

**Fort Alexander Indian Band
O/A Sagkeeng First Nation
Consolidated Financial Statements**
March 31, 2016

Fort Alexander Indian Band
O/A Sagkeeng First Nation
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For the year ended March 31, 2016

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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 fair 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 Professional Accountants, is appointed by the Chief and Council to audit the consolidated financial statements and report directly to the Members; 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 26, 2016



CEO

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, 2016, and the consolidated statements of operations and accumulated surplus, change in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Fort Alexander Indian Band (o/a Sagkeeng First Nation) as at March 31, 2016 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 26, 2016

MNP LLP
Chartered Professional Accountants

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

As at March 31, 2016

	2016	2015
Financial assets		
Cash	-	2,696,550
Investments (Note 3)	203,769	132,121
Accounts receivable (Note 4)	1,047,992	964,915
Inventory for resale (Note 5)	201,921	360,093
Investment in joint ventures (Note 6)	15,903	15,903
Restricted cash (Note 7)	1,125,305	1,246,318
Employee future benefits (Note 19)	2,370,525	801,589
	4,965,415	6,217,489
Liabilities		
Bank indebtedness (Note 8)	221,168	-
Accounts payable and accruals (Note 9)	3,178,121	3,396,246
Deferred revenue (Note 10)	1,262,968	4,915,126
Demand loans (Note 11)	1,563,621	915,667
Long-term debt (Note 14)	14,080,443	13,321,686
INAC payable (Note 12)	543,332	348,553
	20,849,653	22,897,278
Net debt	(15,884,238)	(16,679,789)
Contingent liabilities (Note 18)		
Non-financial assets		
Tangible capital assets (Schedule 1)	59,892,898	60,364,065
Prepaid expenses	30,738	26,963
Construction in progress	1,440,005	1,448,807
	61,363,641	61,839,835
Accumulated surplus (Note 13)	45,479,403	45,160,046

D. Doh
Chief

M. Doh
Councillor

Councillor

J. Doh
Councillor

Marilyn Chuckene
Councillor

Councillor

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

Fort Alexander Indian Band
O/A Sagkeeng First Nation
Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31, 2016

	<i>Schedules</i>	<i>2016 Budget</i>	<i>2016</i>	<i>2015</i>
Revenue				
Indigenous and Northern Affairs Canada (INAC) (Note 22)		21,943,046	23,933,803	23,342,742
INAC recovery		-	(982,312)	(3,777)
First Nations and Inuit Health (FNIH) (Note 23)		4,772,865	5,183,403	5,002,240
First Peoples Development Inc.		1,692,113	1,569,210	1,735,203
Canada Mortgage and Housing Corporation (CMHC)		601,170	588,113	627,240
Other government funding		-	46,778	106,257
Province of Manitoba		209,128	223,229	1,239,278
Solicitor General		91,098	72,878	91,098
Southern Manitoba Child and Family Services		70,000	70,000	-
First Nations Confederacy of Cultural Education Centre		86,676	86,676	91,082
Diamond Drilling Program		-	-	61,280
		29,466,096	30,791,778	32,231,363
Superstore sales		7,825,000	7,850,999	7,840,486
Video Lottery Terminals (VLT)		1,935,000	1,740,032	1,721,586
Other revenue		1,050,067	1,445,882	1,796,803
Bingo revenue		1,617,586	1,638,432	1,606,283
Rental income		1,148,199	1,176,424	1,360,965
Revenue deferred in prior year (Note 10)		-	4,915,126	4,928,573
Revenue deferred to subsequent year (Note 10)		-	(1,262,968)	(4,915,126)
		43,041,948	48,295,705	46,570,933
Segment Expenses				
Band Governance	2	3,348,778	5,295,128	4,055,734
Social Assistance	3	6,216,261	6,039,288	6,180,932
Education	4	9,527,735	9,406,251	10,000,482
Community Infrastructure	5	1,517,279	5,338,374	3,879,799
Community Wellness	6	7,915,448	8,968,775	8,023,949
Housing	7	3,007,142	1,545,265	2,189,382
Economic Development	8	12,362,704	12,791,022	13,392,948
Land Management	9	90,143	161,181	18,594
Total segment expenses (Note 16)		43,985,490	49,545,284	47,741,820
Annual surplus (deficit) before other item and transfers		(943,542)	(1,249,579)	(1,170,887)
Unrealized gain (loss) on pension plan		(49,611)	1,568,936	965,272
Annual surplus (deficit) before transfers		(993,153)	319,357	(205,615)
Transfers between programs		1,203,696	-	-
Annual surplus (deficit)		210,543	319,357	(205,615)
Accumulated surplus, beginning of year		45,160,046	45,160,046	45,365,661
Accumulated surplus, end of year		45,370,589	45,479,403	45,160,046

