

SKOWNAN FIRST NATION
CONSOLIDATED
FINANCIAL STATEMENTS
MARCH 31, 2017

SKOWNAN FIRST NATION

MARCH 31, 2017

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MANAGEMENT'S RESPONSIBILITY

To the Members of the Skownan First Nation:

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

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based upon estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the consolidated financial statements are presented fairly, in all material respects.

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

The First Nation's Chief and Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements.

The Finance Department reviews the First Nation's financial statements with the Chief and Council and recommends their approval. Chief and Council meet periodically with the Finance Department, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters, and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities and to review the annual report, the consolidated financial statements and the external auditor's report.

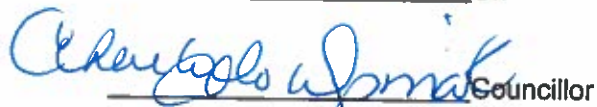
Zaplitny and Zamrykut, Chartered Accountants were appointed by the Chief and Council to audit the consolidated financial statements and report directly to them and the members of the First Nation; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Chief and Council and management to discuss their findings.



Chief



Councillor



Councillor

Councillor



Councillor

Councillor

AUDITORS' REPORT

To the Members of the Skownan First Nation:

We have audited the accompanying consolidated financial statements of the Skownan First Nation, which comprise of the statement of financial position as at March 31, 2017 and the statements of accumulated surplus, changes in net financial debt, statement of operations, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient to provide a basis for an audit opinion.

Opinion

In our opinion the financial statements present fairly, in all material respects, the financial position of the Skownan First Nation as at March 31, 2017, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



ZAPLITNY & ZAMRYKUT,
Chartered Professional Accountants

Dauphin, Manitoba
December 4, 2017

SKOWNAN FIRST NATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2017

	2017	2016
FINANCIAL ASSETS		
CURRENT		
Cash	\$ 868,772	\$ 1,154,927
Accounts Receivable - Note 4	365,550	229,641
Inventory	6,690	4,832
	1,241,012	1,389,400
LONG TERM		
Funds in Trust - Note 5	96,870	2,297,540
	\$ 1,337,882	\$ 3,686,940
FINANCIAL LIABILITIES		
CURRENT		
Accounts Payable and Accrued Liabilities - Note 6	\$ 592,899	\$ 603,980
LONG TERM		
Long Term Debt - Note 7	3,968,890	4,361,410
Due to Replacement Reserve - Note 8	388,247	382,014
Moveable Assets Reserve - Note 9	41,024	38,571
	4,398,161	4,781,995
	4,991,060	5,385,975
NET FINANCIAL DEBT	(3,653,178)	(1,699,035)
NON-FINANCIAL ASSETS		
Tangible Capital Assets - Note 10	22,457,178	21,315,705
Prepaid Expenses	32,764	32,493
ACCUMULATED SURPLUS	\$ 18,836,764	\$ 19,649,163

Approved on Behalf of Skownan First Nation:

Chief: _____

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, 2017

	(Unaudited) 2017 Budget	2017	2016
REVENUE			
Aboriginal Affairs and Northern Development Canada (AANDC)	\$ 5,899,635	\$ 11,023,015	\$ 9,909,629
Aboriginal and Northern Affairs Government of Canada	-	25,000	25,000
First Nation and Inuit Health Branch (FNIHB)	950,000	1,296,752	1,103,546
Canada Mortgage and Housing Corporation (CMHC)	200,000	479,139	248,446
First Peoples Development Inc.	-	339,620	333,385
Enbridge Inc.	-	-	40,000
Contract Revenue	180,000	613,341	616,542
Province of Manitoba	-	-	518
Other	50,000	22,221	4,221
VLT Proceeds - Net	-	493,539	449,985
Concession - Net	-	(4,081)	(24,022)
Bison	-	37,174	78,863
Tobacco Tax Rebates	-	271,117	263,758
Manitoba Hydro	-	52,750	51,650
Solicitor General	-	17,402	26,901
Confectionary and Fuel - Net	-	238,068	227,405
Emergency Measures Organization	-	-	350,252
Ice Derby	-	46,555	-
Rent	150,000	259,103	268,406
Interest	-	3,112	114
	7,429,635	15,286,300	14,050,312
EXPENSES			
Governance and Administration	502,000	704,269	783,130
Social	1,015,000	1,113,379	1,072,566
Health	976,973	1,559,096	1,386,527
Housing	307,787	583,716	495,189
Economic Development	287,000	950,908	1,301,302
Education	2,911,200	3,194,071	3,555,415
Operations and Maintenance	1,079,000	6,947,127	2,519,060
Training and Other	-	604,877	469,424
Gaming	-	441,256	482,805
	7,078,960	16,098,699	12,065,418
ANNUAL SURPLUS (DEFICIT)	\$ 350,675	(812,399)	1,984,894
ACCUMULATED SURPLUS, BEGINNING OF YEAR		19,649,163	17,664,269
ACCUMULATED SURPLUS, END OF YEAR		\$ 18,836,764	\$ 19,649,163

