

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

March 31, 2017

**Fort Alexander Indian Band
O/A Sagkeeng First Nation
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For the year ended March 31, 2017

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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.

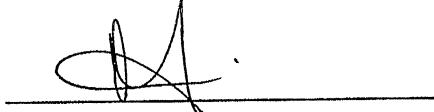
Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate 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 (O/A Sagkeeng First Nation) 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 24, 2017



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, 2017, 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 Fort Alexander Indian Band (O/A Sagkeeng First Nation) as at March 31, 2017 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 24, 2017

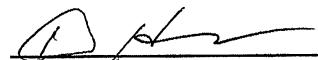
MNP LLP

Chartered Professional Accountants

**Fort Alexander Indian Band
O/A Sagkeeng First Nation
Consolidated Statement of Financial Position
As at March 31, 2017**

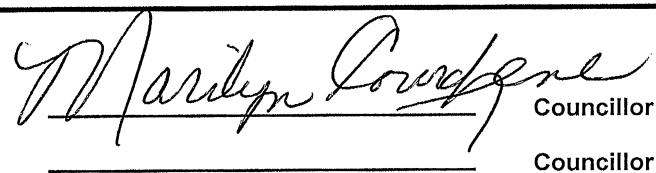
	2017	2016 (Restated)
Financial assets		
Investments (Note 3)	315,083	203,769
Accounts receivable (Note 4)	1,621,224	1,196,984
Inventory for resale (Note 5)	265,127	201,921
Investment in joint ventures (Note 6)	15,903	15,903
Restricted cash (Note 7)	1,413,446	1,125,305
Employee future benefits (Note 8)	3,318,092	2,370,525
	6,948,875	5,114,407
Liabilities		
Bank indebtedness (Note 9)	1,432,415	221,168
Accounts payable and accruals (Note 10)	3,084,299	3,170,037
Deferred revenue (Note 11)	3,245,144	1,411,963
INAC payable (Note 12)	185,413	543,332
Demand loans (Note 13)	1,886,460	1,563,621
Long-term debt (Note 14)	15,827,721	14,080,443
	25,661,452	20,990,564
Net debt	(18,712,577)	(15,876,157)
Contingent liabilities (Note 19)		
Non-financial assets		
Tangible capital assets (Schedule 1)	57,113,504	59,911,928
Prepaid expenses	13,560	30,738
Construction in progress (Note 15)	5,429,691	1,440,005
Total non-financial assets	62,556,755	61,382,671
Accumulated surplus (Note 16)	43,844,178	45,506,514

Approved on behalf of the Chief and Council





Chief
Councillor
Councillor


 Marilyn Cowlegene
Councillor

Councillor

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

For the year ended March 31, 2017

	<i>Schedules</i>	<i>2017 Budget</i>	<i>2017</i>	<i>2016 (Restated)</i>
Revenue				
Indigenous and Northern Affairs Canada (INAC) (Note 22)		20,134,615	27,142,195	23,933,803
INAC recovery		(99,917)	(236,023)	(982,312)
First Nations and Inuit Health (FNIH) (Note 23)		5,302,071	5,764,049	5,183,403
First Peoples Development Inc.		1,692,113	1,749,984	1,718,204
Canada Mortgage and Housing Corporation (CMHC)		601,170	561,906	588,113
Province of Manitoba		82,364	146,638	223,230
		27,712,416	35,128,749	30,664,441
Superstore sales		9,985,000	7,724,604	7,851,000
VLT revenue (net of payouts)		1,802,250	2,090,116	1,740,032
Other revenue		506,131	1,702,336	1,509,755
Bingo revenues		1,617,586	1,488,913	1,581,333
Rental income		901,444	1,080,208	990,357
CMHC RRAP and Retrofit		-	723,428	-
Solicitor General		114,000	114,000	72,878
First Nations Confederacy of Cultural Education Centre		86,676	86,675	86,676
Deferred revenue from prior year (Note 11)		238,200	1,411,963	4,915,126
Deferred revenue to subsequent year (Note 11)		-	(3,245,144)	(1,411,963)
		42,963,703	48,305,848	47,999,635
Program expenses				
Band Governance	4	5,416,204	6,391,588	8,594,493
Education	5	10,109,178	12,206,089	9,406,247
Community Wellness	6	8,305,690	9,516,099	9,103,394
Social Assistance	7	5,866,384	5,314,241	5,661,358
Community Infrastructure	8	-	3,762,219	2,678,928
CMHC Housing	9	1,330,577	1,793,284	1,195,281
Employment and Training	10	1,717,442	1,535,324	1,795,185
Economic Development	11	10,916,019	10,464,204	10,787,218
Total segment expenses (Schedule 2)		43,661,494	50,983,048	49,222,104
Annual deficit before other items		(697,791)	(2,677,200)	(1,222,469)
Other items				
Unrealized gain (loss) on pension plan		(49,611)	1,014,864	1,568,936
Transfers between programs		2,444,731	-	-
		2,395,120	1,014,864	1,568,936
Annual surplus (deficit)		1,697,329	(1,662,336)	346,467
Accumulated surplus, beginning of year		45,506,514	45,506,514	45,160,047
Accumulated surplus, end of year		47,203,843	43,844,178	45,506,514