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

**Fort Alexander Indian Band
O/A Sagkeeng First Nation
Consolidated Statement of Change in Net Debt**

For the year ended March 31, 2016

	2016 Budget	2016	2015
Annual surplus (deficit)	210,543	319,357	(205,615)
Purchases of tangible capital assets	-	(3,978,464)	(3,765,656)
Change in construction in progress	-	8,803	2,073,873
Amortization of tangible capital assets	-	4,449,630	3,699,768
	210,543	479,969	2,007,985
Use of (acquisition of) prepaid expenses	-	(3,775)	27,235
Decrease (increase) in net debt	210,543	795,551	1,829,605
Net debt, beginning of year	(16,679,789)	(16,679,789)	(18,509,394)
Net debt, end of year	(16,469,246)	(15,884,238)	(16,679,789)

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

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

For the year ended March 31, 2016

2016

2015

Cash provided by (used for) the following activities

Operating activities

Cash receipts from contributions	44,755,249	46,735,339
Cash paid to suppliers	(28,865,558)	(29,833,435)
Cash paid to employees	(15,824,554)	(14,239,868)
Interest on long-term debt	(469,270)	(409,517)
	(404,133)	2,252,520

Financing activities

Advances of long-term debt	1,740,827	4,071,390
Repayment of long-term debt	(982,070)	(2,569,698)
Advances of demand loans	960,904	-
Repayment of demand loans	(312,950)	(308,343)
	1,406,711	1,193,349

Capital activities

Purchases of tangible capital assets	(3,978,464)	(3,765,656)
Reduction in construction in progress	8,803	2,073,873
	(3,969,661)	(1,691,783)

Investing activities

Increase in investments	(71,648)	(64,550)
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Increase (decrease) in cash resources

Cash resources, beginning of year	3,942,868	2,253,330
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Cash resources, end of year

	904,137	3,942,868
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Cash resources are comprised of:

Restricted cash	1,125,305	1,246,318
Cash (bank indebtedness)	(221,168)	2,696,550
	904,137	3,942,868

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

**Fort Alexander Indian Band
O/A Sagkeeng First Nation**
Notes to the Consolidated Financial Statements

For the year ended March 31, 2016

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, 2016

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. 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 and 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. No amortization is taken on construction in progress until the asset is put into use.

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:

	Years	Rate
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, 2016

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 financial assets less its liabilities. 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 INAC, 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 Manitoba Liquor and Lotteries Commission. Management believes that it is appropriate to present these commissions net of gaming revenue as these amounts are fixed as per their agreement with Manitoba Liquor and Lotteries Commission.

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, 2016

2. Significant accounting policies (continued from previous page)

Financial instruments

Financial instruments include cash, accounts receivable, restricted cash, investments, demand loans, bank indebtedness, accounts payable and accruals, INAC 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, 2016.

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.

Fort Alexander Indian Band
O/A Sagkeeng First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

2. Significant accounting policies (continued from previous page)

Recent accounting pronouncements

Financial instruments

In June 2011, the Public Sector Accounting Board (PASB) 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 \$120,847 (2015 - \$70,000) investment in a guaranteed investment certificate earning interest at 0.9% with a maturity date of April 2016 and a guaranteed investment certificate of \$27,000 earning interest at 0.9% with a maturity date of March 2017. Investments also includes 1,288 shares of Sun Life Financial with a market value of \$55,922 (2015 - \$62,121) and a cost of \$23,093 (2015 - \$23,093).

4. Accounts receivable

	2016	2015
Indigenous and Northern Affairs Canada ("INAC")	251,723	400,202
First Nations and Inuit Health ("FNIH")	100,000	-
Trade and other	434,700	473,994
Canada Mortgage and Housing Corporation ("CMHC")	48,485	49,821
First Peoples Development Inc.	136,796	
Zhooniya loans	76,288	40,898
	<hr/>	<hr/>
	1,047,992	964,915

INAC accounts receivable consist of:

2014-15 Economic Development – Capacity	65,202
2015-16 ESD - Social	15,700
2015-16 Recovery	170,821
	<hr/>
	251,723

5. Inventory for resale

	2016	2015
Gaming	12,983	13,694
Superstore	188,938	346,399
	<hr/>	<hr/>
	201,921	360,093

Fort Alexander Indian Band
O/A Sagkeeng First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

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>2016 Total Investment in Venture</i>
Sagkeeng/TCIG Munro Joint Venture	1,155	-	-	1,155
Miikanaake Munro Joint Venture	14,748	-	-	14,748
	15,903	-	-	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, 2016</i>	<i>Miikanaake/ Munro Joint Venture As at March 31, 2016</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	 -	 -
Total expenses	-	-
Net income	-	-

During the year, the Nation's investees' had no transactions with organizations of the Nation. The joint ventures did not operate in the year. 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, 2016

7. Restricted cash

	2016	2015
Sagkeeng First Nation Consolidated Revenue Trust Fund	372,401	715,329
Fort Alexander Health Centre Moveable Asset Reserve	190,470	207,948
CMHC replacement reserve	519,072	299,688
CMHC subsidy surplus reserve	39,915	20,000
Ottawa Trust Fund	3,447	3,353
	1,125,305	1,246,318

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 \$190,470 (2015 – \$207,948) 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 Indigenous and Northern Affairs Canada, with the consent of the Nation's Chief and Council.

