

**Fort Alexander Indian Band
O/A Sagkeeng First Nation
Consolidated Financial Statements**
March 31, 2015

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**Fort Alexander Indian Band
O/A Sagkeeng First Nation
Contents**

For the year ended March 31, 2015

Page

Management's Responsibility	
Independent Auditors' Report	
Consolidated Statement of Financial Position	1
Consolidated Statement of Operations and Accumulated Surplus	2
Consolidated Statement of Change in Net Debt	3
Consolidated Statement of Cash Flows	4
Notes to Consolidated Financial Statements	5
Schedules	
Summary of Consolidated Schedules of Segment Revenues and Expenses	19
Schedule 1 - Tangible Capital Assets	20
Schedule 2 - Band Governance	21
Schedule 3 - Social Assistance	22
Schedule 4 - Education	23
Schedule 5 - Community Infrastructure	24
Schedule 6 - Community Wellness	25
Schedule 7 - Housing	26
Schedule 8 - Economic Development	27
Schedule 9 - Land Management	28

Management's Responsibility

To the Members of Fort Alexander Indian Band (o/a Sagkeeng First Nation):

The accompanying consolidated financial statements of Fort Alexander Indian Band (o/a Sagkeeng First Nation) are the responsibility of management and have been approved by the Chief and 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.

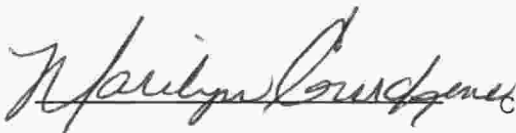
The Fort Alexander Indian Band Chief and Council are responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements. The Chief and Council fulfil these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Chief and Council are also responsible for recommending the appointment of the Nation's external auditors.

MNP LLP, an independent firm of Chartered Accountants, is appointed by the Chief and Council to audit the consolidated financial statements and report directly to them; 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 audit findings.

July 28, 2015



Chief



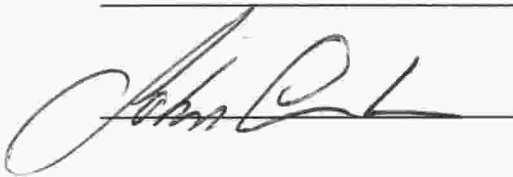
Councillor




Councillor



Councillor



Councillor



Councillor

Independent Auditors' Report

To the Members of Fort Alexander Indian Band (o/a Sagkeeng First Nation):

We have audited the accompanying consolidated financial statements of Fort Alexander Indian Band (o/a Sagkeeng First Nation), which comprise the consolidated statement of financial position as at March 31, 2015, and the consolidated statements of operations and accumulated surplus, change in net debt and cash flows and the related consolidated 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 consolidated 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 statement.

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 the Fort Alexander Indian Band (o/a Sagkeeng First Nation) as at March 31, 2015 and the results of its operations, change in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Winnipeg, Manitoba

July 28, 2015

MNP LLP
Chartered Accountants

**Fort Alexander Indian Band
O/A Sagkeeng First Nation
Consolidated Statement of Financial Position**

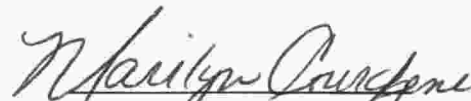
As at March 31, 2015

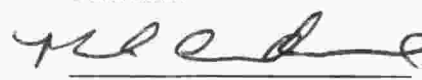
	2015	2014
Financial assets		
Cash	1,344,195	-
Investments (Note 3)	132,121	67,571
Accounts receivable (Note 4)	964,915	1,142,768
Inventory for resale (Note 5)	360,093	240,612
Investment in joint ventures (Note 6)	15,903	254,951
Restricted cash (Note 7)	2,598,673	2,253,330
Employee future benefits (Note 19)	801,589	-
	6,217,489	3,959,232
Liabilities		
Accounts payable and accruals (Note 8)	3,396,245	3,811,287
Deferred revenue (Note 9)	4,915,126	4,928,573
Demand loans (Note 10)	915,667	1,224,010
Long-term debt (Note 13)	13,321,686	11,819,994
AANDC recovery (Note 11)	348,553	464,776
Employee future benefits (Note 19)	-	219,988
	22,897,277	22,468,628
Net debt	(16,679,789)	(18,509,396)
Contingent liabilities (Note 18)		
Non-financial assets		
Tangible capital assets (Schedule 1)	60,364,065	60,298,177
Prepaid expenses	26,963	54,198
Construction in progress	1,448,807	3,522,682
	61,839,835	63,875,057
Accumulated surplus (Note 12)	45,160,046	45,365,661


Chief

Councillor

Councillor


Councillor


Councillor

Councillor

The accompanying notes are an integral part of these financial statements

Fort Alexander Indian Band
O/A Sagkeeng First Nation

Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31, 2015

	<i>Schedules</i>	<i>2015 Budget</i>	<i>2015</i>	<i>2014</i>
Revenue				
Aboriginal Affairs and Northern Development Canada (AANDC) (Note 20)		21,535,724	23,342,742	23,003,167
AANDC recovery (Note 11)		(120,000)	(3,777)	(303,020)
First Nations and Inuit Health (FNIH) (Note 21)		4,686,834	5,002,240	5,052,095
First Peoples Development Inc.		1,608,295	1,735,203	1,382,280
Canada Mortgage and Housing Corporation (CMHC)		601,426	627,240	625,063
Other government funding		-	106,257	247,263
Province of Manitoba		108,498	1,239,278	294,002
Solicitor General		91,098	91,098	91,098
Recovery of Solicitor General funding		-	-	(194)
First Nations Confederacy of Cultural Education Centre		86,676	91,082	78,008
		28,598,551	32,231,363	30,469,762
Superstore sales		6,475,000	7,840,486	7,196,002
Video Lottery Terminals (VLT)		1,600,000	1,721,586	1,648,704
Other revenue		1,292,835	1,796,803	2,282,595
Bingo revenue		-	1,606,283	1,703,902
Rental income		1,148,198	1,360,965	1,092,895
Revenue deferred in prior year (Note 9)		277,221	4,928,573	9,894,356
Revenue deferred to subsequent year (Note 9)		(135,100)	(4,915,126)	(4,928,573)
		39,256,705	46,570,933	49,359,643
Segment Expenses				
Band Governance	2	3,317,322	3,090,462	2,111,064
Social Assistance	3	6,122,525	6,180,932	6,066,398
Education	4	9,819,912	10,000,482	9,985,932
Community Infrastructure	5	1,646,403	3,879,799	3,991,869
Community Wellness	6	7,642,269	8,023,949	7,341,479
Housing	7	2,948,222	2,189,382	2,180,822
Economic Development	8	8,490,157	13,392,948	12,494,830
Land Management	9	-	18,594	14,789
Total segment expenses (Note 16)		39,986,810	46,776,548	44,187,183
Annual surplus (deficit)		(730,105)	(205,615)	5,172,460
Accumulated surplus, beginning of year		45,365,661	45,365,661	40,193,201
Accumulated surplus, end of year		44,635,556	45,160,046	45,365,661