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, 2017

	2017 Budget	2017	2016
Annual surplus (deficit)	1,697,329	(1,662,336)	346,467
Purchases of tangible capital assets	-	(1,314,121)	(3,978,464)
Amortization of tangible capital assets	-	4,112,545	4,449,630
Change in construction in progress	-	(3,989,686)	8,803
	-	(1,191,262)	479,969
Acquisition of prepaid expenses	-	-	(3,775)
Use of prepaid expenses	-	17,178	-
	-	17,178	(3,775)
Decrease (increase) in net debt	1,697,329	(2,836,420)	822,661
Net debt, beginning of year	(15,876,157)	(15,876,157)	(16,698,818)
Net debt, end of year	(14,178,828)	(18,712,577)	(15,876,157)

**Fort Alexander Indian Band
O/A Sagkeeng First Nation
Consolidated Statement of Cash Flows**
For the year ended March 31, 2017

2017

2016

Cash provided by (used for) the following activities

Operating activities

Cash receipts from contributors	49,424,167	44,459,182
Cash paid to suppliers	(29,419,483)	(28,353,028)
Cash paid to employees	(17,061,073)	(15,970,724)
Interest on long-term debt	(521,715)	(539,563)
	2,421,896	(404,133)

Financing activities

Advances of long-term debt	2,725,035	1,740,827
Repayment of long-term debt	(960,697)	(982,070)
Advances of demand loans	746,708	960,904
Repayment of demand loans	(440,927)	(312,950)
	2,070,119	1,406,711

Capital activities

Purchases of tangible capital assets	(1,314,121)	(3,978,464)
Change in construction in progress	(3,989,686)	8,803
	(5,303,807)	(3,969,661)

Investing activities

Increase in investments	(111,314)	(71,648)
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Change in cash resources (deficiency)	(923,106)	(3,038,731)
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Cash resources, beginning of year	904,137	3,942,868
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Cash resources (deficiency), end of year	(18,969)	904,137
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Cash resources (deficiency) are composed of:

Restricted cash	1,413,446	1,125,305
Bank indebtedness	(1,432,415)	(221,168)
	(18,969)	904,137

**Fort Alexander Indian Band
O/A Sagkeeng First Nation**
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

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 O/A Sagkeeng First Nation 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 representations 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 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, 2017

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 revenue as it becomes 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 cost.

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 Fund

Funds held in trust on behalf of First 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 moneys consist of:

- Capital trust moneys derived from non-renewable resource transactions on the sale of land or other First Nation tangible capital assets; and
- Revenue trust moneys 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.

Amortization

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 as follows:

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

**Fort Alexander Indian Band
O/A Sagkeeng First Nation**
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

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

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 amount 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.

Net debt

The First Nation's consolidated financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt of the First 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.

**Fort Alexander Indian Band
O/A Sagkeeng First Nation**
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

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

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.

Financial instruments

Financial instruments include accounts receivable, restricted cash, investments, demand loans, bank indebtedness, accounts payable and accruals, INAC payable, demand loan 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 demand loan and long term debt are 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 debt.

Measurement uncertainty

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and 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. Deferred revenue is recorded based on management's analysis of the extent to which eligibility requirements have been met on government transfer revenue.

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 17. 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.

**Fort Alexander Indian Band
O/A Sagkeeng First Nation**
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

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

Liability for contaminated site

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the First Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2017.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The First Nation 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.

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 \$251,216 (2016 - \$120,847) investment in a guaranteed investment certificate earning interest at 0.9% with a maturity date of April 2017. Investments also includes 1,383 shares of Sun Life Financial with a value of \$63,867 (2016 - \$55,922).

4. Accounts receivable

	2017	2016 (Restated)
Indigenous and Northern Affairs Canada ("INAC")	43,850	251,723
First Nations and Inuit Health ("FNIH")	98,822	100,000
Trade and other	723,926	434,697
Canada Mortgage and Housing Corporation ("CMHC")	46,364	48,485
CMHC retrofit receivable	241,940	-
First Peoples Development Inc.	458,300	285,791
Zhooniya loans	8,022	76,288
	1,621,224	1,196,984

INAC accounts receivable consist of:

2014-15 Economic Development – Capacity	-	65,202
2015-16 ESD - Social	-	15,700
2015-16 Recovery	-	170,821
2016-17 Corporate Business Planning	13,600	-
2016-17 Response	30,250	-
	43,850	251,723

Fort Alexander Indian Band
O/A Sagkeeng First Nation
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

