

**Fort Alexander Indian Band (o\la  
Sagkeeng First Nation)  
Consolidated Financial Statements**

*March 31, 2018*

# Fort Alexander Indian Band (o\la Sagkeeng First Nation)

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*For the year ended March 31, 2018*

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## **Management's Responsibility**

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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 (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 30, 2018



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## Independent Auditors' Report

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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, 2018, 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, 2018 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 30, 2018

**MNP LLP**

Chartered Professional Accountants

**Fort Alexander Indian Band (o\la Sagkeeng First Nation)**  
**Consolidated Statement of Financial Position**  
*As at March 31, 2018*

	2018	2017
<b>Financial assets</b>		
Cash	4,750,889	
Investments (Note 3)	418,510	315,083
Accounts receivable (Note 4)	1,017,038	1,621,225
Inventory for resale (Note 5)	211,264	265,127
Investment in joint ventures (Note 6)	-	15,903
Restricted cash (Note 7)	1,621,056	1,379,670
Employee future benefits (Note 8)	4,182,069	3,318,092
	12,200,826	6,915,100
<b>Liabilities</b>		
Bank indebtedness (Note 9)	-	1,398,639
Accounts payable and accruals (Note 10)	4,396,355	3,084,301
Deferred revenue (Note 11)	5,350,441	3,245,144
Indigenous Services Canada (ISC) payable (Note 12)	235,551	185,413
Long-term debt (Note 13)	18,445,253	17,714,181
	28,427,600	25,627,678
<b>Net debt</b>	(16,226,774)	(18,712,578)
<b>Contingent liabilities (Note 18)</b>		
<b>Non-financial assets</b>		
Tangible capital assets (Schedule 1)	58,529,000	57,113,504
Prepaid expenses	161,239	13,560
Construction in progress (Note 14)	3,122,312	5,429,691
	61,812,551	62,556,755
<b>Accumulated surplus (Note 15)</b>	45,585,777	43,844,177
<b>Approved on behalf of the Chief and Council</b>		
	Chief	
	Councillor	
	Councillor	Councillor

**Fort Alexander Indian Band (oɬa Sagkeeng First Nation)**  
**Consolidated Statement of Operations and Accumulated Surplus**

*For the year ended March 31, 2018*

	<i>Schedules</i>	<i>2018 Budget</i>	<i>2018</i>	<i>2017</i>
<b>Revenue</b>				
Indigenous Services Canada (ISC) (Note 21)		14,410,595	32,551,917	27,142,195
ISC recovery		(373,544)	(393,738)	(236,023)
First Nations and Inuit Health (FNIH) (Note 22)		5,832,631	6,801,075	5,764,049
First Peoples Development Inc.		958,646	1,375,276	1,749,984
Canada Mortgage and Housing Corporation (CMHC)		578,680	554,707	561,906
Province of Manitoba		134,128	99,732	146,638
		<b>21,541,136</b>	<b>40,988,969</b>	<b>35,128,749</b>
Superstore sales		7,985,000	7,643,120	7,724,604
VLT revenue (net of payouts)		2,322,925	2,227,577	2,090,116
Other revenue		1,078,235	2,192,599	1,702,336
Bingo revenues (net of payouts)		561,725	201,412	235,992
Rental income		923,700	881,325	1,080,208
CMHC RRAP and Retrofit		-	-	723,428
Solicitor General		112,424	116,111	114,000
First Nations Confederacy of Cultural Education Centre		86,676	86,675	86,675
Deferred revenue from prior year (Note 11)		-	3,245,144	1,411,963
Deferred revenue to subsequent year (Note 11)		-	(5,350,441)	(3,245,144)
		<b>34,611,821</b>	<b>52,232,491</b>	<b>47,052,927</b>
<b>Program expenses</b>				
Band Governance	4	4,588,868	6,613,313	6,391,590
Education	5	8,463,351	12,647,265	12,206,089
Community Wellness	6	8,771,168	9,327,308	9,516,099
Social Assistance	7	-	5,306,873	5,314,241
Community Infrastructure	8	1,835,100	5,262,209	3,762,219
CMHC Housing	9	1,327,490	1,162,878	1,793,284
Employment and Training	10	868,250	1,695,511	1,535,323
Economic Development	11	8,806,271	9,356,324	9,211,283
<b>Total segment expenses (Schedule 2)</b>		<b>34,660,498</b>	<b>51,371,681</b>	<b>49,730,128</b>
<b>Annual surplus (deficit) before other items</b>		<b>(48,677)</b>	<b>860,810</b>	<b>(2,677,201)</b>
<b>Other items</b>				
Unrealized gain (loss) on pension plan		-	880,790	1,014,864
Transfers between programs		120,687	-	-
		<b>120,687</b>	<b>880,790</b>	<b>1,014,864</b>
<b>Annual surplus (deficit)</b>		<b>72,010</b>	<b>1,741,600</b>	<b>(1,662,337)</b>
<b>Accumulated surplus, beginning of year</b>		<b>43,844,177</b>	<b>43,844,177</b>	<b>45,506,514</b>
<b>Accumulated surplus, end of year</b>		<b>43,916,187</b>	<b>45,585,777</b>	<b>43,844,177</b>