The accompanying notes are an integral part of these financial statements

**Fort Alexander Indian Band
O/A Sagkeeng First Nation
Consolidated Statement of Change in Net Debt**
For the year ended March 31, 2015

	<i>2015 Budget</i>	<i>2015</i>	<i>2014</i>
Annual surplus (deficit)	(730,105)	(205,615)	5,172,460
Purchases of tangible capital assets	-	(3,765,656)	(8,796,643)
Disposal of tangible capital assets	-	-	437,018
Change in construction in progress	-	2,073,873	5,235,154
Amortization of tangible capital assets	-	3,699,768	3,657,245
	(730,105)	2,007,985	532,774
Use of (acquisition of) prepaid expenses	-	27,235	(20,002)
Decrease (increase) in net debt	(730,105)	1,829,605	5,685,232
Net debt, beginning of year	(18,509,394)	(18,509,394)	(24,194,626)
Net debt, end of year	(19,239,499)	(16,679,789)	(18,509,394)

The accompanying notes are an integral part of these financial statements

**Fort Alexander Indian Band
O/A Sagkeeng First Nation
Consolidated Statement of Cash Flows**

For the year ended March 31, 2015

2015 2014

Cash provided by (used for) the following activities

Operating activities

Cash receipts from contributions	46,735,339	47,426,700
Cash paid to suppliers	(29,027,283)	(26,664,295)
Cash paid to employees	(14,239,868)	(14,240,470)
Interest on long-term debt	(409,517)	(355,156)

3,058,672 6,166,779

Financing activities

Advances of long-term debt	4,071,390	1,661,853
Repayment of long-term debt	(2,569,698)	(2,156,406)
Repayment of pension liability	(870,702)	(1,281,956)
Advances of demand loans	-	-
Repayment of demand loans	(308,343)	(793,343)

322,647 (2,569,852)

Capital activities

Purchases of tangible capital assets	(3,765,656)	(8,796,643)
Reduction in construction in progress	2,073,873	5,235,154

(1,691,783) (3,561,489)

Increase in cash resources

1,689,536 35,438

Cash resources, beginning of year

2,253,330 2,217,892

Cash resources, end of year

3,942,866 2,253,330

Cash resources are comprised of:

Restricted cash	2,598,673	2,253,330
Cash	1,344,195	-

3,942,868 2,253,330

The accompanying notes are an integral part of these financial statements

**Fort Alexander Indian Band
O/A Sagkeeng First Nation**
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

1. Operations

The Fort Alexander Indian Band O/A Sagkeeng First Nation (the "Nation") is located in the Province of Manitoba, and provides various services to its members. Fort Alexander Indian Band includes the Nation's government and all related entities that are accountable to the Nation and are either owned or controlled by the Nation.

2. Significant accounting policies

These consolidated financial statements are the responsibility of management, prepared in accordance with Canadian public sector accounting standards and including the following significant accounting policies:

Reporting entity

The Fort Alexander Indian Band reporting entity includes the Nation government and all related enterprises that are accountable to the Nation and are either owned or controlled by the Nation. The financial statements consolidate the financial activities of all entities and departments comprising the Nation reporting entity, except for Nation business entities. Trusts administered on behalf of third parties by the Nation are excluded from the Nation reporting entity.

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

- Fort Alexander Indian Band CMHC Housing
- Fort Alexander Health Centre Inc.
- Fort Alexander Holdings Inc.
- George Guimond Care Centre
- Katrina Rae Daycare Centre Inc.
- Sagkeeng Administration
- Sagkeeng Education
- Sagkeeng Social Services
- Sagkeeng Capacity and Infrastructure
- Sagkeeng Employment and Training Services
- Sagkeeng First Nation Bingo Committee
- Sagkeeng First Nation Cultural Centre
- Sagkeeng First Nation Gaming Control Commission
- Sagkeeng First Nation Hydro Accord Project
- Sagkeeng First Nation Trust Fund
- Sagkeeng First Nation Video Lottery Committee
- Sagkeeng Memorial Arena Inc.
- Sagkeeng Miikanaake Ltd.
- Sagkeeng Band Capital and Capital Projects
- Sagkeeng Superstore

All inter-entity balances have been eliminated on consolidation.

Nation business enterprises, that are owned or controlled by the Nation Chief and Council and that are not dependent on the Nation for their continuing operations, are included in the consolidated financial statements using the modified equity method. Under the modified equity method, the equity method of accounting is modified only to the extent that the business entity accounting principles are not adjusted to conform with those of the Nation. Thus, the Nation's investment in these enterprises is recorded at acquisition cost and is increased for the proportionate share of post acquisition earnings and contributions and decreased by post acquisition losses and distributions received. Nation business enterprises accounted for by the modified equity basis include:

- Sagkeeng First Nation/TCIG Munro Joint Venture
- Miikanaake Munro Joint Venture

**Fort Alexander Indian Band
O/A Sagkeeng First Nation**
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

2. Significant accounting policies *(continued from previous page)*

Basis of presentation

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

Cash resources

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

Investments

Investments are valued at the lower of cost or market value.

Inventory for resale

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

Funds held in Ottawa Trust

Funds held in trust on behalf of Nation members by the Government of Canada are reported on the consolidated statement of financial position as a component of restricted cash with an offsetting amount in accumulated surplus. Trust monies consist of:

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

Tangible capital assets

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

Tangible capital assets are amortized using the straight line and declining balance methods at rates intended to amortize the cost of the assets over their estimated useful lives:

	<i>Years</i>	<i>Rate</i>
Vehicles and heavy equipment	3-15 years	20-45%
Computers	1-5 years	20-100%
Equipment and furniture	3-10 years	20-50%
Community buildings	15-20 years	4-10%
Infrastructure	40-60 years	4%
Housing	17-20 years	8%

Long-lived assets

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

The 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 carrying amount. Impairment is measured as the amount by which the asset's carrying value exceeds its fair value. Any impairment is included in the consolidated statement of operations for the year in which the asset becomes impaired.

**Fort Alexander Indian Band
O/A Sagkeeng First Nation**
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

2. **Significant accounting policies** *(continued from previous page)*

Net Debt

The Nation's consolidated financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt of the Nation is determined by its liabilities less its financial assets. Net debt is comprised of two components, non-financial assets and accumulated surplus.

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, prepaid expenses and construction in progress.

Revenue recognition

Government transfer revenue, which includes, but not limited to, funding from AANDC, FNIH, CMHC, Province of Manitoba, First Peoples Development Inc. and Solicitor General, is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under funding arrangements that relates to a subsequent fiscal period is reflected as deferred revenue on the consolidated statement of financial position in the year of receipt, and is matched with the related segment expenses in the year of their occurrence. Funding that is restricted for particular purposes is deferred and recognized when the eligible expenses have been incurred.