5. Inventory for resale

	2017	2016
Superstore	251,183	188,938
Gaming	13,944	12,983
	265,127	201,921

6. Investment in joint ventures

The First 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>	2017 Total	2016 Total
				<i>Investment in Venture</i>	<i>Investment in Venture</i>
Sagkeeng/TCIG Munro Joint Venture	1,155	-	-	1,155	1,155
Miikanaake Munro Joint Venture	14,748	-	-	14,748	14,748
	15,903	-	-	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/TCI G Munro Joint Venture</i>	<i>Miikanaake/ Munro Joint Venture</i>	<i>As at March 31, 2017</i>	<i>As at March 31, 2017</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		

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, 2017

7. Restricted cash

	2017	2016
Sagkeeng First Nation Consolidated Revenue Trust Fund	366,646	372,401
Fort Alexander Health Centre Moveable Asset Reserve	198,873	190,470
CMHC replacement reserve	783,074	519,072
CMHC subsidy surplus reserve	61,000	39,915
Ottawa Trust Fund	3,853	3,447
	1,413,446	1,125,305

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 \$198,873 (2016 – \$190,470) 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 (2016 - \$315); 2017 interest revenue - \$0 (2016 - \$0)
Revenue trust	\$3,538 (2016 - \$3,132); 2017 interest revenue - \$406 (2016 - \$94)

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, 2017 the subsidy surplus reserve was underfunded by \$226,464 (2016 - \$375,136). As at March 31, 2017 the replacement reserve was underfunded by \$405,068 (2016 - \$897,376).

**Fort Alexander Indian Band
O/A Sagkeeng First Nation**
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

8. 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, 2016. The next funding valuations are required to be completed as at August 31, 2017. 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, 2016 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:

	2017	2016
Pension and Post retirement expense		
Current service cost	770,489	785,716
Employee contributions	(192,094)	(196,429)
Interest cost	940,856	938,192
Expected return on plan assets	(1,253,767)	(1,254,386)
Plan expenses	44,385	83,817
Amortization of net actuarial (gain)/loss	(517,445)	(670,672)
Pension expense (income)	(207,576)	(313,762)
Accrued Benefit Asset (Liability)		
Accrued benefit asset (liability), opening	2,370,525	801,589
Add: pension income	207,576	313,762
Add: band contributions	739,991	1,255,174
Accrued benefit asset (liability), ending	3,318,092	2,370,525
Accrued Benefit Obligation		
Accrued benefit obligations, opening	19,369,472	18,609,233
Service cost	770,489	785,716
Interest cost	940,856	938,192
Benefit payments	(1,875,198)	(476,489)
Plan amendment	761,471	(487,180)
Accrued benefit obligation, ending	19,967,090	19,369,472

**Fort Alexander Indian Band
O/A Sagkeeng First Nation**
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

8. Employee future benefits (Continued from previous page)

	2017	2016
Reconciliation of Plan Assets		
Market value of plan assets, opening	25,569,088	24,642,067
Nation contributions	739,991	1,255,174
Member contributions	192,094	196,429
Benefit payments	(1,875,198)	(476,489)
Expenses	(44,385)	(83,817)
Actual return on plan assets	2,243,811	35,724
Market value of plan assets, ending	26,825,401	25,569,088
Unamortized Gains/(Losses)		
Net unamortized gains (losses), opening	3,829,091	5,231,245
New net gain (loss) for current year	228,573	(731,482)
Amortization for current year	(517,445)	(670,672)
Net unamortized gain (loss), ending	3,540,219	3,829,091
Reconciliation of surplus (deficit) to accrued benefit asset		
Surplus of plan assets over obligations, ending	6,858,311	6,199,616
Net unamortized amounts	(3,540,219)	(3,829,091)
Accrued benefit asset, ending	3,318,092	2,370,525

Actuarial assumptions for year-end disclosure

Discount rate for pension expense	5.00%	5.00%
Discount rate for end of year accrued benefit obligation	4.80%	5.00%
Expected return on plan assets for pension expense	4.80%	5.00%
Expected remaining service life for pension expense (in years)	7.40	7.80

Asset breakdown

Cash and short-term	3.0%	0.0%
Fixed income (bonds and mortgages)	40.5%	41.0%
Real estate	14.5%	14.0%
Canadian equities	29.0%	30.0%
US equities	3.6%	4.0%
International equities	9.4%	11.0%
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, 2017

9. Bank indebtedness

The Nation has five operating lines of credits up to a maximum of \$600,000, \$550,000, \$300,000, \$75,000 and \$50,000 at an interest rate of prime plus 1.5%. As at March 31, 2017 the lines of credit are at \$500,000, \$550,000, \$300,000, \$75,000 and \$50,000, respectively. The operating lines are secured by a general security agreement and band council resolution. Prime rate at March 31, 2017 is 2.70%. Bank indebtedness in excess of maximum limits are due to cheques issued in excess of funds in deposit.

