year	1,444,521	1,358,801	507,520	393,038	240,728	121,489	4,066,097
Annual amortization	196,589	115,117	25,152	33,427	60,021	-	430,306
Balance, end of year	1,641,110	1,473,918	532,672	426,465	300,749	121,489	4,496,403
Net book value of tangible capital assets	3,626,308	3,130,772	468,529	893,998	108,111	-	8,227,718
Net book value of tangible capital assets 2017	3,812,941	3,245,889	493,681	927,425	115,018	-	8,594,954

The accompanying notes are an integral part of these financial statements



Ocean Man First Nation #69

Schedule 1 - Schedule of Tangible Capital Assets

For the year ended March 31, 2018

	Subtotal	Furniture and fixtures	Land	Projects under construction	2018	2017
Cost						
Balance, beginning of year	12,661,051	186,840	5,449,027	6,850	18,303,768	18,142,816
Acquisition of tangible capital assets	63,070	-	-	-	63,070	160,952
Balance, end of year	12,724,121	186,840	5,449,027	6,850	18,366,838	18,303,768
Accumulated amortization						
Balance, beginning of year	4,066,097	102,428	-	-	4,168,525	3,707,217
Annual amortization	430,306	27,677	-	-	457,983	461,308
Balance, end of year	4,496,403	130,105	-	-	4,626,508	4,168,525
Net book value of tangible capital assets	8,227,718	56,735	5,449,027	6,850	13,740,330	14,135,243
Net book value of tangible capital assets 2017	8,594,954	84,412	5,449,027	6,850	14,135,243	

The accompanying notes are an integral part of these financial statements



Ocean Man First Nation #69

Schedule 2 - Consolidated Schedule of Expenses by Object

For the year ended March 31, 2018

	2018 Budget (Note 22)	2018 Actual	2017 Actual
Salaries and benefits	687,988	750,046	670,184
Amortization	435,000	457,983	461,307
Repairs and maintenance	378,466	419,217	436,968
Professional fees	221,121	360,452	530,984
Contracted services	280,878	381,665	294,171
Social assistance	274,921	350,711	310,576
Tuition	394,840	291,960	337,116
Travel	183,966	276,792	237,159
Honorarium and per diems	240,673	243,259	236,301
Office supplies and training materials	189,899	174,952	176,086
Insurance	133,100	131,403	133,403
Student allowance	162,800	105,200	163,324
Supplies	28,035	79,665	50,217
Utilities	78,235	81,543	76,366
Miscellaneous	1,200	78,304	4,451
Members' rent	110,000	62,775	112,636
Land transaction management	72,100	60,268	76,630
Contribution	35,000	58,592	4,323
Per capita distribution	52,000	54,200	50,100
Bad debts (recovery)	-	44,745	79,566
Workshops and meetings	68,006	41,315	99,366
Project expenses	65,000	38,467	27,411
Interest on long-term debt	45,500	35,042	41,126
Member assistance	5,000	28,450	46,632
Land use planning	-	24,583	-
Land -compliance and monitoring	-	24,117	-
Medical transportation	11,800	21,726	12,980
Community and cultural events	40,000	34,676	5,539
Taxation bylaws	14,000	20,334	20,136
Youth activities	80,000	18,343	15,764
Community donations	8,600	10,890	11,733
GST and Sales tax	9,000	7,621	6,025
Bank charges and interest	8,070	6,816	6,546
Student projects and incentives	17,500	6,600	7,500
Hot lunch program	-	-	35,197
Program expense	-	65,353	52,396
Administration	-	-	5,365
	4,332,698	4,848,065	4,835,584



Ocean Man First Nation #69 **Band Government**

Schedule 3 - Schedule of Revenue and Expenses and Surplus (Deficit)

For the year ended March 31, 2018

	2018 Budget (Note 22)	2018 Actual	2017 Actual
Revenue			
Indigenous Services Canada	194,720	441,538	260,720
Interest income	2,500	4,022	3,432
Other	5,000	349	2,130
Painted Hand Community Development Corporation	-	-	7,446
	202,220	445,909	273,728
Expenses			
Honorarium and per diems	207,100	227,667	195,666
Travel	56,000	119,597	84,957
Professional fees	7,000	106,376	85,565
Contracted services	58,500	56,782	57,969
Office supplies and training materials	14,000	19,690	13,770
Repairs and maintenance	2,800	13,431	1,677
Utilities	20,000	12,998	18,318
Contribution	-	6,962	-
Bad debts (recovery)	-	5,703	7,414
Bank charges and interest	4,700	4,661	2,319
Member assistance	5,000	4,300	1,000
Community donations	5,500	437	(750)
Workshops and meetings	4,700	163	4,267
Salaries and benefits	5,000	-	5,149
Miscellaneous	1,200	(300)	(1,050)
Administration	(20,000)	(6,736)	(27,360)
	371,500	571,731	448,911
Deficit	(169,280)	(125,822)	(175,183)



Ocean Man First Nation #69

Band Project Revenue

Schedule 4 - Schedule of Revenue and Expenses and Surplus (Deficit)