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

SKOWNAN FIRST NATION

STATEMENT OF CHANGES IN NET FINANCIAL DEBT FOR THE YEAR ENDED MARCH 31, 2017

	2017	2016
ANNUAL SURPLUS (DEFICIT)	\$ (812,399)	\$ 1,984,894
Acquisition of Tangible Capital Assets	(2,328,181)	(639,867)
Amortization of Tangible Capital Assets	1,186,708	1,087,629
Change in Prepaid Expenses	(271)	5,634
CHANGE IN NET FINANCIAL DEBT	(1,954,143)	2,438,290
NET FINANCIAL DEBT, BEGINNING OF YEAR	(1,699,035)	(4,137,325)
NET FINANCIAL DEBT, END OF YEAR	\$ (3,653,178)	\$ (1,699,035)

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

SKOWNAN FIRST NATION**STATEMENT OF CASH FLOWS****MARCH 31, 2017**

	2017	2015
CASH PROVIDED BY OPERATING ACTIVITIES		
Cash Received From Contributors	\$ 15,150,391	\$ 14,050,312
Cash Paid to Suppliers	(11,569,297)	(11,176,814)
Cash Paid to Employees	(2,320,282)	(1,945,023)
Interest Paid	(80,797)	(75,076)
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,180,015	853,399
CASH FLOWS FROM FINANCING ACTIVITIES		
Long Term Debt Repayments	(392,520)	(639,867)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Additions	(1,073,650)	(79,817)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(286,155)	133,715
NET CASH AND CASH EQUIVALENTS, beginning of year	1,154,927	1,021,212
NET CASH AND CASH EQUIVALENTS, end of year	\$ 868,772	\$ 1,154,927
Cash and Cash Equivalents consists of:		
	2017	2015
Cash	\$ 868,772	\$ 1,154,927
Bank Indebtedness	-	-

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

SKOWNAN FIRST NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2017

1. NATURE OF ENTITY

The Skownan First Nation is a community located near Waterhen, Manitoba. The First Nation provides general government, education, protection, housing and health programs to the general membership through various First Nation departments and entity's. The First Nation receives program funding direct from Aboriginal Affairs and Northern Development Canada, the Canada Mortgage and Housing Corporation, First Peoples Development, and Health Canada and carries out programs within the community in accordance with the provisions set forth in the annual funding agreements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards and include the following significant accounting policies:

(a) Reporting Entity and Principles of Financial Reporting

The First Nation's reporting entity includes the First Nation's government and all related entities which are accountable to the First Nation and are either owned or controlled by the First Nation. These financial statements consolidate the assets, liabilities, and results of operations for the following entities:

Skownan First Nation
Skownan CMHC Housing
Skownan Employment Training and Daycare
Skownan Health Authority
Skownan VLT Operation
SKO Construction Inc.

All inter-entity balances have been eliminated for the purposes of consolidating all of the above entities. However, transactions between programs have not been eliminated in reporting the results of operations.

(b) Inventory

The Bison herd was not available at the year end date to conduct an inventory count, therefore, the animals are disclosed on the statement of financial position at the nominal amount of \$1. All other inventory has been recorded at cost using the FIFO method (First In, First Out)

(c) Replacement Reserve

The Replacement Reserve account is funded by an annual charge against earnings.

(d) Revenue Recognition

Funding received under the terms of agreements is recognized as revenue when the related expenses are incurred. Funding received but not yet expended is recorded as deferred revenue or a liability to the funding body depending upon the nature of the program revenue. Other revenue is recognized as it is earned.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

(e) Long-Lived Assets

Long-lived assets consist of capital assets with finite useful lives. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The First Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying value of an asset, or group of assets may not be recoverable. Impairment losses are recognized when undiscounted future cash flows from its use and disposal are less than the asset's value. Impairment is measured as the amount by which the asset's carrying value exceeds its fair value. Any impairment is included in earnings for the year.