The Nation recognizes VLT revenue as the net win from gaming activities (the difference between gaming wins and gaming losses), consisting of slot machines, on a daily basis. Gaming revenue is net of commissions paid to Liquor and Gaming Authority of Manitoba. Management believes that it is appropriate to present these commissions net of gaming revenue as these amounts are fixed as per their agreement with Liquor and Gaming Authority of Manitoba.

Superstore sales and bingo revenue is recognized when the services are provided or the goods are shipped and collection is reasonably assured.

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

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

Other revenue is recognized by the Nation, net of trade discounts and allowances, when a price is agreed, goods are shipped to customers, all significant obligations have been satisfied, and collectability is reasonably assured.

Employee future benefits

The Nation's employee future benefit programs consist of a defined benefit pension plan. The estimated future cost of providing defined benefit pension is actuarially determined using the guidelines set out in PS 3250, *Retirement Benefits*.

Plan assets have been measured at fair market value for purposes of the actuarial calculations. The discount rate used for the purposes of the actuarial valuation has been determined with reference to the expected plan asset earnings. The balance of unamortized gains and losses at the end of a fiscal year are amortized in the following year by dividing the amortized balance by the expected average remaining service life of the related employee group.

**Fort Alexander Indian Band
O/A Sagkeeng First Nation**
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

2. Significant accounting policies *(continued from previous page)*

Financial instruments

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

Measurement uncertainty

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards require 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 expenses during the reporting period.

Accounts receivable are stated after estimates as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Inventory is stated after provisions are made for slow-moving or obsolete inventory. Amortization is based on the estimated useful lives of tangible capital assets.

These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in the consolidated statement of operations in the period in which they become known.

Segments

The Nation conducts its business through eight reportable segments as identified in Note 15. These operating segments are established by senior management to facilitate the achievement of the 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 to the segment on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of the segmented financial information.

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.

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 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 as at March 31, 2015.

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

Effective April 1, 2014, the Nation adopted the recommendation relating to PS 3260, Liability for Contaminated Sites, as set out in the Canadian public sector accounting standards. Pursuant to the recommendations, the change was applied prospectively, and prior periods have not been restated.

Previously, no accounting policy existed to account for a liability for contaminated sites. Under the new recommendations, the Nation is required to recognize a liability for contaminated sites when economic benefits will be given up.

There was no effect on the Nation's consolidated financial statements of adopting the above-noted change in accounting policy.

**Fort Alexander Indian Band
O/A Sagkeeng First Nation**
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

2. Significant accounting policies *(continued from previous page)*

Recent accounting pronouncements

Financial instruments

In June 2011, the Public Sector Accounting Board (PSAB) issued PS 3450 Financial Instruments to establish recognition, measurement, presentation and disclosure of financial assets, financial liabilities and non-financial derivatives. As a result of issuance of PS 3450, there have been numerous consequential amendments made to other Sections. PS 3450 is effective for fiscal years beginning on or after April 1, 2019. Earlier adoption is permitted.

PS 3450 is applied prospectively in the fiscal year of initial adoption; therefore, financial statements of prior periods, including comparative information, are not restated. The Nation has not yet determined the effect of the new section in its consolidated financial statements.

3. Investments

Investments include a \$70,000 (2014 - \$20,000) investment in a guaranteed investment certificate earning interest at 1.3% with a maturity date of October 2015. Investments also includes 1,288 shares of Sun Life Financial with a market value of \$62,121 (2014 - \$47,571) and a cost of \$23,093 (2014 - \$21,295).

4. Accounts receivable

	2015	2014
Aboriginal Affairs and Northern Development Canada ("AANDC")	400,202	495,000
Trade and other	473,994	505,028
First Nations and Inuit Health ("FNIH")	-	25,639
Canada Mortgage Housing Corporation ("CMHC")	49,821	53,512
Employees	40,898	63,589
	964,915	1,142,768
AANDC accounts receivable consist of:		
Street lighting project	335,000	
Economic Development – Capacity	65,202	
	400,202	

5. Inventory for resale

	2015	2014
Gaming	13,694	11,937
Superstore	346,399	228,675
	360,093	240,612

**Fort Alexander Indian Band
O/A Sagkeeng First Nation**
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

6. Investment in joint ventures

The Nation has investments in the following joint ventures:

	<i>Balance, beginning of year</i>	<i>Cumulative share of earnings</i>	<i>Withdrawals from joint venture</i>	<i>2015 Total Investment in Venture</i>
Sagkeeng/TCIG Munro Joint Venture	1,155	-	-	1,155
Miikanaake Munro Joint Venture	253,796	91,601	(330,649)	14,748
	254,951	91,601	(330,649)	15,903

The Sagkeeng/TCIG Munro Joint Venture and Miikanaake Munro Joint Venture were established for the purposes of providing construction services. The joint venture agreements entitle the Nation to 51% of joint venture earnings.

Summary financial information for the Sagkeeng/TCIG Munro Joint Venture and Miikanaake Munro Joint Venture, accounted for using the modified equity method at the Nation's 51% ownership, is as follows:

	<i>Sagkeeng/TCIG Munro Joint Venture As at March 31, 2015</i>	<i>Miikanaake/ Munro Joint Venture As at March 31, 2015</i>
Assets		
Cash	533	2,382
Accounts Receivable	622	29,054
Total assets	1,155	31,436
Liabilities		
Accounts payable and accruals	-	16,688
Total liabilities	-	16,688
Net assets	1,155	14,748
Total revenue	-	220,600
Total expenses	-	128,999
Net income	-	91,601

During the year, the Nation's investees' had no transactions with organizations of the Nation. These transactions were in the normal course of operations and measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

**Fort Alexander Indian Band
O/A Sagkeeng First Nation**
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

7. Restricted cash

	2015	2014
Sagkeeng First Nation Consolidated Revenue Trust Fund	715,329	730,242
Fort Alexander Health Centre Moveable Asset Reserve	207,948	179,403
CMHC replacement reserve	1,276,159	1,130,620
CMHC subsidy surplus reserve	395,884	209,816
Ottawa Trust Fund	3,353	3,249
	2,598,673	2,253,330

Restricted cash is subject to the restrictions imposed by outside parties and can only be used for the purposes specified.

Sagkeeng First Nation Consolidated Revenue Trust Fund

The Sagkeeng First Nation Consolidated Revenue Trust Fund reports the assets, deferred income and equity related to the Manitoba Hydro agreement and accord dated March 21, 1997, and amendment dated January 8, 1998. The agreement and accord represents the Conservation Law proclaimed by the Nation and the Hydro Law and Process Law and established the Sagkeeng First Nation Consolidated Revenue Trust Fund. Trustees were appointed to administer the assets of the Fund.