10. Accounts payable and accruals

	2017	2016
Trade payables	2,751,305	2,794,612
Wages and source deductions payable	332,994	375,425
	3,084,299	3,170,037

11. Deferred revenue

	2017	2016 (Restated)
Band Governance - INAC	(Schedule 4) 1,647,131	-
Community Wellness – FNIH	(Schedule 6) 137,714	104,606
Community Infrastructure - INAC	(Schedule 8) 1,174,335	1,115,287
Employment and Training - First Peoples Development Inc.	(Schedule 10) 285,964	192,070
	3,245,144	1,411,963

12. INAC payable

	2017	2016
2013-14 Capital	- 297,313	297,313
2012-13 Basic Needs	- 60,606	60,606
2013-14 Basic Needs/In-Home Care	185,413	185,413
	185,413	543,332

**Fort Alexander Indian Band
O/A Sagkeeng First Nation**
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

13. Demand loans

	2017	2016
Term loan payable in monthly installments of \$16,667 plus interest at prime (2.7%) plus 1.5% due May 2017, secured by a general security agreement and band council resolution.	33,314	233,318
Term loan payable in monthly installments of \$6,915 plus interest at prime plus 1.5% with a renewal of September 2017, secured by a general security agreement and band council resolution.	320,105	403,085
Term loan payable in monthly installments of \$1,945 plus interest at prime plus 1.5% with a renewal of December 2017, secured by related equipment with net book value of \$46,671 (2016 - \$81,675).	87,509	110,844
Term loan payable in monthly installments of \$424 plus interest at prime plus 1.5% with a renewal of January 2018, secured by related equipment with net book value of \$6,105 (2016 - \$10,685).	9,327	14,415
Term loan payable in monthly installments of \$5,483 plus interest at prime plus 1.5% with a renewal of December 2017, secured by related equipment with net book value of \$131,585 (2016 - \$230,274).	246,722	312,515
Term loan payable in monthly installments of \$1,667 plus interest at prime plus 1.5% with a renewal of February 2018, secured by related equipment with net book value of \$40,000 (2016 - \$70,000).	78,329	98,333
Term loan payable in monthly installments of \$2,222 plus interest at prime plus 1.5% with a renewal of November 2017, secured by related building with net book value of \$518,621 (2016 - \$541,169).	364,444	391,111
Term loan payable in interest only payments at prime plus 1.5%, with a renewal of September 2017, authorized to \$600,000, secured by a general security agreement and band council resolution.	501,423	-
Term loan payable in monthly installments of \$745 plus interest at prime plus 1.5% with a renewal of November 2017, secured by related vehicle with a net book value of \$31,254.	40,179	-
Term loan payable in monthly installments of \$4,170, non-interest bearing, due on demand, secured by related housing construction in progress with net book value of \$514,501.	97,428	-
Term loan payable in monthly instalments of \$2,071 plus interest at prime plus 1.5% with a renewal of July 2017, secured by related heavy equipment with a net book value of 86,972.	107,679	-
	1,886,460	1,563,621

**Fort Alexander Indian Band
O/A Sagkeeng First Nation**
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

14. Long-term debt

	2017	2016
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 \$1,264,553 (2016 - \$1,346,040).	1,123,120	1,189,634
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.	118,234	164,056
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.	1,372,005	1,439,857
PHT mortgage repayable in monthly payments of \$5,780 including interest at 3.25%, maturing April 1, 2018, secured by a Ministerial guarantee for a 21-unit rental housing project and assignment of fire insurance.	77,161	145,636
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.	1,376,812	1,445,162
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.	1,563,096	1,637,078
CMHC mortgage repayable in monthly payments of \$5,911 including interest at 1.43%, maturing March 1, 2037, with the next scheduled renewal on April 1, 2022, secured by a Ministerial guarantee for a 10-unit rental housing project and assignment of fire insurance.	1,250,291	1,302,610
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.	773,293	811,071
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.	958,690	992,715
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.	829,338	868,957
RBC Debt consolidation loan repayable in monthly installments of \$33,830, including interest at prime (2.7%) plus 1.5%, with an annual renewal of January 2018, secured through tobacco tax refunds by the Government of Manitoba.	836,590	1,242,550

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

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

	2017	2016
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.	1,919,396	1,593,518
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.	1,289,696	1,230,539
Pitambara Inc. loan repayable in monthly installments of \$40,000 plus interest at 7%, due December 2023, secured by a promissory note by the First Nation in the amount of \$2,800,000, assignment of insurance on the VLT building, band council resolution and assignment of tobacco tax rebates.	2,340,000	-
Debt repaid during the year.	-	17,060
	15,827,721	14,080,443

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:

2018	1,439,000
2019	1,404,700
2020	997,400
2021	962,000
2022	915,800

15. Construction in progress

	<i>2017</i>	<i>2016</i>
Flood Protection project	848,807	848,838
Manitoba Hydro homes project First Nation	514,501	-
ACS project	212,519	-
VLT building addition	2,500,000	-
CMHC 6 unit project	1,353,864	591,167
	5,429,691	1,440,005

**Fort Alexander Indian Band
O/A Sagkeeng First Nation**
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

16. Accumulated surplus

Accumulated surplus consists of the following:

	2017	2016
Equity in Ottawa Trust Funds	3,854	3,447
Invested in Tangible Capital Assets	47,271,929	48,640,158
CMHC replacement reserve	1,188,142	1,416,448
CMHC subsidy surplus reserve	287,464	415,051
Moveable asset reserve	157,102	169,096
Unrestricted accumulated deficit	<u>(5,024,313)</u>	<u>(5,137,686)</u>
	43,884,178	45,506,514

17. 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.