(f) Measurement Uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may vary from current estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

(g) Inventory

Due to the difficulties in assigning values to livestock, bison inventory is valued at a nominal cost of \$1 and the purchase of livestock is treated as an expenditure at the time the First Nation receives ownership of the animals.

SKOWNAN FIRST NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

(g) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Donated assets are recorded at their estimated fair value upon acquisition. Certain tangible capital assets for which historical cost information is not available have been recorded at current fair market values discounted by a relevant inflation factor. Certain assets are disclosed at a nominal value as the determination of current fair market value was not available.

General Tangible Capital Assets

Land	Indefinite
Land Improvements	10 to 30 years
Buildings and Leasehold Improvements	
Buildings	25 to 40 years
Leasehold Improvements	Life of lease
Vehicles and Equipment	
Vehicles	5 to 10 years
Machinery, Equipment and Furniture	5 to 20 years
Maintenance and Road Construction Equipment	20 years
Computer Hardware and Software	4 years

Infrastructure Assets

Transportation	
Land	Indefinite
Road Surface	20 years
Road Grade	20 years
Bridges	30 to 45 years
Water and Sewer	
Land	Indefinite
Buildings	25 to 40 years
Underground Networks	30 years
Machinery and Equipment	20 years

Certain assets which have historical or cultural value including works of art, historical documents as well as historical and cultural artifacts are not recognized as tangible capital assets because a reasonable estimate of the future benefits associated with such property cannot be made. Intangibles, Crown lands that have not been purchased by the Community, forests, water, and other natural resources are not recognized as tangible capital assets.

SKOWNAN FIRST NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

(h) Financial Segment Reporting

The First Nation conducts its business through 10 reportable segments as reported below. These operating segments are established by senior management to facilitate the achievement to the First Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

For each reported segment, revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

The First Nation's segments are as follows:

Governance and administration - reports on governance and administration activities

Social - reports on social assistance programs

Health - Reports on health and wellness programs funded by Health Canada

Housing - Reports on activities related to developing and sustaining housing, including CMHC subsidized housing

Economic Development - Reports on services that facilitate economic development

Education - Reports on the operations of education programs

Operations and Maintenance - Reports on general operations and maintenance programs in the First Nation

Ottawa Trust - Reports on funding held in the Ottawa Trust

Training and Other - Reports on training and other activities

Gaming - Reports on the Video Lottery Terminal operations.

Inter-segment transfers are recorded at their exchange amount. The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in the Significant Accounting Policies.

3. FINANCIAL INSTRUMENTS

The First Nation classifies its financial instruments into one of the following categories based on the purpose for which the asset was acquired or liability was incurred. The First Nation's accounting policy for each category is as follows:

Assets held-for-trading

Financial instruments classified as assets held-for-trading are reported at fair value at each balance sheet date, and any change in fair value is recognized in net income (loss) in the period during which the change occurs. Transaction costs are expensed when incurred. In these financial statements, cash and cash equivalents has been classified as held-for-trading. The carrying amount of these items approximates the fair value because of the short term maturity of these instruments.

3. FINANCIAL INSTRUMENTS - Continued

Available-for-sale investments

Financial instruments classified as available-for-sale are reported at fair value at each balance sheet date, and any change in fair value is recognized in net assets in the period in which the change occurs. All transactions related to marketable securities are recorded on a settlement date basis. In these financial statements, there are no assets classified as available for sale.

Held-to-maturity

Financial instruments classified as held-to-maturity are financial assets with fixed or determinable payments and fixed maturities that the organization's management has the positive intention and ability to hold to maturity. These assets are initially recorded at fair value and subsequently carried at amortized cost, using the effective rate method. Transaction costs are included in the amount initially recognized. In these financial statements, no assets have been classified as held-to-maturity.

Loans and receivables and other financial liabilities

Financial instruments classified as loans and receivables and other financial liabilities are carried at amortized cost using the effective interest method. Transaction costs are expensed when incurred.

In these financial statements, accounts receivable have been classified as loans and receivables. Accounts payable and amounts due to a related nation entity have been classified as other financial liabilities. The carrying value of these items approximates the fair value because of the short term nature of these instruments and because they are subject to normal credit terms.

Risk

The First Nation as part of its operations carries a number of financial instruments. It is management's opinion that the organization is not exposed to significant interest, currency or credit risks arising from these financial instruments.