Capital Trust	\$315 (2015 - \$315); 2016 interest revenue - \$0 (2015 - \$0)
Revenue trust	\$3,132 (2015 - \$3,038); 2016 interest revenue - \$94 (2015 - \$104)

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, 2016 the subsidy surplus reserve was underfunded by \$376,868 (2015 - \$375,884). As at March 31, 2016 the replacement reserve was underfunded by \$897,376 (2015 - \$976,471).

Fort Alexander Indian Band
O/A Sagkeeng First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

8. Bank indebtedness

The Nation has four operating lines of credits up to a maximum of \$250,000, \$300,000, \$75,000 and \$50,000 at an interest rate of prime plus 1.5%. As at March 31, 2016 the lines of credit are at \$185,000, \$300,000, \$75,000 and \$50,000, respectively. Prime rate at March 31, 2016 is 2.70%.

9. Accounts payable and accruals

	2016	2015
Trade payables	2,802,696	2,977,547
Wages and benefits	375,425	418,699
	3,178,121	3,396,246

10. Deferred revenue

	2016	2015
Social Assistance - INAC (<i>Schedule 3</i>)	-	306,490
Community Infrastructure - INAC (<i>Schedule 5</i>)	1,115,287	2,050,287
Community Wellness – INAC (<i>Schedule 6</i>)	-	816,000
Community Wellness – FNIH (<i>Schedule 6</i>)	104,606	252,747
Housing – INAC (<i>Schedule 7</i>)	-	1,446,491
Economic Development – First Peoples Development Inc. (<i>Schedule 8</i>)	43,075	43,111
	1,262,968	4,915,126

11. Demand loans

	2016	2015
Term loan payable in monthly installments of \$16,667 plus interest at prime plus 1.5% with a renewal of April 2017, secured by a general security agreement and band council resolution.	233,318	433,322
Term loan payable in monthly installments of \$6,915 plus interest at prime plus 1.5% with a renewal of September 2016, secured by a general security agreement and band council resolution.	403,085	482,345
Term loan payable in monthly installments of \$1,945 plus interest at prime plus 1.5% with a renewal of November 2016, secured by related equipment with net book value of \$81,675.	110,844	-
Term loan payable in monthly installments of \$424 plus interest at prime plus 1.5% with a renewal of January 2017, secured by related equipment with net book value of \$10,685.	14,415	-
Term loan payable in monthly installments of \$5,483 plus interest at prime plus 1.5% with a renewal of November 2016, secured by related equipment with net book value of \$230,274.	312,515	-
Term loan payable in monthly installments of \$1,667 plus interest at prime plus 1.5% with a renewal of February 2017, secured by related equipment with net book value of \$70,000.	98,333	-
Term loan payable in monthly installments of \$2,222 plus interest at prime plus 1.5% with a renewal of November 2016, secured by related building with net book value of \$541,169.	391,111	-
	1,563,621	915,667

Fort Alexander Indian Band
O/A Sagkeeng First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

12. INAC payable

	2016	2015
2013-14 Capital	297,313	-
2013-14 Basic Needs/In-Home Care	-	41,756
2012-13 Basic Needs	60,606	90,606
2013-14 Basic Needs/In-Home Care	185,413	185,413
2013-14 Basic Needs	-	27,001
2014-15 Special Needs	-	3,777
	<hr/>	<hr/>
	543,332	348,553

13. Accumulated Surplus

	2016	2015
Equity in Ottawa Trust Funds	3,447	3,353
Invested in Tangible Capital Assets	48,640,158	46,810,481
CMHC replacement reserve	1,416,448	1,276,159
CMHC subsidy surplus reserve	416,783	395,884
Moveable asset reserve	169,096	185,270
Unrestricted accumulated deficit	(5,166,529)	(3,511,101)
	<hr/>	<hr/>
	45,479,403	45,160,046