**Fort Alexander Indian Band (o\la Sagkeeng First Nation)**  
**Consolidated Statement of Change in Net Debt**  
*For the year ended March 31, 2018*

	<b>2018 Budget</b>	<b>2018</b>	<b>2017</b>
<b>Annual surplus (deficit)</b>	<b>72,010</b>	<b>1,741,600</b>	<b>(1,662,337)</b>
Purchases of tangible capital assets	-	(2,871,023)	(1,314,121)
Amortization of tangible capital assets	-	4,470,028	4,112,545
Change in construction in progress	-	(707,122)	(3,989,686)
	-	891,883	(1,191,262)
Acquisition of prepaid expenses	-	(147,679)	-
Use of prepaid expenses	-	-	17,178
	-	(147,679)	17,178
<b>Decrease (increase) in net debt</b>	<b>72,010</b>	<b>2,485,804</b>	<b>(2,836,421)</b>
<b>Net debt, beginning of year</b>	<b>(18,712,578)</b>	<b>(18,712,578)</b>	<b>(15,876,157)</b>
<b>Net debt, end of year</b>	<b>(18,640,568)</b>	<b>(16,226,774)</b>	<b>(18,712,578)</b>

**Fort Alexander Indian Band (o\la Sagkeeng First Nation)**  
**Consolidated Statement of Cash Flows**  
*For the year ended March 31, 2018*

**2018**

**2017**

**Cash provided by (used for) the following activities**

**Operating activities**

Cash receipts from contributors	55,008,925	48,171,246
Cash paid to suppliers	(28,481,387)	(28,166,563)
Cash paid to employees	(16,252,531)	(17,061,072)
Interest on long-term debt	(933,593)	(521,715)
	<b>9,341,414</b>	<b>2,421,896</b>

**Financing activities**

Advances of long-term debt	2,056,749	3,471,743
Repayment of long-term debt	(1,325,677)	(1,401,624)
	<b>731,072</b>	<b>2,070,119</b>

**Capital activities**

Purchases of tangible capital assets	(2,871,023)	(1,314,121)
Change in construction in progress	(707,122)	(3,989,686)
	<b>(3,578,145)</b>	<b>(5,303,807)</b>

**Investing activities**

Increase in investments	(103,427)	(111,314)
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<b>Increase (decrease) in cash resources</b>	<b>6,390,914</b>	<b>(923,106)</b>
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<b>Cash resources, beginning of year</b>	<b>(18,969)</b>	<b>904,137</b>
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<b>Cash resources, end of year</b>	<b>6,371,945</b>	<b>(18,969)</b>
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**Cash resources are composed of:**