SKOWNAN FIRST NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2017

4. ACCOUNTS RECEIVABLE

	2017	2016
Aboriginal and Northern Development Canada	\$ 365,550	\$ 184,641
FNIHB	-	45,000
	\$ 365,550	\$ 229,641

5. FUNDS HELD IN TRUST

The Ottawa trust accounts arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2017	2016
Trade	\$ 588,012	\$ 598,773
Accrued Interest	4,887	5,207
	\$ 592,899	\$ 603,980

SKOWNAN FIRST NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2017

7. LONG TERM DEBT

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

	2017	2016
Canada Mortgage and Housing Corporation Terms: Monthly payments of \$3,664 including interest Interest: 1.62%	\$ 251,310	\$ 290,887
Canada Mortgage and Housing Corporation Terms: Monthly payments of \$3,881 including interest Interest: 1.67%	471,031	509,431
Canada Mortgage and Housing Corporation Terms: Monthly payments of \$3,996 including interest Interest: 1.49%	823,116	858,594
First Nation Bank Terms: Annual payments of \$93,342 plus interest at prime plus 1.25% Interest: 5.95%	460,612	560,050
TD Canada Trust Terms: Monthly payments of \$3,698 including interest Interest: 3.95%	135,346	173,553
Canada Mortgage and Housing Corporation Terms: Monthly payments of \$1,855 including interest Interest: 1.67%	422,641	437,749
Canada Mortgage and Housing Corporation Terms: Monthly payments of \$1,895 including interest Interest: 1.67%	431,605	447,034
First Peoples Development Terms: Monthly payments of \$3,571 including interest Interest: 0.00%	71,466	114,318
Subtotal	\$ 3,067,127	\$ 3,391,616

SKOWNAN FIRST NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2017

7. LONG TERM DEBT - Continued

	2017	2016
Subtotal - Continued from last page	\$ 3,067,127	\$ 3,391,616
CIBC	72,105	106,951
Terms: Monthly payments of \$2,489 including interest		
Interest: 4.50%		
Canada Mortgage and Housing Corporation	526,135	547,042
Terms: Monthly payments of \$2,464 including interest		
Interest: 1.62%		
Canada Mortgage and Housing Corporation	303,523	315,801
Terms: Monthly payments of \$1,452 including interest		
Interest: 1.67%		
	\$ 3,968,890	\$ 4,361,410

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

2017-18	\$358,687
2018-19	353,557
2019-20	321,772
2020-21	280,567
2021-22	276,625
Subsequent Years	2,377,682

SKOWNAN FIRST NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2017

8. DUE TO REPLACEMENT RESERVE

Under the terms of agreements with Canada Mortgage and Housing Corporation, the replacement reserve bank account is to be credited annually for each project. These funds, along with accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation. The funds in the account may only be used as approved by Canada Mortgage and Housing Corporation. Withdrawals are applied first to interest and then principal. The Skownan First Nation CMHC Housing Authority did not maintain a separate interest bearing bank account for the purposes of holding replacement reserve charges aside from normal operating funds at March 31, 2017. The balance due to the Replacement Reserve Fund consists of:

	Pre 1997	Post 1996	2017	2016
Balance, Beginning of Year	\$ 118,782	\$ 263,233	\$ 382,015	\$ 392,901
Add: Annual Appropriation	6,915	45,200	52,115	52,115
Interest Earned on Account	Nil	Nil	Nil	Nil
	125,697	308,433	434,130	445,016
Less: Eligible Expenditures	Nil	45,883	45,883	63,001
Balance, End of Year	\$ 125,697	\$ 262,550	\$ 388,247	\$ 382,015

9. MOVEABLE ASSETS RESERVE

Under the terms of the operating agreement with Health Canada, the Moveable Asset Reserve is funded annually by Health Canada. The funds in the account may be used only for the replacement of moveable assets in excess of \$1,000 and no amounts of these funds can be transferred to the operating budget.

	2017	2016
Opening Balance	\$ 38,571	\$ 36,175
Add:		
Allocation to Moveable Assets Reserve	2,453	2,396
Less:		
Replacement Expenditures	-	-
Closing Balance	\$ 41,024	\$ 38,571