14. Long-term debt

	2016	2015
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 \$1,347,048 (2015 - \$1,428,535).	1,189,634	1,251,798
PHT mortgage repayable in monthly payments of \$4,034 including interest at 1.82%, maturing September 1, 2019, secured by a Ministerial guarantee for a 10-unit rental housing project and assignment of fire insurance.	164,056	209,042
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.	1,439,857	1,505,992
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 for a 21-unit rental housing project and assignment of fire insurance.	145,636	207,324

**Fort Alexander Indian Band
O/A Sagkeeng First Nation
Notes to the Consolidated Financial Statements**

For the year ended March 31, 2016

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

	2016	2015
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.	1,445,162	1,511,956
CMHC mortgage repayable in monthly payments of \$4,304 including interest at 4.64%, matures July 1, 2016, secured by a Ministerial guarantee and an assignment of fire insurance.	17,060	66,672
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 for a 15-unit housing project and assignment of fire insurance.	1,637,078	1,709,592
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.	1,302,610	1,353,969
CMHC mortgage repayable in monthly payments of \$3,859 including interest at 1.08%, maturing August 1, 2035, with the next scheduled renewal on August 1, 2020, secured by a Ministerial guarantee for an 8-unit rental housing project and assignment of fire insurance.	811,071	845,917
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.	992,715	1,025,850
CMHC mortgage repayable in monthly payments of \$4,104 including interest at 1.01%, maturing February 1, 2036, with the next scheduled renewal on February 1, 2021, secured by a Ministerial guarantee for a 7-unit rental housing project and assignment of fire insurance.	868,957	901,834
RBC Debt consolidation loan repayable in monthly installments of \$33,830, including interest at prime plus 1.5%, with an annual renewal of January 2017, secured through tobacco tax refunds by the Government of Manitoba.	1,242,550	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.	1,593,518	1,083,230
RBC loan in regards to 1923-1926 surrender claim, repayable in interest only payments at prime plus .50%, due June 15, 2020. 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.	1,230,539	-
	14,080,443	13,321,686

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:

2016	1,791,200
2017	540,000
2018	535,800
2019	3,740,500
2020	1,748,100

Fort Alexander Indian Band
O/A Sagkeeng First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

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 INAC 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.

**Fort Alexander Indian Band
O/A Sagkeeng First Nation**
Notes to the Consolidated Financial Statements

For the year ended March 31, 2016

16. Consolidated Expenses by Object

	2016	2015
Administration fees	116,062	27,796
Advertising	7,980	2,444
Amortization	4,449,630	3,699,768
Automotive	272,319	252,450
Bad debts	105,706	31,087
Bank charges and interest	138,985	146,356
Basic needs	5,491,929	5,754,764
Bingo purchases	27,405	27,214
Cash over/short	3,501	(647)
Chief and Council honorariums	351,247	284,450
Chief and Council severance	80,000	21,335
Chief and Council travel	39,235	67,754
Community donations	462,977	410,931
Community meetings	-	17,677
Community workshops	136,742	138,315
Cost of sales	8,065,885	7,850,042
Dependent care	29,000	62,485
Discretionary	398	42,811
Employee benefits	-	2,536
Equipment rental	193,912	205,126
Food and nutrition	3,950	3,862
Fuel	66,324	81,358
Garbage pick-up	59,815	57,338
Graduation expense	3,500	4,072
Grants	155,113	93,052
Honoraria	138,943	185,180
Housing	-	321,100
Instructional and student supplies	291,510	223,590
Insurance	512,593	605,622
Interest on long-term debt	469,270	409,517
Land settlement	1,734,633	1,109,703
Language and culture	126,674	136,750
Meeting costs	22,288	12,983
Miscellaneous	7,018	-
Office supplies	208,686	257,616
Professional development	255,288	255,366
Professional fees	891,749	591,830
Program expenses	1,542,064	2,213,212
Property tax	1,153	1,081
Repairs and maintenance	2,276,456	1,891,529
Rent	118,227	185,586
Salaries and benefits	15,824,554	15,223,734
Sewage	15,645	99,070
Special needs	170,746	168,587
Student incentives	77,642	17,019
Supplies	234,323	81,936
Telephone	228,815	173,517
Training	1,376,283	1,686,645
Travel	521,880	448,022
Tuition	1,288,867	1,426,066
Utilities	547,046	541,602
VLT lease	189,235	185,664
Water delivery	219,097	176,621
Working group	-	4,709
	49,545,284	47,741,820

Fort Alexander Indian Band
O/A Sagkeeng First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

17. Economic dependence

The Nation receives substantially all of its revenue from Indigenous and Northern Affairs Canada (INAC) and First Nations and Inuit Health (FNIH) as a result of Treaties entered into with the Government of Canada. These Treaties are administered by INAC 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 four wrongful dismissal claims 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.