Fort Alexander Health Centre Moveable Asset Reserve

The Fort Alexander Health Centre received Moveable Asset Reserve funding from FNIH and has set aside an amount of \$207,948 (2013 – \$179,403) for future movable asset replacement. This funding is externally restricted for the purchase of movable assets that qualify under the agreement between the Nation and FNIH.

Ottawa Trust Fund

The Ottawa Trust Fund arises from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act. Revenue from the Ottawa Trust Fund is recognized in the year in which it is earned when it is measureable and collection is reasonably assured. Capital and revenue trust moneys are transferred to the Nation on the authorization of the Minister of Aboriginal Affairs and Northern Development Canada, with the consent of the Nation's Chief and Council.

Capital Trust	\$315 (2014 - \$315); 2015 interest revenue - \$0 (2014 - \$0)
Revenue trust	\$3,038 (2014 - \$2,934); 2015 interest revenue - \$104 (2014 - \$140)

CMHC replacement and subsidy surplus reserves

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

Under the terms of the agreements with CMHC, excess federal assistance payments received must be retained in a subsidy surplus reserve. The reserve is to be comprised of monies deposited 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 CMHC from time to time. These funds in this account may only be used to meet future subsidy requirements of income-tested occupants. As at March 31, 2015 this account is funded (2014 – underfunded by \$165,782).

**Fort Alexander Indian Band
O/A Sagkeeng First Nation**
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

8. Accounts payable and accruals

	2015	2014
Trade payables	2,977,546	3,371,416
Wages and benefits	418,699	439,871
	<u>3,396,245</u>	<u>3,811,287</u>

9. Deferred revenue

	2015	2014
Social Assistance - AANDC (Schedule 3)	306,490	63,379
Education (Schedule 4)	-	44,000
Community Infrastructure - AANDC (Schedule 5)	2,050,287	2,210,287
Community Wellness - AANDC (Schedule 6)	816,000	684,403
Community Wellness - FNIH (Schedule 6)	252,747	202,221
Housing - AANDC (Schedule 7)	1,446,491	1,677,591
Economic Development - First Peoples Development Inc. (Schedule 8)	43,111	46,692
	<u>4,915,126</u>	<u>4,928,573</u>

10. Demand loans

	2015	2014
RBC demand loan - Administration	915,667	1,154,010
RBC demand loan - Social	-	70,000
	<u>915,667</u>	<u>1,224,010</u>

Demand loans bear interest at prime plus 3.1% (March 31, 2014 - prime plus 2%), are secured by Band Council Resolutions and a general security agreement. Administration loan is repayable in monthly principal payments of \$19,862 plus interest, with an annual renewal and maturity date of April 2016. Prime as at March 31, 2015 is 2.85% (2014 - 3%).

11. AANDC recovery

These recoveries are repayable at \$10,000 per month, non-interest bearing, starting April 1, 2014.

	2015	2014
2013-14 Basic Needs/In-Home Care	41,756	161,756
2012-13 Basic Needs	90,606	90,606
2013-14 Basic Needs/In-Home Care	185,413	185,413
2013-14 Basic Needs	27,001	27,001
2014-15 Special Needs	3,777	-
	<u>348,553</u>	<u>464,776</u>

**Fort Alexander Indian Band
O/A Sagkeeng First Nation**
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

12. Accumulated Surplus

	2015	2014
Equity in Ottawa Trust Funds	3,353	3,249
Invested in Tangible Capital Assets	46,810,481	47,563,788
CMHC replacement reserve	1,276,159	1,130,620
CMHC subsidy surplus reserve	395,884	375,598
Moveable asset reserve	185,270	179,403
Unrestricted accumulated deficit	(3,511,101)	(3,886,997)
	45,160,046	45,365,661

13. Long-term debt

	2015	2014
Peace Hills Trust ("PHT") mortgage payable in monthly installments of \$11,748 including interest at 6.50%, due on March 2027, with the next scheduled renewal on April 11, 2018, secured by insurance and property with a net book value of \$1,428,535 (2014 - \$1,488,848).	1,251,798	1,310,194
PHT mortgage repayable in monthly payments of \$4,034 including interest at 2.2%, maturing September 1, 2019, secured by a Ministerial guarantee and assignment of fire insurance.	209,042	252,462
CMHC mortgage repayable in monthly payments of \$8,394 including interest at 2.35%, maturing August 1, 2033, with the next scheduled renewal on September 1, 2018, secured by a Ministerial guarantee for a 25-unit housing project and assignment of fire insurance.	1,505,992	1,570,676
PHT mortgage repayable in monthly payments of \$5,780 including interest at 4.45%, maturing February 1, 2018, with the next scheduled renewal on April 1, 2016 secured by a Ministerial guarantee and assignment of fire insurance.	207,324	266,372
CMHC mortgage repayable in monthly payments of \$8,166 including interest at 2.11%, maturing November 1, 2033, with the next scheduled renewal on January 1, 2019, secured by a Ministerial guarantee for a 25-unit housing project and assignment of fire insurance.	1,511,956	1,577,431
CMHC mortgage repayable in monthly payments of \$4,304 including interest at 4.64%, matures July 1, 2016, secured by a Ministerial guarantee, assignment of fire insurance.	66,672	114,060
CMHC mortgage repayable in monthly payments of \$8,596 including interest at 1.83%, maturing December 1, 2034, with the next scheduled renewal on December 1, 2019, secured by a Ministerial guarantee and assignment of fire insurance.	1,709,592	1,776,801
CMHC mortgage repayable in monthly payments of \$6,130 including interest at 1.67%, maturing March 1, 2037, with the next scheduled renewal on April 1, 2017, secured by a Ministerial guarantee for a 10-unit rental housing project and assignment of fire insurance.	1,353,969	1,404,529
CMHC mortgage repayable in monthly payments of \$4,487 including interest at 2.69%, maturing August 1, 2035, with the next scheduled renewal on August 1, 2015, secured by a Ministerial guarantee for an 8-unit rental housing project and assignment of fire insurance.	845,917	876,675