SKOWNAN FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

10. TANGIBLE CAPITAL ASSETS	Land	Buildings	Vehicles and Equipment	Roads	Water and Sewer	CMHC Housing	2017
COST							
Balance, Beginning of Year	\$ 110,000	\$ 28,493,749	\$ 2,306,312	\$ 725,411	\$ 3,551,188	\$ 7,105,882	\$ 42,292,542
Acquisition of Tangible Capital Assets	-	-	37,200	-	2,290,981	-	2,328,181
Disposals & Write Downs	-	-	-	-	-	-	-
Balance, End of Year	110,000	28,493,749	2,343,512	725,411	5,842,169	7,105,882	44,620,723
ACCUMULATED AMORTIZATION							
Balance, Beginning of Year	-	16,051,345	840,897	573,133	579,726	2,931,736	20,976,837
Amortization	-	608,067	160,735	16,870	178,621	222,415	1,186,708
Balance, End of Year	-	16,659,412	1,001,632	590,003	758,347	3,154,151	22,163,545
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 110,000	\$ 11,834,337	\$ 1,341,880	\$ 135,408	\$ 5,083,822	\$ 3,951,731	\$ 22,457,178

SKOWNAN FIRST NATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

10. TANGIBLE CAPITAL ASSETS	Land	Buildings	Vehicles and Equipment	Roads	Water and Sewer	CMHC Housing	2016
COST							
Balance, Beginning of Year	\$ 110,000	\$ 28,493,749	\$ 1,666,445	\$ 725,411	\$ 3,551,188	\$ 7,105,882	\$ 41,652,675
Acquisition of Tangible Capital Assets	-	-	639,867	-	-	-	639,867
Disposals & Write Downs	-	-	-	-	-	-	-
Balance, End of Year	110,000	28,493,749	2,306,312	725,411	3,551,188	7,105,882	42,292,542
ACCUMULATED AMORTIZATION							
Balance, Beginning of Year	-	15,443,278	687,602	556,263	492,744	2,709,321	19,889,208
Amortization	-	608,067	153,295	16,870	86,982	222,415	1,087,629
Balance, End of Year	-	16,051,345	840,897	573,133	579,726	2,931,736	20,976,837
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 110,000	\$ 12,442,404	\$ 1,465,415	\$ 152,278	\$ 2,971,462	\$ 4,174,146	\$ 21,315,705

SKOWNAN FIRST NATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2017

11. REVENUE RECONCILIATION

	2017	2016
Revenue per AANDC Cash Flow Statement	\$ 11,023,015	\$ 9,909,629
Water Under \$1.5 Million deferred to - 2013/2014	-	-
AANDC Revenue per Financial Statements	\$ 11,023,015	\$ 9,909,629

	2017	2016
Revenue per FNIHB Cash Flow Statement	\$ 1,296,752	\$ 1,103,546
FNIHB Revenue per Financial Statements	\$ 1,296,752	\$ 1,103,546

12. ECONOMIC DEPENDENCE

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

13. PRIOR YEAR COMPARATIVES

Certain prior year figures have been reclassified to conform with the current year's presentation.

SKOWNAN FIRST NATION

SCHEDULE 1 - GOVERNANCE AND ADMINISTRATION CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES FOR THE YEAR ENDED MARCH 31, 2017

	(Unaudited) 2017 Budget	2017	2016
REVENUE			
Aboriginal Affairs and Northern Development Canada (AANDC)	\$ 529,146	\$ 434,662	\$ 418,934
Rental	-	37,500	22,509
Province of Manitoba	-	-	518
Other	-	6,552	-
Government of Canada	-	10,500	75,713
	529,146	489,214	517,674
EXPENSES			
Amortization	-	183,092	175,652
Aid and Assistance	25,000	36,325	62,254
Bank Charges and Interest	3,500	2,955	3,442
Chief and Council Honoraria and Travel	225,000	263,433	241,800
Office	15,000	31,860	20,199
Professional Fees	35,000	39,188	32,696
Recovery	-	-	52,258
Repairs and Maintenance	3,500	4,155	12,434
Salaries and Benefits	120,000	124,313	131,865
Telephone	15,000	-	12,900
Training	2,500	4,748	12,002
Travel	25,000	14,200	25,628
	469,500	704,269	783,130
ANNUAL SURPLUS (DEFICIT)	\$ 59,646	\$ (215,055)	\$ (265,456)

SKOWNAN FIRST NATION

SCHEDULE 2 - SOCIAL

**CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES
FOR THE YEAR ENDED MARCH 31, 2017**

	<i>(Unaudited)</i> 2017 Budget	2017	2016
REVENUE			
Aboriginal Affairs and Northern Development Canada (AANDC)	\$ 1,160,000	\$ 991,731	\$ 988,950
EXPENSES			
Amortization	-	96,632	96,632
Office	3,000	3,937	3,216
Professional Development	-	500	1,299
Salaries and Benefits	50,000	36,408	38,371
Social Assistance	1,105,500	970,404	930,957
Travel	1,500	5,498	2,091
	1,160,000	1,113,379	1,072,566
ANNUAL SURPLUS (DEFICIT)	\$ -	\$ (121,648)	\$ (83,616)