Education - includes the operation of education programs.

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

Social Assistance - includes delivering social programs.

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

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

Employment and Training - employment services to assist community members to find and maintain meaningful employment.

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

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, 2017

18. 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.

19. 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 three wrongful dismissal claims totalling \$280,000, one pension plan claim, one caveat on land title, two related to outstanding invoices totalling \$29,250, and one claim for withheld tobacco tax rebates for \$115,000, none of which the outcome or potential liability can be reasonably determined, and therefore no accrual has been made.

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 information

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

22. INAC revenue reconciliation

The INAC revenues of \$27,142,195 (2016 - \$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 \$5,764,049 (2016 - \$5,183,403) on the consolidated statement of operations and accumulated surplus agrees to the FNIH confirmation.

**Fort Alexander Indian Band
O/A Sagkeeng First Nation**
Notes to the Consolidated Financial Statements
For the year ended March 31, 2017

24. Comparative figures

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

25. Correction of an error

During the year, First Peoples Development Inc. determined that they had understated their funding to the First Naiton in the amount of \$148,995 for the year-ended March 31, 2016. This has resulted in an increase in First Peoples Development Inc. funding and revenue deferred to subsequent year by \$148,995 on the consolidated statement of operations and accumulated surplus for the year-end March 31, 2016. It also resulted in an increase to the accounts receivable and deferred revenue by \$148,995 on the consolidated statement of financial position as at March 31, 2016. This correction has no effect on annual surplus (deficit) for the year-end March 31, 2016.

**Fort Alexander Indian Band
O/A Sagkeeng First Nation**
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2017

	<i>Vehicle and heavy equipment</i>	<i>Computers</i>	<i>Equipment and furniture</i>	<i>Community buildings</i>	<i>Infrastructure</i>	<i>Land</i>	<i>Subtotal</i>
Cost							
Balance, beginning of year	3,337,963	420,438	3,653,191	41,436,027	33,695,851	129,087	82,672,557
Acquisition of tangible capital assets	615,477	35,734	83,406	8,014	559,990	1,500	1,304,121
Balance, end of year	3,953,440	456,172	3,736,597	41,444,041	34,255,841	130,587	83,976,678
Accumulated amortization							
Balance, beginning of year	2,390,182	372,312	1,988,596	22,711,218	8,263,940	-	35,726,248
Annual amortization	411,805	31,309	91,996	1,987,501	656,146	-	3,178,757
Balance, end of year	2,801,987	403,621	2,080,592	24,698,719	8,920,086	-	38,905,005
Net book value of tangible capital assets	1,151,453	52,551	1,656,005	16,745,322	25,335,755	130,587	45,071,673
2016 Net book value of tangible capital assets	947,781	48,126	1,664,596	18,724,809	25,431,911	129,087	46,948,326

**Fort Alexander Indian Band
O/A Sagkeeng First Nation**
Schedule 1 - Consolidated Schedule of Tangible Capital Assets
For the year ended March 31, 2017

	<i>Subtotal</i>	<i>Housing</i>	<i>2017</i>	<i>2016</i>
Cost				
Balance, beginning of year	82,672,557	25,690,588	108,363,145	104,384,681
Acquisition of tangible capital assets	1,304,121	10,000	1,314,121	3,978,464
Balance, end of year	83,976,678	25,700,588	109,677,266	108,363,145
Accumulated amortization				
Balance, beginning of year	35,726,248	12,724,969	48,451,217	44,001,587
Annual amortization	3,178,757	933,788	4,112,545	4,449,630
Balance, end of year	38,905,005	13,658,757	52,563,762	48,451,217
Net book value of tangible capital assets	45,071,673	12,041,831	57,113,504	59,911,928
2016 Net book value of tangible capital assets	46,948,326	12,965,618	59,911,928	

Fort Alexander Indian Band
O/A Sagkeeng First Nation
Schedule 2 - Schedule of Consolidated Expenses by Object
For the year ended March 31, 2017