**Fort Alexander Indian Band
O/A Sagkeeng First Nation**
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

13. Long-term debt (continued from previous page)

	2015	2014
CMHC mortgage repayable in monthly payments of \$4,736 including interest at 2.35%, maturing September 1, 2038, with the next scheduled renewal on September 1, 2018, secured by a Ministerial guarantee for a 7-unit rental housing project and assignment of fire insurance.	1,025,850	1,058,273
CMHC mortgage repayable in monthly payments of \$4,726 including interest at 2.75%, maturing February 1, 2036, with the next scheduled renewal on February 1, 2016, secured by a Ministerial guarantee for a 7-unit rental housing project and assignment of fire insurance	901,834	933,410
RBC Debt consolidation loan repayable in monthly installments of \$33,830, including interest at prime plus 2.5%, with an annual renewal of January 2016, secured through tobacco tax refunds by the Government of Manitoba.	1,648,510	-
RBC loan in regards to land settlement claim, repayable in interest only payments at prime plus .50%, due November 2019. The loan is authorized up to \$2,988,160 and is secured by an insurance policy. The loan is for professional services incurred to pursue a financial claim against the Government of Canada. The Nation expects to settle the loan by either a successful legal settlement with the Government of Canada or through an insurance policy in the case of an unsuccessful legal settlement. No assets have been recorded related to this matter.	1,083,230	-
Loan repaid during the year	-	600,000
Loan repaid during the year	-	70,406
Loan repaid during the year	-	4,813
Loan repaid during the year	-	3,892
	13,321,686	11,819,994

Principal repayments on long-term debt in each of the next five years, assuming long-term debt subject to refinancing is renewed, are estimated as follows:

2015	2,197,200
2016	540,000
2017	535,800
2018	1,636,800
2019	517,500

14. Federal assistance payments

The Housing Authority has received federal assistance through Canada Mortgage and Housing Corporation pursuant to Section 95 of the National Housing Act to reduce the mortgage interest expense to 2.0% to enable the project to provide housing to low income individuals.

**Fort Alexander Indian Band
O/A Sagkeeng First Nation**
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

15. Segments

The Nation has eight reportable segments. These segments are differentiated by the major activities or services they provide. The Nation's segments are as follows:

Band Governance - includes administration and governance activities.

Social Assistance - includes delivering social programs.

Education - includes the operation of education programs.

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

Community Wellness - reports on the Nation's funding related to health and wellness.

Housing - includes activities related to the development and sustainment of on-reserve housing.

Economic Development - other Nation programs not funded by AANDC or FNIH, including its commercial operations.

Land Management - includes activities for the development of the Nation's Land.

Inter-segment transfers are recorded at their exchange amount. The accounting policies of the segments are the same as those described in Note 2.

16. Consolidated Expenses by Object

	2015	2014
Amortization	3,699,768	3,657,245
Bad debts	31,087	56,422
Bank charges and interest	454,095	517,592
Compensation and training	14,741,369	14,240,470
Purchase goods and services	17,193,400	15,438,281
Social assistance	5,923,135	5,864,295
Support to community and members	930,835	934,015
Travel, accommodation and related costs	515,776	502,610
Tuition, supplies and allowances	3,287,083	2,976,253
	46,776,548	44,187,183

17. Economic dependence

The Nation receives substantially all of its revenue from Aboriginal Affairs and Northern Development Canada (AANDC) and First Nations and Inuit Health (FNIH) as a result of Treaties entered into with the Government of Canada. These Treaties are administered by AANDC under the terms and conditions of the Indian Act. The ability of the Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these treaties.

18. Contingent liabilities

The funding agencies may disallow certain expenses, deeming them to be ineligible. Adjustments, if any, for disallowed expenses will be accounted for in the year of determination.

The Nation has several lawsuits outstanding as of year-end, including two wrongful dismissal claims, two claims with respect to construction contracts and one claim for withheld tobacco tax rebates, none of which the outcome or potential liability can be reasonably determined, and therefore no accrual has been made.

**Fort Alexander Indian Band
O/A Sagkeeng First Nation**
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

19. Employee future benefits

The Nation provides pension benefits to its employees through a contributory defined best average pension plan (the 'Plan'), which covers most of the Nation's full time employees. This Plan provides pensions based on length of service and best average earnings. The Nation's policy is to fund the Plan as determined through periodic actuarial valuations. Contributions reflect actuarial assumptions regarding salary projections and future service benefits.

The Nation measures its accrued benefit obligations and the fair value of Plan assets as at August 31 each year. The most recent actuarial valuation of the pension plan for funding purposes was at August 31, 2014. The next funding valuations are required to be completed as at August 31, 2015. The actuarial valuation used for accounting purposes is an extrapolation of the August 31 valuations, brought to March 31 of each year, using best estimate assumptions adopted by management with the assistance of the Plan actuary.

Future funding requirements will depend on the results of annual actuarial funding valuations which are affected by various factors, such as actuarial experience of the Plan, return on Plan assets and interest rate fluctuations.

The membership data that was provided as at August 31, 2014 and used in the extrapolation were, in the opinion of the actuary, sufficient and reliable for the purpose of the extrapolation. The asset data used in the pension extrapolation are based on the reports of the Plan custodians - Great West Life.

The components of the Nation's net benefit expense (credit) for its defined benefit plan pension plan are as follows:

	2015	2014
Pension and Post retirement expense		
Current service cost	632,388	643,419
Employee contributions	(161,036)	(163,845)
Interest cost	892,849	839,255
Expected return on plan assets	(1,117,370)	(953,520)
Plan expenses	141,280	155,000
Amortization of net actuarial (gain)/loss	(538,986)	(392,431)
Prior period cost	-	-
Pension expense	<u>150,875</u>	<u>127,878</u>
Accrued Benefit Liability		
Accrued benefit liability, opening	(219,988)	(1,374,066)
Add: pension expense	150,875	(127,878)
Less: band contributions	<u>870,702</u>	<u>1,281,956</u>
Accrued benefit liability, ending	<u>801,589</u>	<u>(219,988)</u>
Accrued Benefit Obligation		
Accrued benefit obligations, opening	17,808,053	16,759,241
Service cost	632,388	643,419
Interest cost	892,849	839,255
Benefit payments	(534,546)	(591,690)
Plan amendment	-	-
Actuarial (gain)/loss	<u>(189,511)</u>	<u>157,828</u>
Accrued Benefit obligation, ending	<u>18,609,233</u>	<u>17,808,053</u>

**Fort Alexander Indian Band
O/A Sagkeeng First Nation**
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

19. Employee future benefits (continued from previous page)	2015	2014
Reconciliation of Plan Assets		
Market value of plan assets, opening	22,169,449	18,720,835
Nation contributions	870,702	1,281,956
Member contributions	161,036	163,845
Benefit payments	(534,546)	(591,690)
Expenses	(141,280)	(155,000)
Actual return on plan assets	2,116,706	2,749,503
Market value of plan assets, ending	24,642,067	22,169,449
Unamortized Gains/(Losses)		
Net unamortized gains (losses), opening	4,581,384	3,335,660
New net gain (loss) for current year	1,188,847	1,638,155
Amortization for current year	(538,986)	(392,431)
Net unamortized gain (loss), ending	5,231,245	4,581,384
Immediate recognition to offset prior period cost in year	-	-
Net unamortized gain (loss), ending, after adjustment	5,231,245	4,581,384
Reconciliation of surplus deficit to accrued liability		
Surplus of plan assets over obligations, ending	6,032,834	4,361,396
Net unamortized amounts	(5,231,245)	(4,581,384)
Accrued benefit liability, ending	801,589	(219,998)
Actuarial assumptions for year-end disclosure		
Discount rate for pension expense	5.00%	5.00%
Discount rate for end of year accrued benefit obligation	5.00%	5.00%
Expected return on plan assets for pension expense	5.00%	5.00%
Expected remaining service life for pension expense (in years)	8.50	8.50
Asset breakdown		
Cash and short-term	0.0%	0.0%
Fixed income (bonds and mortgages)	38.8%	32.1%
Real estate	14.0%	13.8%
Canadian equities	31.0%	33.2%
US equities	3.5%	6.1%
International equities	12.7%	14.8%
Total	100.0%	100.0%