SKOWNAN FIRST NATION

SCHEDULE 3 - HEALTH

CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2017

	<i>(Unaudited)</i> 2017 Budget	2017	2016
REVENUE			
First Nation and Inuit Health Branch (FNIHB)	\$ 971,200	\$ 1,296,752	\$ 1,103,546
Aboriginal Affairs and Northern Development Canada (AANDC)	68,313	68,313	68,313
	1,039,513	1,365,065	1,171,859
EXPENSES			
Administration Fees	45,000	43,728	59,939
Advertising	-	7,661	-
Aid and Assistance	10,000	-	6,802
Amortization	-	173,460	173,460
Bank Charges and Interest	500	1,310	933
Equipment Purchase	-	1,000	-
Insurance	10,000	3,659	6,716
Office	30,000	45,230	39,357
Professional Development	12,000	22,193	17,835
Projects	115,000	267,162	168,022
Professional Fees	12,000	11,713	24,340
Repairs and Maintenance	15,000	18,275	9,965
Reserve Allocation	-	2,453	2,359
Salaries and Benefits	620,000	700,628	647,861
Supplies	2,500	62,022	1,517
Travel	60,000	67,409	202,371
Utilities	18,000	17,844	17,525
Vehicle Operating	35,000	100,823	-
Workshops	-	12,526	7,525
	985,000	1,559,096	1,386,527
ANNUAL SURPLUS (DEFICIT)	\$ 54,513	\$ (194,031)	\$ (214,668)

SKOWNAN FIRST NATION

SCHEDULE 4 - HOUSING

CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES FOR THE YEAR ENDED MARCH 31, 2017

	<i>(Unaudited)</i>	2017	2016
	Budget	2017	2016
REVENUE			
Canada Mortgage and Housing Corporation (CMHC)	\$ -	\$ 244,698	\$ 248,446
Rent	-	221,603	245,897
	-	466,301	494,343
EXPENSES			
Administration	-	19,200	19,200
Amortization	-	222,415	222,415
Bank Charges and Interest	-	40	-
Insurance	-	60,735	55,450
Interest on Long Term Debt	-	52,456	64,388
Professional Fees	-	52,500	3,500
Repairs and Maintenance	-	72,146	76,039
Replacement Reserve	-	52,115	52,115
Salaries and Benefits	-	22,628	-
Supplies	-	1,776	-
Travel	-	27,705	2,082
	-	583,716	495,189
ANNUAL SURPLUS (DEFICIT)	\$ -	\$ (117,415)	\$ (846)

SKOWNAN FIRST NATION

SCHEDULE 5 - ECONOMIC DEVELOPMENT

CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES

	<i>(Unaudited)</i>		
	2017	2017	2016
	Budget		
REVENUE			
Aboriginal Affairs and Northern Development			
Canada (AANDC)	\$ 68,645	\$ 68,645	\$ 68,645
Contract Revenue	-	503,157	616,542
Emergency Snow Removal	-	110,184	-
Government of Canada	-	10,973	-
Confectionary and Fuel - Net	-	238,068	227,405
Bison	-	37,174	78,863
Emergency Measures Organization	-	-	350,252
	68,645	968,201	1,341,707
EXPENSES			
Amortization	-	88,011	88,011
Administration	-	11,322	71,502
Bank and Interest Charges	-	19,419	17,311
Donations	-	1,789	4,073
Equipment Rental	8,645	26,075	273,384
Fuel	-	83,607	107,986
Insurance	-	71,296	31,089
Forage	-	-	14,700
Office	-	9,705	27,113
Professional Fees	-	4,980	4,072
Projects	-	9,124	49,026
Repairs and Maintenance	30,000	161,560	208,866
Salaries and Benefits	30,000	426,878	383,772
Supplies	-	15,156	-
Travel	-	10,589	9,648
Utilities	-	11,397	10,749
	68,645	950,908	1,301,302
ANNUAL SURPLUS (DEFICIT)	\$ -	\$ 17,293	\$ 40,405