For the year ended March 31, 2018

	2018 Budget (Note 22)	2018 Actual	2017 Actual
Revenue			
CMHC subsidy	203,052	176,947	198,939
First Nations Trust	130,000	172,910	170,550
Other	35,000	144,714	403,565
Rental income	135,000	134,098	189,366
Painted Hand Community Development Corporation	63,835	55,600	74,805
Yorkton Tribal Administration Inc.	11,455	31,462	13,745
	578,342	715,731	1,050,970
Expenses			
Professional fees	160,000	207,564	388,870
Repairs and maintenance	70,000	125,441	84,135
Amortization	105,000	115,117	115,117
Members' rent	110,000	62,775	112,636
Per capita distribution	52,000	54,200	50,100
Contribution	35,000	51,630	4,323
Contracted services	20,000	50,530	55,316
Salaries and benefits	-	48,797	-
Office supplies and training materials	15,000	42,194	34,218
Travel	70,000	41,562	46,214
Interest on long-term debt	45,000	33,536	38,916
Member assistance	-	20,769	27,850
Community donations	1,800	9,932	12,483
Community and cultural events	30,000	8,658	5,539
GST and Sales tax	9,000	7,621	6,025
Workshops and meetings	1,500	5,609	300
Utilities	-	3,876	331
Honorarium and per diems	-	1,800	5,270
Bank charges and interest	300	339	228
Supplies	8,000	-	21,776
Administration	20,000	-	27,360
Project expenses	15,000	-	27,411
Insurance	47,000	-	38,952
Miscellaneous	-	-	2,399
Youth activities	20,000	-	15,764
	834,600	891,950	1,121,533
Deficit before transfers	(256,258)	(176,219)	(70,563)
Transfers between programs	226,258	105,926	330,140
Surplus (deficit)	(30,000)	(70,293)	259,577



Ocean Man First Nation #69

Capital

Schedule 5 - Schedule of Revenue and Expenses and Surplus (Deficit)

For the year ended March 31, 2018

	2018 Budget (Note 22)	2018 Actual	2017 Actual
Revenue			
Indigenous Services Canada	596,924	83,022	122,417
Expenses			
Amortization	330,000	342,866	346,190
Repairs and maintenance	63,422	52,353	131,459
	393,422	395,219	477,649
Deficit	203,502	(312,197)	(355,232)



Ocean Man First Nation #69 **Community Infrastructure**

Schedule 6 - Schedule of Revenue and Expenses and Surplus (Deficit)

For the year ended March 31, 2018

	2018 Budget (Note 22)	2018 Actual	2017 Actual
Revenue			
Indigenous Services Canada	142,143	153,443	142,209
Rental income	19,000	15,727	13,567
	161,143	169,170	155,776
Expenses			
Repairs and maintenance	197,744	187,500	181,735
Insurance	81,000	127,903	91,880
Utilities	45,055	51,213	47,069
Contracted services	55,500	49,355	46,005
Salaries and benefits	28,000	27,711	27,711
Travel	3,500	2,476	2,340
Workshops and meetings	1,500	949	588
Bad debts (recovery)	-	530	90
Community and cultural events	-	200	-
Office supplies and training materials	3,000	-	-
	415,299	447,837	397,418
Deficit before transfers	(254,156)	(278,667)	(241,642)
Transfers between programs	189,152	158,335	167,774
Deficit	(65,004)	(120,332)	(73,868)



Ocean Man First Nation #69
Economic Development

Schedule 7 - Schedule of Revenue and Expenses and Surplus (Deficit)

For the year ended March 31, 2018

	2018 Budget (Note 22)	2018 Actual	2017 Actual
Revenue			
Yorkton Tribal Administration Inc.	10,300	10,300	10,300
Expenses			
Workshops and meetings	7,000	10,300	10,300
Professional fees	3,300	-	-
	10,300	10,300	10,300
Surplus (deficit)	-	-	-



Ocean Man First Nation #69 Education

Schedule 8 - Schedule of Revenue and Expenses and Surplus (Deficit)

For the year ended March 31, 2018

	2018 Budget (Note 22)	2018 Actual	2017 Actual
Revenue			
Indigenous Services Canada	1,135,498	1,212,217	1,107,165
Yorkton Tribal Administration Inc.	150,000	143,307	137,670
Painted Hand Community Development Corporation	50,000	79,948	30,000
Other	25,000	74,517	36,565
	1,360,498	1,509,989	1,311,400
Expenses			
Salaries and benefits	570,000	631,964	570,088
Tuition	394,840	291,960	337,116
Office supplies and training materials	152,786	105,285	126,183
Student allowance	162,800	105,200	163,324
Contracted services	86,078	90,683	64,506
Miscellaneous	-	78,604	2,366
Travel	26,666	68,385	26,007
Supplies	-	50,663	-
Repairs and maintenance	44,500	40,492	37,962
Project expenses	50,000	38,467	-
Youth activities	60,000	18,343	-
Student projects and incentives	17,500	6,600	7,500
Professional fees	2,500	3,969	-
Social assistance	-	2,656	-
Interest on long-term debt	500	1,504	2,210
Honorarium and per diems	8,373	400	230
Program expense	-	300	-
Bank charges and interest	1,100	181	187
Bad debts (recovery)	-	-	2,800
Community and cultural events	10,000	-	-
Workshops and meetings	5,000	-	-
Insurance	5,100	-	2,571
	1,597,743	1,535,656	1,343,050
Deficit	(237,245)	(25,667)	(31,650)