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, 2015. The next funding valuations are required to be completed as at August 31, 2016. 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, 2015 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:

Fort Alexander Indian Band
O/A Sagkeeng First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

19. Employee future benefits (continued from previous page)

	2016	2015
Pension and Post retirement expense		
Current service cost	785,716	632,388
Employee contributions	(196,429)	(161,036)
Interest cost	938,192	892,849
Expected return on plan assets	(1,254,386)	(1,117,370)
Plan expenses	83,817	141,280
Amortization of net actuarial (gain)/loss	(670,672)	(538,986)
Prior period cost	-	-
Pension expense	<u>(313,762)</u>	<u>(150,875)</u>
Accrued Benefit Asset (Liability)		
Accrued benefit asset (liability), opening	801,589	(219,988)
Add: pension expense	313,762	150,875
Less: band contributions	<u>1,255,174</u>	<u>870,702</u>
Accrued benefit asset (liability), ending	<u>2,370,525</u>	<u>801,589</u>
Accrued Benefit Obligation		
Accrued benefit obligations, opening	18,609,233	17,808,053
Service cost	785,716	632,388
Interest cost	938,192	892,849
Benefit payments	(476,489)	(534,546)
Plan amendment	-	-
Actuarial (gain)/loss	<u>(487,180)</u>	<u>(189,511)</u>
Accrued Benefit obligation, ending	<u>19,369,472</u>	<u>18,609,233</u>

Fort Alexander Indian Band
O/A Sagkeeng First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

19. Employee future benefits (continued from previous page)	2016	2015
Reconciliation of Plan Assets		
Market value of plan assets, opening	24,642,067	22,169,449
Nation contributions	1,255,174	870,702
Member contributions	196,429	161,036
Benefit payments	(476,489)	(534,546)
Expenses	(83,817)	(141,280)
Actual return on plan assets	35,724	2,116,706
Market value of plan assets, ending	25,569,088	24,642,067
Unamortized Gains/(Losses)		
Net unamortized gains (losses), opening	5,231,245	4,581,384
New net gain (loss) for current year	(704,644)	1,188,847
Amortization for current year	(670,672)	(538,986)
Net unamortized gain (loss), ending	3,855,929	5,231,245
Immediate recognition to offset prior period cost in year	-	-
Net unamortized gain (loss), ending, after adjustment	3,855,929	5,231,245
Reconciliation of surplus deficit to accrued asset		
Surplus of plan assets over obligations, ending	6,226,454	6,032,834
Net unamortized amounts	(3,855,929)	(5,231,245)
Accrued benefit asset, ending	2,370,525	801,589
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)	7.80	8.50
Asset breakdown		
Cash and short-term	0.0%	0.0%
Fixed income (bonds and mortgages)	41.0%	38.8%
Real estate	14.0%	14.0%
Canadian equities	30.0%	31.0%
US equities	4.0%	3.5%
International equities	11.0%	12.7%
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, 2016

20. 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.

21. Budget

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

22. INAC revenue reconciliation

The INAC revenues of \$23,933,803 on the consolidated statement of operations and accumulated surplus agrees to the INAC confirmation.

23. FNIH revenue reconciliation

The FNIH revenues of \$5,183,403 on the consolidated statement of operations and accumulated surplus agrees to the FNIH confirmation.

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, 2016

	<i>Schedule #</i>	<i>INAC Revenue</i>	<i>Other Revenue</i>	<i>Deferred Revenue</i>	<i>Total Revenue</i>	<i>Total Expenses</i>	<i>Transfers</i>	<i>2016 Surplus/(Deficit)</i>	<i>2015 Surplus/(Deficit)</i>
Band Governance	2	2,105,512	2,258,000	-	4,363,512	5,295,128	1,616,500	684,884	(1,212,651)
Social Assistance	3	8,454,214	37,407	306,490	8,798,111	6,039,288	(2,667,451)	91,372	421,276
Education	4	9,502,830	312,969	-	9,815,799	9,406,251	(459,034)	(49,486)	682,362
Community Infrastructure	5	1,652,440	203,651	935,000	2,791,091	5,338,374	(396,690)	(2,943,973)	(2,436,047)
Community Wellness	6	-	5,756,787	964,141	6,720,928	8,968,775	2,705,151	457,304	4,452
Housing	7	1,835,100	555,328	1,446,491	3,836,919	1,545,265	485,328	2,776,982	2,834,283
Economic Development	8	365,809	13,122,063	36	13,487,908	12,791,022	(1,283,804)	(586,918)	(499,290)
Land Management	9	17,898	32,475	-	50,373	161,181	-	(110,808)	-
		23,933,803	22,278,680	3,652,158	49,864,641	49,545,284	-	319,357	(205,615)

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

Fort Alexander Indian Band
O/A Sagkeeng First Nation
Schedule 1- Tangible Capital Assets
For the year ended March 31, 2016