	2017 <i>Budget</i>	2017	2016
Expenses by object			
Amortization	-	4,112,545	4,449,630
Automotive, fuel and insurance	493,085	588,597	478,333
Bad debts	-	137,338	105,705
Bank charges and interest	85,700	158,250	146,691
Basic needs	5,698,758	5,065,809	5,437,361
Bingo prize payouts	1,500,000	1,252,921	1,402,792
Board and Chief and Council travel and honouraria	606,949	814,314	657,995
Community donations and support	326,840	533,035	469,130
Cost of sales	6,739,360	5,847,359	6,104,462
Economic development grants	139,031	185,671	155,113
Insurance	454,359	525,247	1,166,327
Interest on long-term debt	2,099,909	521,715	539,563
Office supplies, materials and other	1,135,552	1,336,812	1,186,039
Professional fees and contract work	575,661	1,804,808	2,183,984
Programming, workshops and activities	689,379	1,175,339	872,325
Rent - equipment and buildings	348,304	342,308	297,428
Repairs and maintenance	1,082,876	3,767,427	2,606,713
Salaries and benefits	16,561,532	17,061,073	15,970,724
Special needs	170,866	246,907	225,913
Telephone	271,495	300,880	290,544
Training and professional development	2,131,926	2,329,047	1,915,218
Travel	448,153	652,965	506,885
Tuition	1,246,691	1,366,061	1,288,867
Utilities	637,568	636,795	547,045
VLT licensing and lease fees	217,500	219,825	217,317
	43,661,494	50,983,048	49,222,104

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

Schedule 3 - Consolidated Schedule of Segment Revenue and Expenses

For the year ended March 31, 2017

	Schedule #	INAC Revenue	Other Revenue	Deferred Revenue	Total Revenue	Total Expenses	Current Surplus (Deficit)	Prior Year Surplus (Deficit)
Band Governance	4	5,430,549	3,654,494	(1,647,131)	7,437,912	6,391,588	1,046,324	356,695
Education	5	11,740,945	(965,421)	-	10,775,524	12,206,089	(1,430,565)	(49,482)
Community Wellness	6	2,486,034	6,777,667	(33,108)	9,230,593	9,516,099	(285,506)	322,686
Social Assistance	7	5,201,263	27,206	-	5,228,469	5,314,241	(85,772)	(11,807)
Community Infrastructure	8	2,235,100	452,500	(59,048)	2,628,552	3,762,219	(1,133,667)	520,657
CMHC Housing	9	-	1,670,313	-	1,670,313	1,793,284	(122,971)	(107,937)
Employment and Training	10	48,304	1,852,571	(93,894)	1,806,981	1,535,324	271,657	598
Economic Development	11	-	10,542,369	-	10,542,369	10,464,204	78,165	(684,943)
Total		27,142,195	24,011,699	(1,833,181)	49,320,713	50,983,048	(1,662,336)	346,467

**Fort Alexander Indian Band
O/A Sagkeeng First Nation
Band Governance**
Schedule 4 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017 Budget	2017	2016
Revenue			
Indigenous and Northern Affairs Canada (INAC)	2,951,768	5,430,549	4,575,920
INAC recovery	(99,917)	(236,023)	-
Province of Manitoba	32,364	68,004	135,823
	2,884,215	5,262,530	4,711,743
Other revenue	424,800	738,134	761,406
Solicitor General	114,000	114,000	72,878
Deferred revenue from prior year	125,458	-	306,490
Deferred revenue to subsequent year	-	(1,647,131)	-
	3,548,473	4,467,533	5,852,517
Expenses			
Amortization	-	26,129	16,373
Automotive, fuel and insurance	111,522	222,613	117,694
Bad debts	-	17,384	4,763
Bank charges and interest	24,000	83,307	62,770
Board and Chief and Council travel and honouraria	521,000	592,568	533,781
Community donations and support	12,096	76,784	60,921
Economic development grants	139,031	185,671	155,113
Insurance	117,682	30,432	697,226
Interest on long-term debt	1,285,161	266,745	265,509
Legal and professional	-	-	3,765
Office supplies, materials and other	99,389	94,431	148,799
Professional fees and contract work	269,867	1,062,581	1,803,419
Programming, workshops and activities	66,701	34,671	54,151
Rent - equipment and buildings	34,487	86,263	43,204
Repairs and maintenance	268,029	858,221	1,526,984
Salaries and benefits	2,322,988	2,448,929	2,790,005
Telephone	42,159	75,537	93,198
Training and professional development	16,370	57,181	76,730
Travel	27,523	70,694	56,868
Utilities	58,199	101,447	83,220
	5,416,204	6,391,588	8,594,493
Deficit before other items	(1,867,731)	(1,924,055)	(2,741,976)
Other items			
Unrealized gain (loss) on pension plan	(49,611)	1,014,864	1,568,936
Transfers between segments	1,866,674	1,955,515	1,529,735
	1,817,063	2,970,379	3,098,671
Annual surplus (deficit)	(50,668)	1,046,324	356,695