**Fort Alexander Indian Band
O/A Sagkeeng First Nation**
Notes to the Consolidated Financial Statements
For the year ended March 31, 2015

20. Aboriginal Affairs and Northern Development Canada Funding

	2015	2014
Aboriginal Affairs and Northern Development Canada confirmation balance	23,342,742	23,003,167
Aboriginal Affairs and Northern Development Canada financial statement balance	23,342,742	23,003,167

21. First Nations and Inuit Health Funding

	2014	2014
First Nation and Inuit Health confirmation balance	5,002,240	5,052,095
First Nation and Inuit Health financial statement balance	5,002,240	5,052,095

22. Provision for site rehabilitation

The Manitoba Environmental Protection Act sets out the regulatory requirements to properly close and maintain active and inactive lagoon and landfill sites. Under environmental law, there is a requirement for closure and post closure care of solid waste lagoon and landfill sites, including covering and landscaping and ongoing environmental monitoring, site inspection and maintenance.

As directed by PS 3270, a liability must be recognized beginning when the landfill and lagoon are first in operation to the date they are inactive. The liability for closure and post-closure care is recognized as the site capacity is used to the extent of the proportion of site capacity used compared to the estimated total expenditure required for closure and post-closure care.

The estimated total expenditure represents the sum of discounted future cash flows associated with closure and post-closure care considering current technology, the length of the post-closure care period and current environmental regulations. Expenditures that relate to an existing condition caused by past operations, and which do not contribute to future asset service potential, are expensed in the current year.

At year-end, the extent to which the Nation is bound by environmental laws of The Manitoba Environmental Protection Act was not determinable, and therefore, no liability has been recorded in these consolidated financial statements.

23. Budget

The disclosed budget information has been approved by the Chief and Council of the Nation.

24. Comparative figures

Certain comparative figures have been reclassified to conform to current year's presentation.

Fort Alexander Indian Band
O/A Sagkeeng First Nation
Summary of Consolidated Schedules of Segment Revenue and Expenses
For the year ended March 31, 2015

							2015	2014
	<i>Schedule</i>	<i>AANDC</i>	<i>Other</i>	<i>Deferred</i>	<i>Total</i>	<i>Total</i>	<i>Surplus/(Deficit)</i>	<i>Surplus/(Deficit)</i>
	<i>#</i>	<i>Revenue</i>	<i>Revenue</i>	<i>Revenue</i>	<i>Revenue</i>	<i>Expenses</i>	<i>Transfers</i>	
Band Governance	2	1,827,969	408,434	-	2,236,403	3,090,462	(358,592)	459,125
Social Assistance	3	8,908,306	27,939	(243,111)	8,693,134	6,180,932	(2,090,926)	(12,127)
Education	4	9,370,449	430,959	44,000	9,845,408	10,000,482	837,436	(192,829)
Community Infrastructure	5	935,440	1,977,545	160,000	3,072,985	3,879,799	(1,629,233)	(2,492,719)
Community Wellness	6	-	5,532,051	(182,123)	5,349,928	8,023,949	2,678,473	4,235,567
Housing	7	1,835,100	1,059,012	231,100	3,125,212	2,189,382	1,898,453	2,752,305
Economic Development	8	446,884	13,778,804	3,581	14,229,269	13,392,948	(1,335,611)	423,138
Land Management	9	18,594	-	-	18,594	18,594	-	-
		23,342,742	23,214,744	13,447	46,570,933	46,776,548	-	5,172,460

The accompanying notes are an integral part of these financial statements

Fort Alexander Indian Band
O/A Sagkeeng First Nation
Schedule 1- Tangible Capital Assets
For the year ended March 31, 2015

	<i>Vehicles and heavy equipment</i>	<i>Computers</i>	<i>Equipment and furniture</i>	<i>Community buildings</i>	<i>Infrastructure</i>	<i>Land</i>	<i>Housing</i>	<i>2015</i>	<i>2014</i>
Cost									
Balance, beginning of year	2,431,492	401,768	2,729,234	38,852,890	31,739,828	129,087	24,279,341	100,563,640	92,904,512
Acquisition of tangible capital	23,992	12,778	257,724	1,202,185	1,399,193	-	869,783	3,765,656	8,796,643
Disposal of tangible capital assets	-	-	-	-	-	-	-	-	(1,137,515)
Balance, end of year	2,460,484	414,545	2,986,958	40,055,076	33,139,021	129,087	25,149,125	104,329,296	100,563,640
Accumulated amortization									
Balance, beginning of year	1,681,975	320,571	1,415,000	17,825,550	8,414,966	-	10,607,400	40,265,463	37,308,716
Disposal of accumulated amortization	-	-	-	-	-	-	-	-	(700,498)
Annual amortization	181,237	20,961	223,411	1,431,808	836,457	-	1,005,894	3,699,768	3,657,245
Balance, end of year	1,863,212	341,532	1,638,411	19,257,358	9,251,424	-	11,613,294	43,965,231	40,265,463
Net book value of tangible capital assets	597,272	73,013	1,348,547	20,797,718	23,887,597	129,087	13,535,831	60,364,065	60,298,177
2014 Net book value of tangible capital assets	749,516	81,197	1,314,234	21,027,340	23,324,861	129,087	13,671,943	60,298,177	