	<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>	2016	2015
Cost									
Balance, beginning of year	2,460,484	414,545	2,986,958	40,055,076	33,139,021	129,087	25,144,125	104,329,296	100,563,640
Acquisition of tangible capital assets	877,479	11,469	603,866	1,387,358	556,830	-	541,463	3,978,464	3,765,656
Balance, end of year	3,337,962	426,014	3,590,824	41,442,433	33,695,851	129,087	25,685,588	108,307,759	104,329,296
Accumulated amortization									
Balance, beginning of year	1,863,212	341,532	1,638,413	19,257,358	9,251,424	-	11,613,292	43,965,231	40,265,463
Annual amortization	483,507	31,617	357,381	1,287,431	910,875	-	1,378,819	4,449,630	3,699,768
Balance, end of year	2,346,719	373,149	1,995,795	20,544,789	10,162,299	-	12,992,110	48,414,861	43,965,231
Net book value of tangible capital assets									
2015 Net book value of tangible capital assets	991,244	52,864	1,595,029	20,897,644	23,533,552	129,087	12,698,478	59,892,898	60,364,065
	597,272	73,013	1,348,546	20,797,718	23,887,597	129,087	13,530,833	60,364,065	

The accompanying notes are an integral part of these consolidated 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, 2016

	2016 Budget	2016	2015
Revenue			
Indigenous and Northern Affairs Canada (INAC)	1,227,750	2,105,512	1,827,969
Other revenue	334,000	533,137	234,090
Solicitor General	91,098	72,878	91,098
Province of Manitoba	83,246	83,049	83,246
Unrealized loss (gain) on pension plan	(49,611)	1,568,936	965,272
	1,686,483	4,363,512	3,201,675
Expenses			
Amortization	-	16,373	-
Bad debt	-	3,578	-
Bank charges and interest	24,000	56,464	97,914
Chief and Council honorariums	355,000	351,247	244,450
Chief and Council severance	80,000	80,000	21,335
Chief and Council travel	30,000	39,235	67,754
Equipment rental	7,608	18,869	22,210
Fuel	7,000	14,977	7,174
Discretionary	12,096	398	42,811
Housing	-	-	321,100
Insurance	53,000	30,389	83,907
Interest on long-term debt	889,000	195,216	101,994
Land settlement	-	1,734,633	1,109,703
Meeting costs	2,870	19,288	5,683
Professional fees	158,339	488,972	265,574
Program expenses	-	8,861	26,784
Rent	-	3,150	-
Repairs and maintenance	3,950	13,822	9,897
Salaries and benefits	1,565,499	1,911,384	1,470,216
Supplies	69,000	135,264	21,210
Telephone	16,608	27,513	29,129
Training	4,000	47,518	51,873
Travel	50,808	74,645	14,128
Utilities	20,000	23,332	40,888
	3,348,778	5,295,128	4,055,734
Surplus (deficit) before transfers	(1,662,295)	(931,616)	(854,059)
Transfers between segments	1,985,001	1,616,500	(358,592)
Annual surplus (deficit)	322,706	684,884	(1,212,651)

The accompanying notes are an integral part of these consolidated 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, 2016

	<i>Budget</i>	<i>2016</i>	<i>2015</i>
Revenue			
Indigenous and Northern Affairs Canada (INAC)	8,583,447	8,454,214	8,908,306
INAC recovery	-	-	(3,777)
Other revenue	367,544	-	-
Province of Manitoba	-	37,407	31,716
Revenue deferred in prior year	-	306,490	63,379
Revenue deferred to subsequent year	-	-	(306,490)
	8,950,991	8,798,111	8,693,134
Expenses			
Bank charges and interest	-	2,134	(118)
Basic needs	5,843,269	5,488,478	5,754,549
Equipment rental	8,400	3,925	3,202
Meeting	3,000	3,000	7,300
Office supplies	2,362	3,547	1,843
Pre-employment measures	-	155,617	45,773
Professional fees	-	606	7,362
Rent	12,000	12,000	9,000
Salaries and benefits	170,978	170,230	159,956
Special needs	170,792	170,746	168,587
Student incentives	-	22,255	11,312
Telephone	4,800	3,331	3,509
Training	660	3,419	8,657
	6,216,261	6,039,288	6,180,932
Surplus before transfers	2,734,730	2,758,823	2,512,202
Transfers between segments	(3,024,387)	(2,667,451)	(2,090,926)
Annual surplus (deficit)	(289,657)	91,372	421,276

The accompanying notes are an integral part of these consolidated 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, 2016