Fort Alexander Indian Band
O/A Sagkeeng First Nation
Education
Schedule 5 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017 Budget	2017	2016
Revenue			
Indigenous and Northern Affairs Canada (INAC)	9,185,911	11,740,945	9,502,830
First Nations Confederacy of Cultural Education Centre	86,676	86,675	86,676
Other revenue	65,261	61,520	226,292
	9,337,848	11,889,140	9,815,798
Expenses			
Amortization	-	555,989	600,727
Automotive, fuel and insurance	100,000	66,491	60,248
Bad debts	-	-	390
Bank charges and interest	5,000	15,583	12,530
Board and Chief and Council travel and honouraria	2,000	92,408	20,684
Community donations and support	6,000	4,306	3,500
Insurance	36,308	39,667	47,513
Office supplies, materials and other	358,524	523,758	300,419
Professional fees and contract work	61,000	362,777	96,196
Programming, workshops and activities	194,925	379,705	286,116
Rent - equipment and buildings	132,947	160,529	137,732
Repairs and maintenance	210,141	291,188	245,680
Salaries and benefits	6,034,815	6,340,165	4,981,643
Telephone	134,507	122,385	86,742
Training and professional development	1,575,339	1,683,878	1,329,165
Travel	99,703	186,488	110,230
Tuition	957,329	1,196,686	911,685
Utilities	200,640	184,086	175,047
	10,109,178	12,206,089	9,406,247
Surplus (deficit) before transfers	(771,330)	(316,949)	409,551
Transfers between segments	811,459	(1,113,616)	(459,033)
Annual surplus (deficit)	40,129	(1,430,565)	(49,482)

Fort Alexander Indian Band
O/A Sagkeeng First Nation
Community Wellness
Schedule 6 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017 Budget	2017	2016
Revenue			
First Nations and Inuit Health (FNIH)	5,302,071	5,764,049	5,183,403
Indigenous and Northern Affairs Canada (INAC)	2,130,552	2,486,034	2,359,901
Province of Manitoba	50,000	51,428	50,000
Canada Mortgage and Housing Corporation (CMHC)	22,490	5,623	22,490
 Rental income	 7,505,113	 8,307,134	 7,615,794
Other revenue	334,084	475,548	407,799
Deferred revenue from prior year	10,970	88,861	93,095
Deferred revenue to subsequent year	-	104,606	1,068,747
	-	(137,714)	(104,606)
	 7,850,167	 8,838,435	 9,080,829
 Expenses			
Amortization	-	778,068	601,699
Automotive, fuel and insurance	253,563	273,133	272,319
Bad debts	-	5,272	22,107
Bank charges and interest	8,000	10,914	10,668
Basic needs	3,240	3,150	4,050
Board and Chief and Council travel and honouraria	83,949	127,188	63,998
Community donations and support	29,200	17,807	25,145
Insurance	41,560	86,631	72,278
Interest on long-term debt	52,500	-	2,037
Office supplies, materials and other	525,614	543,130	558,522
Professional fees and contract work	160,894	182,505	176,449
Programming, workshops and activities	374,753	701,888	458,537
Rent - equipment and buildings	-	58,906	57,928
Repairs and maintenance	177,944	144,279	195,936
Salaries and benefits	5,839,433	5,740,917	5,838,945
Telephone	68,570	77,752	84,405
Training and professional development	275,281	307,493	240,938
Travel	289,677	333,269	301,186
Utilities	121,512	123,797	116,247
 8,305,690	 9,516,099	 9,103,394	
Deficit before transfers	(455,523)	(677,664)	(22,565)
Transfers between segments	443,709	392,158	345,251
 Annual surplus (deficit)	 (11,814)	 (285,506)	 322,686

Fort Alexander Indian Band
O/A Sagkeeng First Nation
Social Assistance
Schedule 7 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2017

	<i>2017 Budget</i>	2017	2016
Revenue			
Indigenous and Northern Affairs Canada (INAC)	5,866,384	5,201,263	5,612,144
Province of Manitoba	-	27,206	37,407
	5,866,384	5,228,469	5,649,551
Expenses			
Bank charges and interest	-	4,675	2,134
Basic needs	5,695,518	5,062,659	5,433,311
Special needs	170,866	246,907	225,913
	5,866,384	5,314,241	5,661,358
Annual surplus (deficit)	-	(85,772)	(11,807)

**Fort Alexander Indian Band
O/A Sagkeeng First Nation
Community Infrastructure**
Schedule 8 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017 Budget	2017	2016
Revenue			
Indigenous and Northern Affairs Canada (INAC)	- 2,235,100	1,835,100	
INAC recovery	- -	(982,312)	
Other revenue	- 452,500	79,978	
Deferred revenue from prior year	- 1,115,287	3,496,778	
Deferred revenue to subsequent year	- (1,174,335)	(1,115,287)	
	- 2,628,552	3,314,257	
Expenses			
Amortization	- 2,035,051	2,226,551	
Bad debts	- -	6,497	
Bank charges and interest	- 5,627	7,505	
Insurance	- 104,567	104,567	
Interest on long-term debt	- 24,285	5,439	
Office supplies, materials and other	- -	250	
Repairs and maintenance	- 1,501,737	328,119	
Salaries and benefits	- 90,952	-	
	- 3,762,219	2,678,928	
Surplus (deficit) before transfers	- (1,133,667)	635,329	
Transfers between segments	- -	(114,672)	
Annual surplus (deficit)	- (1,133,667)	520,657	