SKOWNAN FIRST NATION

SCHEDULE 6 - EDUCATION

CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2017

	(Unaudited) 2017 Budget	2017	2016
REVENUE			
Aboriginal Affairs and Northern Development Canada (AANDC)	\$ 3,258,000	\$ 3,292,003	\$ 3,508,986
EXPENSES			
Accommodations	35,000	52,780	27,044
Allowances	185,000	189,524	207,563
Amortization	-	96,471	96,471
Automotive	-	1,115	-
Insurance	-	1,593	-
Office	15,000	8,757	7,121
Professional Development	10,000	-	300
Salaries and Benefits	125,000	155,666	148,464
Special Activities	-	32,801	36,298
Student Transportation	230,000	253,072	272,373
Supplies	25,000	443	-
Travel	12,000	20,687	10,191
Tuition	2,550,000	2,381,162	2,749,590
	3,187,000	3,194,071	3,555,415
ANNUAL SURPLUS (DEFICIT)	\$ 71,000	\$ 97,932	\$ (46,429)

SKOWNAN FIRST NATION

SCHEDULE 7 - OPERATIONS AND MAINTENANCE CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES FOR THE YEAR ENDED MARCH 31, 2017

	<i>(Unaudited)</i> 2017 Budget	2017	2016
REVENUE			
Aboriginal Affairs and Northern Development Canada (AANDC)	\$ 1,865,000	\$ 6,037,661	\$ 4,855,801
Government of Canada	-	51,000	-
Aboriginal and Northern Affairs	-	25,000	25,000
Enbridge Inc.	-	60,000	40,000
Solicitor General	33,626	17,402	26,901
Other Income	-	15,669	-
Canada Mortgage and Housing Corporation	-	234,441	-
	1,898,626	6,441,173	4,947,702
EXPENSES			
Administration	10,000	29,500	2,500
Aid and Assistance	-	12,753	-
Amortization	-	265,312	178,330
Bank Charges and Interest	-	139	193
Contract Work	450,000	2,374,245	278,815
Equipment	-	8,145	-
Honorarium	-	2,028	-
Insurance	65,000	21,687	103,403
Office	-	2,210	-
Professional Fees	1,500	81,878	1,324,382
Project Management Fees	-	23,148	-
Repairs and Maintenance	350,000	3,418,514	323,183
Rental	-	1,200	-
Salaries and Benefits	250,000	320,179	218,614
Septic Tanks	-	118,325	-
Supplies and Materials	650,000	173,077	16,755
Travel	4,500	12,411	49,019
Utilities	25,500	37,969	23,866
Vehicle Operating Costs	-	41,457	-
Workshop	-	2,950	-
	1,806,500	6,947,127	2,519,060
ANNUAL SURPLUS (DEFICIT)	\$ 92,126	\$ (505,954)	\$ 2,428,642

SKOWNAN FIRST NATION

SCHEDULE 8 - OTTAWA TRUST

CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2017

	<i>(Unaudited)</i> 2017 Budget	2017	2016
REVENUE			
Interest	\$ -	\$ 488	\$ 427
ANNUAL SURPLUS (DEFICIT)	\$ -	\$ 488	\$ 427

SKOWNAN FIRST NATION

SCHEDULE 9 - TRAINING AND OTHER CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES FOR THE YEAR ENDED MARCH 31, 2017

	<i>(Unaudited)</i>	2017	2017	2016
	Budget			
REVENUE				
Aboriginal Affairs and Northern Development				
Canada (AANDC)	\$ -	\$ 130,000		\$ -
First Peoples' Development Inc.	-	339,620		333,385
Ice Derby	-	46,555		-
Manitoba Hydro	-	52,750		51,650
Other	-	-		3,794
	-	568,925		388,829
EXPENSES				
Amortization	-	48,511		48,511
Interest and Bank Charges	-	2,979		2,819
Office	-	28,230		12,042
Participant Allowances	-	50,140		55,537
Program Costs	-	113,864		84,464
Professional Development	-	2,042		2,930
Professional Fees	-	52,500		3,500
Projects	-	33,296		3,000
Repairs and Maintenance	-	30,313		57,400
Salaries and Benefits	-	196,479		182,238
Supplies	-	25,840		-
Travel	-	15,953		11,244
Utilities	-	4,730		5,739
	-	604,877		469,424
ANNUAL SURPLUS (DEFICIT)	\$ -	\$ (35,952)		\$ (80,595)