The accompanying notes are an integral part of these financial statements

**Fort Alexander Indian Band
O/A Sagkeeng First Nation
Band Governance**

Schedule 2 - Consolidated Schedule of Segment Revenue and Expenses

For the year ended March 31, 2015

	<i>2015 Budget</i>	<i>2015</i>	<i>2014</i>
Revenue			
Aboriginal Affairs and Northern Development Canada (AANDC)	1,511,905	1,827,969	1,619,700
AANDC recovery	(120,000)	-	(276,019)
Other revenue	662,283	234,090	261,585
Solicitor General	91,098	91,098	91,098
Recovery of Solicitor General funding	-	-	(194)
Province of Manitoba	83,498	83,246	83,131
	2,228,784	2,236,403	1,779,301
Expenses			
Bank charges and interest	48,300	97,914	102,855
Chief and Council honorariums	325,000	244,450	296,250
Chief and Council severance	-	21,335	13,000
Chief and Council travel	50,400	67,754	71,278
Equipment rental	9,590	22,210	9,932
Fuel	6,000	7,174	6,596
Discretionary	-	42,811	73,397
Housing	351,901	321,100	37,678
Insurance	193,293	83,907	139,287
Land settlement	-	1,109,703	-
Interest on LTD	906,259	101,994	-
Meeting costs	3,000	5,683	3,284
Professional fees	169,248	265,574	393,179
Program expenses	-	26,784	15,928
Repairs and maintenance	3,185	9,897	5,265
Salaries and benefits	1,180,402	504,944	869,036
Supplies	13,749	21,210	11,202
Telephone	33,000	29,129	31,611
Training	1,745	51,873	5,156
Travel	2,250	14,128	3,796
Utilities	20,000	40,888	22,334
	3,317,322	3,090,462	2,111,064
Surplus (deficit) before transfers	(1,088,538)	(854,059)	(331,763)
Transfers between segments	-	(358,592)	790,888
Annual surplus (deficit)	(1,088,538)	(1,212,651)	459,125

The accompanying notes are an integral part of these financial statements

**Fort Alexander Indian Band
O/A Sagkeeng First Nation
Social Assistance**

Schedule 3 - Consolidated Schedule of Segment Revenue and Expenses

For the year ended March 31, 2015

	<i>Budget</i>	<i>2015</i>	<i>2014</i>
Revenue			
Aboriginal Affairs and Northern Development Canada (AANDC)	7,671,216	8,908,306	8,462,314
AANDC recovery	-	(3,777)	(27,001)
Province of Manitoba	-	31,716	38,578
Revenue deferred in prior year	-	63,379	-
Revenue deferred to subsequent year	-	(306,490)	(63,379)
	7,671,216	8,693,134	8,410,512
Expenses			
Bank charges and interest	-	(118)	8,648
Basic needs	5,745,470	5,754,549	5,703,905
Equipment rental	-	3,202	9,138
Meeting	3,600	7,300	2,700
Office supplies	9,900	1,843	3,692
Professional fees	12,000	7,362	11,498
Rent	-	9,000	9,000
Repairs and maintenance	22,000	45,773	5,546
Salaries and benefits	152,843	159,956	140,932
Special needs	159,832	168,587	160,390
Student incentives	6,080	11,312	1,370
Telephone	4,800	3,509	4,040
Training	6,000	8,657	5,539
Travel	-	-	-
	6,122,525	6,180,932	6,066,398
Surplus before transfers	1,548,691	2,512,202	2,344,114
Transfers between segments	-	(2,090,926)	(2,356,241)
Annual deficit	1,548,691	421,276	(12,127)

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

Fort Alexander Indian Band
O/A Sagkeeng First Nation
Education

Schedule 4 - Consolidated Schedule of Segment Revenue and Expenses

For the year ended March 31, 2015

	2015 Budget	2015	2014
Revenue			
Aboriginal Affairs and Northern Development Canada (AANDC)	9,241,473	9,370,449	9,425,202
First Nations Confederacy of Cultural Education Centre	86,676	91,082	78,008
Other revenue	307,725	339,877	293,426
Rental	-	-	-
Revenue deferred in prior year	-	44,000	-
Revenue deferred to subsequent year	-	-	(44,000)
	9,635,874	9,845,408	9,752,636
Expenses			
Amortization	-	361,078	396,604
Bank charges and interest	5,000	(6,467)	4,319
Equipment rental	72,841	81,354	91,374
Graduation expense	3,000	4,072	3,477
Honoraria	2,000	-	1,767
Instructional and student supplies	225,300	223,590	250,495
Insurance	10,000	82,590	7,717
Language and culture	60,361	109,256	40,655
Miscellaneous	1,000	-	43
Professional fees	91,302	(22,440)	284,920
Program expenses	230,548	671,637	623,448
Rent	51,985	56,319	51,987
Repairs and maintenance	202,741	341,913	261,711
Salaries and benefits	5,791,123	5,398,334	5,093,526
Student incentives	8,000	5,707	12,001
Supplies	53,980	44,557	68,738
Telephone	60,907	14,450	55,706
Training	1,592,191	1,626,115	1,528,599
Travel	222,500	55,364	37,586
Tuition	903,533	857,358	930,752
Utilities	231,600	95,695	240,507
	9,819,912	10,000,482	9,985,932
Surplus (deficit) before transfers	(184,038)	(155,074)	(233,296)
Transfers between segments	-	837,436	40,467
Annual deficit	(184,038)	682,362	(192,829)

The accompanying notes are an integral part of these financial statements

Fort Alexander Indian Band
O/A Sagkeeng First Nation
Community Infrastructure

Schedule 5 - Consolidated Schedule of Segment Revenue and Expenses

For the year ended March 31, 2015

	2015 Budget	2015	2014
Revenue			
Aboriginal Affairs and Northern Development Canada (AANDC)	915,890	935,440	1,279,443
Other revenue	160,880	361,046	296,380
Province of Manitoba	-	993,193	-
Rental income	308,754	517,049	264,948
Manitoba Hydro	-	106,257	247,263
Revenue deferred in prior year	-	2,210,287	9,443,887
Revenue deferred to subsequent year	-	(2,050,287)	(2,210,287)
	1,385,524	3,072,985	9,321,634
Expenses			
Amortization	-	1,919,483	1,957,540
Bank charges and interest	1,676	6,366	5,048
Community donations	2,105	2,105	1,626
Community meeting	-	17,677	69
Bad debts	-	31,087	18,785
Employee benefits	-	2,536	2,217
Equipment rental	3,240	827	2,006
Fuel	47,392	63,205	49,453
Garbage pick-up	57,600	57,338	57,521
Insurance	91,070	39,822	5,735
Interest on long-term debt	-	82,498	87,272
Landfill	57,792	27,494	58,022
Office supplies	13,592	22,442	14,562
Other expenses	-	-	4,443
Professional fees	6,879	59,577	146,475
Program expenses	30,570	141,814	83,604
Property taxes	1,081	1,081	172
Repairs and maintenance	303,274	318,924	248,571
Salaries and benefits	456,411	529,783	547,682
Supplies	9,586	16,169	129,821
Sewage	27,860	99,070	59,530
Telephone	27,153	23,495	24,493
Training	-	-	32,000
Travel	12,806	23,740	29,282
Utilities	263,145	211,938	145,642
Water delivery	233,171	176,621	270,684
Working group	-	4,709	5,725
	1,646,403	3,879,799	3,987,980
Surplus (deficit) before other items and transfers		(806,814)	5,333,654
Other items			
Loss on disposal of property and equipment	-	-	(3,889)
Surplus (deficit) before transfers	(260,879)	(806,814)	5,329,765
Transfer between segments	-	(1,629,233)	(7,822,484)
Annual surplus (deficit)	(260,879)	(2,436,047)	(2,492,719)