**Fort Alexander Indian Band
O/A Sagkeeng First Nation
CMHC Housing**
Schedule 9 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017 Budget	2017	2016
Revenue			
Canada Mortgage and Housing Corporation	578,680	556,283	565,623
CMHC RRAP and Retrofit	-	723,428	-
Rental income	505,360	394,428	482,550
	1,084,040	1,674,139	1,048,173
Expenses			
Amortization	-	488,223	714,500
Bank charges and interest	-	679	175
Insurance	174,020	179,161	179,161
Interest on long-term debt	762,248	158,040	187,766
Professional fees and contract work	12,500	25,617	13,971
Repairs and maintenance	103,509	853,095	58,108
Salaries and benefits	278,300	88,469	41,600
	1,330,577	1,793,284	1,195,281
Deficit before transfers	(246,537)	(119,145)	(147,108)
Transfers between segments	6,100	(3,826)	39,171
Annual surplus (deficit)	(240,437)	(122,971)	(107,937)

**Fort Alexander Indian Band
O/A Sagkeeng First Nation
Employment and Training**
Schedule 10 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017 Budget	2017	2016 (Restated)
Revenue			
First Peoples Development Inc.	1,692,113	1,749,984	1,718,204
Indigenous and Northern Affairs Canada	-	48,304	47,907
Other revenue	-	104,104	167,707
Deferred revenue from prior year	112,742	192,070	43,111
Deferred revenue to subsequent year	-	(285,964)	(192,070)
	1,804,855	1,808,498	1,784,859
Expenses			
Amortization	-	12,137	4,559
Automotive, fuel and insurance	-	-	50
Bad debts	-	1	3,165
Bank charges and interest	1,500	2,517	1,929
Insurance	8,960	8,960	8,960
Office supplies, materials and other	27,000	41,097	35,622
Professional fees and contract work	10,000	16,896	17,736
Programming, workshops and activities	3,000	56,068	53,437
Rent - equipment and buildings	36,870	34,086	30,404
Repairs and maintenance	123,653	5,508	94,690
Salaries and benefits	899,085	836,416	855,800
Telephone	15,334	14,153	12,397
Training and professional development	264,936	280,119	264,410
Travel	10,000	50,152	22,917
Tuition	289,362	169,375	377,182
Utilities	27,742	7,839	11,927
	1,717,442	1,535,324	1,795,185
Surplus (deficit) before transfers	87,413	273,174	(10,326)
Transfers between segments	(69,300)	(1,517)	10,924
Annual surplus (deficit)	18,113	271,657	598

Fort Alexander Indian Band
O/A Sagkeeng First Nation
Economic Development
Schedule 11 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2017

	2017 Budget	2017	2016
Revenue			
Superstore sales	9,985,000	7,724,604	7,851,000
VLT revenue (net of payouts)	1,802,250	2,090,116	1,740,032
Bingo revenues	1,617,586	1,488,913	1,581,333
Other revenue	5,100	257,218	181,277
Rental income	62,000	210,233	100,008
	13,471,936	11,771,084	11,453,650
Expenses			
Amortization	-	216,949	285,221
Automotive, fuel and insurance	28,000	26,360	28,023
Bad debts	-	114,682	68,784
Bank charges and interest	47,200	34,948	48,981
Bingo prize payouts	1,500,000	1,252,921	1,402,792
Board and Chief and Council travel and honouraria	-	2,150	39,532
Community donations and support	279,544	434,139	379,564
Cost of sales	6,739,360	5,847,359	6,104,462
Insurance	75,829	75,829	56,622
Interest on long-term debt	-	72,645	78,812
Office supplies, materials and other	125,025	134,391	138,659
Professional fees and contract work	61,400	154,433	76,213
Programming, workshops and activities	50,000	3,008	20,084
Rent - equipment and buildings	144,000	2,525	28,159
Repairs and maintenance	199,600	113,399	157,197
Salaries and benefits	1,186,911	1,515,226	1,462,731
Telephone	10,925	11,052	13,802
Training and professional development	-	375	3,975
Travel	21,250	12,362	15,684
Utilities	229,475	219,626	160,604
VLT licensing and lease fees	217,500	219,825	217,317
	10,916,019	10,464,204	10,787,218
Surplus before transfers	2,555,917	1,306,880	666,432
Transfers between segments	(613,911)	(1,228,715)	(1,351,375)
Annual surplus (deficit)	1,942,006	78,165	(684,943)