Ocean Man First Nation #69 Health

Schedule 9 - Schedule of Revenue and Expenses and Surplus (Deficit)

For the year ended March 31, 2018

	<i>2018 Budget (Note 22)</i>	<i>2018 Actual</i>	<i>2017 Actual</i>
Revenue			
Indigenous Services Canada	9,866	9,866	9,866
First Nations and Inuit Health Branch	233,153	337,520	264,696
Painted Hand Community Development Corporation	-	31,842	29,290
Yorkton Tribal Administration Inc.	15,800	30,196	44,218
Other	-	4,283	3,372
Other forfeited funding	-	-	(3,580)
	258,819	413,707	347,862
Expenses			
Contracted services	55,200	113,312	64,516
Salaries and benefits	72,988	41,574	67,236
Travel	22,800	39,211	36,641
Bad debts (recovery)	-	35,626	24,356
Supplies	20,035	29,002	28,441
Community and cultural events	-	25,819	-
Workshops and meetings	48,306	24,295	83,911
Medical transportation	11,800	21,726	12,980
Honorarium and per diems	12,600	12,250	12,600
Utilities	11,180	11,456	8,648
Insurance	-	3,500	-
Member assistance	-	3,381	2,200
Professional fees	1,321	3,287	1,326
Office supplies and training materials	89	2,782	415
Bank charges and interest	1,200	980	2,668
Community donations	1,300	522	-
Miscellaneous	-	-	736
	258,819	368,723	346,674
Surplus	-	44,984	1,188



Ocean Man First Nation #69

Ottawa Trust

Schedule 10 - Schedule of Revenue and Expenses and Surplus (Deficit)

For the year ended March 31, 2018

	2018 Budget (Note 22)	2018 Actual	2017 Actual
Revenue			
Interest income	100,000	118,319	106,166
Surface leases and right-of-way	43,000	33,243	47,774
Royalty revenue	60,000	19,756	50,754
	203,000	171,318	204,694
Surplus before transfers	203,000	171,318	204,694
Transfers between programs	(415,410)	(267,761)	(497,914)
Deficit	(212,410)	(96,443)	(293,220)



Ocean Man First Nation #69 **Reserves and Trusts**

Schedule 11 - Schedule of Revenue and Expenses and Surplus (Deficit)

For the year ended March 31, 2018

	2018 Budget (Note 22)	2018 Actual	2017 Actual
Revenue			
Indigenous Services Canada	130,000	113,362	183,362
Land leases	410,000	448,871	430,280
Oil, gas and seismic	50,000	205,617	59,652
Taxation bylaw	55,000	51,862	53,663
	645,000	819,712	726,957
Expenses			
Land transaction management	72,000	60,268	76,630
Professional fees	42,000	37,307	48,777
Land use planning	-	24,583	-
Land -compliance and monitoring	-	24,117	-
Taxation bylaws	14,000	20,334	20,136
Contracted services	5,600	5,760	5,860
Travel	-	561	36,999
Bad debts (recovery)	-	-	38,693
	133,600	172,930	227,095
Surplus	511,400	646,782	499,862



Ocean Man First Nation #69 **Social Services**

Schedule 12 - Schedule of Revenue and Expenses and Surplus (Deficit)

For the year ended March 31, 2018

	2018 Budget (Note 22)	2018 Actual	2017 Actual
Revenue			
Indigenous Services Canada	312,295	448,763	409,482
Yorkton Tribal Administration Inc.	-	1,000	-
Other	-	600	1,350
Forfeited federal government funding	-	(2,641)	-
	312,295	447,722	410,832
Expenses			
Social assistance	274,921	348,055	310,576
Program expense	-	65,053	52,396
Contracted services	-	15,244	-
Administration	-	6,736	5,365
Travel	5,000	5,000	4,000
Office supplies and training materials	5,024	5,000	1,500
Bad debts (recovery)	-	2,886	6,214
Utilities	2,000	2,000	2,000
Honorarium and per diems	12,600	1,142	22,534
Bank charges and interest	750	565	1,126
Salaries and benefits	12,000	-	-
Hot lunch program	-	-	35,197
Member assistance	-	-	15,582
	312,295	451,681	456,490
Deficit	-	(3,959)	(45,658)



Ocean Man First Nation #69
Investment in Business Enterprises

Schedule 13 - Schedule of Revenue and Expenses and Surplus (Deficit)

For the year ended March 31, 2018

	2018 Budget (Note 22)	2018 Actual	2017 Actual
Revenue			
Other	-	-	107
Expenses			
Professional fees	5,000	1,950	6,445
Bank charges and interest	20	88	19
Land transaction management	100	-	-
	5,120	2,038	6,464
Deficit	(5,120)	(2,038)	(6,357)