	2016 <i>Budget</i>	2016	2015
Revenue			
Indigenous and Northern Affairs Canada (INAC)	9,040,263	9,502,830	9,370,449
First Nations Confederacy of Cultural Education Centre	86,676	86,676	91,082
Other revenue	65,261	226,293	339,877
Revenue deferred in prior year	-	-	44,000
	9,192,200	9,815,799	9,845,408
Expenses			
Amortization	-	600,727	361,078
Bad debt	-	390	-
Bank charges and interest	5,000	12,530	(6,467)
Equipment rental	80,963	81,413	81,354
Graduation expense	6,000	3,500	4,072
Honoraria	2,000	20,684	-
Instructional and student supplies	122,454	291,510	223,590
Insurance	50,973	47,513	82,590
Language and culture	85,469	94,467	109,256
Professional fees	68,580	97,681	(22,440)
Program expenses	217,782	305,156	671,637
Rent	51,984	56,319	56,319
Repairs and maintenance	159,741	245,680	341,913
Salaries and benefits	5,628,671	4,918,745	5,398,334
Student incentives	55,076	55,387	5,707
Supplies	207,184	62,515	44,557
Telephone	65,707	25,014	14,450
Training	1,515,239	1,323,631	1,626,115
Travel	89,546	76,657	55,364
Tuition	884,726	911,685	857,358
Utilities	230,640	175,047	95,695
	9,527,735	9,406,251	10,000,482
Surplus (deficit) before transfers	(335,535)	409,548	(155,074)
Transfers between segments	372,395	(459,034)	837,436
Annual surplus (deficit)	36,860	(49,486)	682,362

The accompanying notes are an integral part of these consolidated 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, 2016

	2016 Budget	2016	2015
Revenue			
Indigenous and Northern Affairs Canada (INAC)	919,990	1,652,440	935,440
Other revenue	145,280	205,798	361,046
Province of Manitoba	-	-	993,193
Rental income	308,754	286,075	517,049
Manitoba Hydro	-	46,778	106,257
Revenue deferred in prior year	-	2,050,287	2,210,287
Revenue deferred to subsequent year	-	(1,115,287)	(2,050,287)
INAC recovery	-	(335,000)	-
	1,374,024	2,791,091	3,072,985
Expenses			
Amortization	-	2,542,897	1,919,483
Bank charges and interest	1,676	6,555	6,366
Community donations	2,105	1,215	2,105
Community meeting	-	-	17,677
Bad debts	18,785	68,784	31,087
Equipment rental	10,879	5,261	827
Fuel	72,324	51,348	63,205
Garbage pick-up	-	59,815	57,338
Insurance	95,386	29,982	39,822
Interest on long-term debt		78,812	82,498
Landfill	-	32,207	27,494
Office supplies	13,592	16,690	22,442
Professional fees	6,879	10,874	59,577
Program expenses	18,500	134,403	141,814
Property taxes	1,081	1,153	1,081
Repairs and maintenance	311,998	1,200,848	318,924
Salaries and benefits	494,913	602,720	532,319
Supplies	11,855	36,544	16,169
Sewage	-	15,645	99,070
Telephone	19,308	25,631	23,495
Travel	10,959	12,735	23,740
Utilities	241,996	185,158	211,938
Water delivery	185,043	219,097	176,621
Working group	-	-	4,709
	1,517,279	5,338,374	3,879,799
Surplus (deficit) before transfers		(2,547,283)	(806,814)
Transfer between segments		(76,438)	(396,690)
Annual surplus (deficit)		(219,693)	(2,943,973)
		(2,436,047)	

The accompanying notes are an integral part of these consolidated 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, 2016

	2016 Budget	2016	2015
Revenue			
First Nations and Inuit Health (FNIH)	4,772,865	5,183,403	5,002,240
Rental income	334,084	407,799	389,654
Other revenue	11,240	23,095	42,667
Canada Mortgage and Housing Corporation (CMHC)	22,490	22,490	22,490
Southern Manitoba Child and Family Services	70,000	70,000	-
Province of Manitoba	75,000	50,000	75,000
Revenue deferred in prior year	-	1,068,747	886,624
Revenue deferred to subsequent year	-	(104,606)	(1,068,747)
	5,285,679	6,720,928	5,349,928
Expenses			
Administration fees	-	112,378	23,964
Amortization	-	463,173	400,044
Automotive	260,468	272,319	252,450
Bad debts	-	22,107	-
Bank charges and interest	9,400	10,669	13,581
Community donations	25,600	22,889	25,091
Community workshops	132,024	136,742	138,315
Consulting	-	-	23,964
Equipment rental	73,017	77,718	76,174
Honorarium	59,000	63,998	114,056
Insurance	63,996	72,279	66,243
Interest on long-term debt	52,500	2,037	4,259
Office supplies	103,397	34,899	70,331
Professional development	227,420	240,938	237,940
Professional fees	172,752	176,885	125,531
Program expenses	541,087	684,002	648,355
Repairs and maintenance	122,635	234,953	116,472
Salaries and benefits	5,663,429	5,838,945	5,224,593
Telephone	76,225	84,405	82,485
Travel	240,010	301,192	279,834
Utilities	92,488	116,247	124,231
	7,915,448	8,968,775	8,023,949
Deficit before transfers	(2,629,769)	(2,247,847)	(2,674,021)
Transfers between segments	2,474,257	2,705,151	2,678,473
Annual surplus (deficit)	(155,512)	457,304	4,452