SKOWNAN FIRST NATION

SCHEDULE 10 - GAMING

CONSOLIDATED SCHEDULE OF SEGMENT REVENUE AND EXPENSES

	<i>(Unaudited)</i>		
	2017 Budget	2017	2016
REVENUE			
Gaming Proceeds - Net	\$ -	\$ 493,539	\$ 449,985
Interest	-	2,624	114
Tobacco Rebates	-	271,117	263,758
Concessions - Net	-	(4,081)	(24,022)
	-	763,199	689,835
EXPENSES			
Amortization	-	8,147	8,147
Bank Charges and Interest	-	2,060	-
Donations	-	118,502	170,810
Insurance	-	7,186	3,519
Interest and Bank Charges	-	-	1,398
MLC Commissions and Fees	-	125,189	106,201
Office	-	600	1,840
Professional Fees	-	2,534	1,543
Recreation	-	6,860	-
Repairs and Maintenance	-	12,966	14,943
Salaries and Benefits	-	135,556	164,790
Travel	-	10,691	7,310
Telephone and Utilities	-	10,965	2,304
	-	441,256	482,805
ANNUAL SURPLUS (DEFICIT)	\$ -	\$ 321,943	\$ 207,030

REVIEW ENGAGEMENT REPORT


To the Department of Aboriginal Affairs and Northern Development Canada:

We have reviewed the following Schedule of Salaries, Honoraria, and Travel for elected officials of the Skownan First Nation for the year ended March 31, 2017 as required in accordance with Sections 7.4.2 and 7.4.3 of the 2017 Aboriginal Affairs and Northern Development Canada Year End Financial Reporting Handbook. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures, and discussion related to information supplied to us by the First Nation.

A review does not constitute an audit and consequently we do not express an audit opinion on the following schedules.

Based on our review, nothing has come to our attention that causes us to believe that the following Schedule is not, in all material respects, in accordance with Sections 7.4.2 and 7.4.3 of the 2017 Aboriginal Affairs and Northern Development Canada Year End Financial Reporting Handbook.

This financial information is solely for the information and use of the Department of Aboriginal Affairs and Northern Development Canada. The financial information is not intended to be and should not be used by anyone other than the specified users or for any other purposes. We have issued an audit report dated December 4, 2017 on the consolidated financial statements of the Skownan First Nation for the year ended March 31, 2017, and reference should be made to those audited consolidated financial statements for complete information.



ZAPLITNY & ZAMRYKUT,
Chartered Professional Accountants

Dauphin, Manitoba
December 4, 2017

SKOWNAN FIRST NATION
SCHEDULE OF SALARIES, HONORARIA, AND TRAVEL EXPENSES
FOR THE YEAR ENDED MARCH 31, 2017

ELECTED OFFICIALS -

	Number of Months	Salary and Honoraria	Travel Expenses	Other	Total
Cameron Catcheway, Chief	12	\$ 70,000	\$ 13,548	\$ 7,561	\$ 91,109
Sterling Catcheway, Councillor	12	48,000	10,471	4,780	63,251
Joseph Maud, Councillor	12	48,000	10,298	5,124	63,422
Charollette Nepinak, Councillor	12	48,000	9,641	6,513	64,154
Kenneth Catcheway, Councillor	12	48,000	9,843	5,049	62,892

REVIEW ENGAGEMENT REPORT

To the Department of Aboriginal Affairs and Northern Development Canada:

We have reviewed the following Schedule of Salaries, Honoraria, and Travel for Senior Unelected Officials of the Skownan First Nation for the year ended March 31, 2017 as required in accordance with Sections 7.4.2 and 7.4.3 of the 2017 Aboriginal Affairs and Northern Development Canada Year End Financial Reporting Handbook. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures, and discussion related to information supplied to us by the First Nation.

A review does not constitute an audit and consequently we do not express an audit opinion on the following schedules.

Based on our review, nothing has come to our attention that causes us to believe that the following Schedule is not, in all material respects, in accordance with Sections 7.4.2 and 7.4.3 of the 2017 Aboriginal Affairs and Northern Development Canada Year End Financial Reporting Handbook.

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ZAPRUTNY & ZAMRYKUT,
Chartered Professional Accountants

Dauphin, Manitoba
December 4, 2017

SKOWNAN FIRST NATION
SCHEDULE OF SALARIES, HONORARIA, AND TRAVEL EXPENSES
FOR THE YEAR ENDED MARCH 31, 2017

UNELECTED SENIOR OFFICIALS -

	Number of Months	Salary and Honoraria	Travel Expenses	Other	Total
Financial Administrator	12	\$ 45,000	\$ 2,109	-	\$ 47,109
Welfare Administrator	12	40,000	930	-	40,930