The accompanying notes are an integral part of these financial statements

**Fort Alexander Indian Band
O/A Sagkeeng First Nation
Community Wellness**

Schedule 6 - Consolidated Schedule of Segment Revenue and Expenses

For the year ended March 31, 2015

	<i>2015 Budget</i>	<i>2015</i>	<i>2014</i>
Revenue			
First Nations and Inuit Health (FNIH)	4,686,834	5,002,240	5,052,095
Rental income	334,084	389,654	336,749
Other revenue	34,947	42,667	104,428
Canada Mortgage and Housing Corporation (CMHC)	22,746	22,490	24,287
Province of Manitoba	25,000	75,000	30,000
Revenue deferred in prior year	202,221	886,624	219,369
Revenue deferred to subsequent year	-	(1,068,747)	(886,624)
	5,305,832	5,349,928	4,880,304
Expenses			
Administration fees	91,201	23,964	40,100
Amortization	-	400,044	332,959
Automotive	237,552	252,450	247,939
Bad debts	-	-	10,515
Bank charges and interest	30,500	13,581	4,287
Community donations	25,600	25,091	25,794
Community workshops	76,444	138,315	112,333
Consulting	-	23,964	40,100
Equipment rental	36,245	76,174	61,639
Honorarium	55,847	114,056	126,725
Insurance	54,496	66,243	20,669
Interest on long-term debt	52,500	4,259	10,518
Office supplies	53,202	70,331	115,486
Professional development	117,250	237,940	136,964
Professional fees	167,888	125,531	114,346
Program expenses	689,892	648,355	512,394
Repairs and maintenance	118,812	116,472	148,294
Salaries and benefits	5,419,969	5,224,593	4,836,456
Telephone	62,449	82,485	83,178
Travel	243,510	279,834	295,501
Utilities	108,912	124,231	105,382
	7,642,269	8,023,949	7,341,479
Deficit before other items and transfers	(2,336,437)	(2,674,021)	(2,461,175)
Transfers between segments	-	2,678,473	6,696,742
Annual surplus	(2,336,437)	4,452	4,235,567

The accompanying notes are an integral part of these financial statements

**Fort Alexander Indian Band
O/A Sagkeeng First Nation
Housing**

Schedule 7 - Consolidated Schedule of Segment Revenue and Expenses

For the year ended March 31, 2015

	2015 Budget	2015	2014
Revenue			
Aboriginal Affairs and Northern Development Canada (AANDC)	1,835,100	1,835,100	1,835,100
Canada Mortgage and Housing Corporation (CMHC)	578,680	604,750	600,776
Rental income	505,360	454,262	491,198
Other Revenue	97,000	-	249,657
Revenue deferred in prior year	-	1,677,591	231,100
Revenue deferred to subsequent year	(135,100)	(1,446,491)	(1,677,591)
	2,881,040	3,125,212	1,730,240
Expenses			
Amortization	-	721,592	850,303
Bad debts	-	-	12,500
Bank charges and interest	-	215	7,082
Insurance	174,020	278,587	197,034
Interest on long-term debt	762,248	220,766	253,602
Professional fees	12,500	17,379	11,000
Program expenses	76,918	28,665	69,058
Repairs and maintenance	1,879,686	880,578	738,643
Salaries and benefits	42,850	41,600	41,600
Sewage removal	-	-	-
	2,948,222	2,189,382	2,180,822
Surplus (deficit) before transfers	(67,182)	935,830	(450,582)
Transfers between segments	-	1,898,453	3,202,887
Annual surplus	(67,182)	2,834,283	2,752,305

The accompanying notes are an integral part of these financial statements

**Fort Alexander Indian Band
O/A Sagkeeng First Nation
Economic Development**

Schedule 8 - Consolidated Schedule of Segment Revenue and Expenses

For the year ended March 31, 2015

	2015 Budget	2015	2014
Revenue			
Superstore sales	6,475,000	7,840,486	7,196,002
Video Lottery Terminals	1,600,000	1,721,586	1,648,705
Bingo Revenue	-	1,606,283	1,703,902
First Peoples Development Inc.	1,608,295	1,735,203	1,382,280
Other revenue	30,000	757,843	1,077,119
Aboriginal Affairs and Northern Development Canada (AANDC)	360,140	446,884	366,619
Province of Manitoba	-	56,123	142,293
Diamond Drilling Program	-	61,280	-
Revenue deferred in prior year	75,000	46,692	-
Revenue deferred to subsequent year	-	(43,111)	(46,692)
	10,148,435	14,229,269	13,470,228
Expenses			
Administration	23,876	3,832	7,949
Advertising	5,000	2,444	2,935
Amortization	57,083	121,158	119,835
Bad debts expense	-	-	14,622
Bank charges and interest	16,925	35,081	30,201
Bingo purchases	-	27,214	31,878
Cash over/short	3,000	(647)	22,692
Chief and Council	-	40,000	30,000
Community donations	325,000	383,736	683,118
Cost of sales	5,569,500	7,850,042	7,510,436
Dependant care	-	62,485	36,910
Equipment rental	12,000	21,359	7,402
Food and nutrition	-	3,862	1,200
Fuel	-	10,979	2,165
Grants	49,921	93,052	53,943
Honorarium	-	71,124	58,628
Insurance	35,328	54,473	4,852
Interest on long term debt	-	-	3,764
Loss on disposal	-	-	4,064
Office supplies	127,700	163,000	206,619
Professional development	5,000	17,426	17,009
Professional fees	32,500	138,847	55,424
Program expenses	512,175	695,957	550,776
Repairs and maintenance	45,900	177,972	174,820
Rent	36,075	120,267	95,307
Salaries and benefits	1,081,651	2,380,658	2,190,170
Telephone	31,945	20,449	33,631
Travel	33,500	74,956	65,167
Tuition	448,578	568,708	265,037
Utilities	-	68,850	67,887
VLT Lease	37,500	185,664	146,389
	8,490,157	13,392,948	12,494,830
Surplus before transfers	1,658,278	836,321	975,398
Transfers between segments	-	(1,335,611)	(552,259)
Annual surplus (deficit)	1,658,278	(499,290)	423,138

The accompanying notes are an integral part of these financial statements

**Fort Alexander Indian Band
O/A Sagkeeng First Nation
Land Management**

Schedule 9 - Consolidated Schedule of Segment Revenue and Expenses

For the year ended March 31, 2015

	2015 Budget	2015	2014
Revenue			
Aboriginal Affairs and Northern Development Canada (AANDC)	-	18,594	14,789
Expenses			
Professional fees	-	-	6,375
Salaries and benefits	-	18,594	8,414
	-	18,594	14,789
Annual surplus (deficit)	-	-	-

The accompanying notes are an integral part of these financial statements