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, 2016

	2016 Budget	2016	2015
Revenue			
Indigenous and Northern Affairs Canada (INAC)	1,835,100	1,835,100	1,835,100
Canada Mortgage and Housing Corporation (CMHC)	578,680	565,623	604,750
Rental income	505,361	482,550	454,262
Other revenue	-	154,467	-
Revenue deferred in prior year	-	1,446,491	1,677,591
Revenue deferred to subsequent year	-	-	(1,446,491)
INAC recovery	-	(647,312)	-
	2,919,141	3,836,919	3,125,212
Expenses			
Amortization	-	714,500	721,592
Bad debts	-	6,497	-
Bank charges and interest	-	3,451	215
Insurance	278,587	283,728	278,587
Interest on long-term debt	762,245	193,205	220,766
Professional fees	12,500	13,971	17,379
Program expenses	111,738	35,318	28,665
Repairs and maintenance	1,799,222	252,995	880,578
Salaries and benefits	42,850	41,600	41,600
	3,007,142	1,545,265	2,189,382
Surplus (deficit) before transfers	(88,001)	2,291,654	935,830
Transfers between segments	-	485,328	1,898,453
Annual surplus (deficit)	(88,001)	2,776,982	2,834,283

The accompanying notes are an integral part of these consolidated 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, 2016

	2016 Budget	2016	2015
Revenue			
Superstore sales	7,825,000	7,850,999	7,840,486
Video Lottery Terminals	1,935,000	1,740,032	1,721,586
Bingo revenue	1,617,586	1,638,432	1,606,283
First Peoples Development Inc.	1,692,113	1,569,210	1,735,203
Other revenue	126,742	270,617	757,843
Indigenous and Northern Affairs Canada (INAC)	317,902	365,809	446,884
Province of Manitoba	50,882	52,773	56,123
Diamond Drilling Program	-	-	61,280
Revenue deferred in prior year	-	43,111	46,692
Revenue deferred to subsequent year	-	(43,075)	(43,111)
	13,565,225	13,487,908	14,229,269
Expenses			
Administration	14,300	3,684	3,832
Advertising	1,800	7,980	2,444
Amortization	-	111,960	121,158
Bad debts expense	-	4,350	-
Bank charges and interest	28,000	50,633	35,081
Bingo purchases	-	27,405	27,214
Cash over/short	500	3,501	(647)
Chief and Council	-	-	40,000
Community donations	241,994	438,873	383,736
Cost of sales	7,935,000	8,065,885	7,850,042
Dependant care	-	29,000	62,485
Equipment rental	12,000	6,726	21,359
Food and nutrition	3,300	3,950	3,862
Fuel	-	-	10,979
Grants	154,864	155,113	93,052
Honorarium	-	39,532	71,124
Insurance	51,028	48,702	54,473
Office supplies	197,750	153,550	163,000
Professional development	9,000	14,350	17,426
Professional fees	44,650	58,122	138,847
Program expenses	371,729	374,326	695,957
Repairs and maintenance	216,253	172,541	177,972
Rent	168,870	46,758	120,267
Salaries and benefits	2,239,974	2,248,483	2,380,658
Telephone	24,079	62,921	20,449
Travel	26,750	48,998	74,956
Tuition	397,763	377,182	568,708
Utilities	48,100	47,262	68,850
VLT Lease	175,000	189,235	185,664
	12,362,704	12,791,022	13,392,948
Surplus before transfers	1,202,521	696,886	836,321
Transfers between segments	(527,132)	(1,283,804)	(1,335,611)
Annual surplus (deficit)	675,389	(586,918)	(499,290)

The accompanying notes are an integral part of these consolidated 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, 2016

	2015 Budget	2016	2015
Revenue			
Indigenous and Northern Affairs Canada (INAC)	18,594	17,898	18,594
Other revenue	-	32,475	-
	18,594	50,373	18,594
Expenses			
Honorariums	-	14,729	-
Professional fees	-	44,637	-
Salaries and benefits	84,143	92,447	18,594
Travel	6,000	7,653	-
Training	4,000	1,715	-
	90,143	161,181	18,594
Annual surplus (deficit)	(71,549)	(110,808)	-

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