Cash	4,750,889	-
Restricted cash	1,621,056	1,379,670
Bank indebtedness	-	(1,398,639)
	<b>6,371,945</b>	<b>(18,969)</b>

# Fort Alexander Indian Band (o\u00e1 Sagkeeng First Nation)

## Notes to the Consolidated Financial Statements

For the year ended March 31, 2018

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### 1. Operations

The Fort Alexander Indian Band (o\u00e1 Sagkeeng First Nation) (the "Nation") is located in the Province of Manitoba, and provides various services to its Members. Fort Alexander Indian Band (o\u00e1 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 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\la Sagkeeng First Nation)**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2018*

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**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 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 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:

	<b>Years</b>	<b>Rate</b>
Equipment and furniture	3-10 years	10-30 %
Community buildings	20 years	4-10 %
Computers	1-5 years	20-100 %
Infrastructure	40 years	2.5 %
Housing	20 years	5 %
Vehicles and heavy equipment	3-10 years	10-30 %

**Fort Alexander Indian Band (o\la Sagkeeng First Nation)**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2018*

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**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 's consolidated financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt of the 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 ISC, 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 (net of prize payouts) 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\la Sagkeeng First Nation)**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2018*

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**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 cash, accounts receivable, restricted cash, investments, bank indebtedness, accounts payable and accruals, ISC 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. Employee future benefits are estimated based on actuarial present value of accrued benefits and the determination of the benefit cost. 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 16. 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\la Sagkeeng First Nation)**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2018*

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**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 is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2018.

At each financial reporting date, the 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 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 \$344,000 (2017 - \$251,216) investment in a guaranteed investment certificate earning interest at 0.9% with a maturity date of April 2018 and 1,408 (2016 - 1,383) shares of Sun Life Financial with a value of \$74,510 (2017 - \$63,867).

**4. Accounts receivable**

	2018	2017
Indigenous Services Canada ("ISC")	63,781	43,850
First Nations and Inuit Health ("FNIH")	-	98,822
Trade and other	922,249	753,815
Canada Mortgage and Housing Corporation ("CMHC")	46,226	46,364
CMHC retrofit receivable	-	241,940
First Peoples Development Inc.	7,589	458,300
Advances to staff	91,981	93,638
Allowance for doubtful accounts	1,131,826 (114,788)	1,736,729 (115,504)
	<b>1,017,038</b>	<b>1,621,225</b>

**Fort Alexander Indian Band (o\la Sagkeeng First Nation)**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2018*

**5. Inventory for resale**

	<i>2018</i>	<i>2017</i>
Superstore	197,320	251,183
Gaming	13,944	13,944
	<b>211,264</b>	<b>265,127</b>

**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>	<i>2018 Total</i>	<i>2017 Total</i>
	<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
	<b>15,903</b>	-	<b>(15,903)</b>	-	<b>15,903</b>

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. The joint venture has ceased to exist and there have been no transactions for the fiscal year.

**Fort Alexander Indian Band (o\u00e1 Sagkeeng First Nation)**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2018*

**7. Restricted cash**

	<b>2018</b>	<b>2017</b>
Sagkeeng First Nation Consolidated Revenue Trust Fund	355,159	366,646
Fort Alexander Health Centre Moveable Asset Reserve	163,907	198,873
CMHC replacement reserve	1,005,030	749,720
CMHC subsidy surplus reserve	93,318	61,000
Ottawa Trust Fund	3,642	3,431
	<b>1,621,056</b>	<b>1,379,670</b>

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 \$163,907 (2017 - \$198,873) 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. As at March 31, 2018, the moveable asset reserve was underfunded by \$45,933.

***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 measurable and collection is reasonably assured. Capital and revenue trust moneys are transferred to the Nation on the authorization of the Minister of Indigenous Services Canada, with the consent of the Nation's Chief and Council.

Capital Trust	\$315 (2017 - \$315); 2018 interest revenue - \$nil (2017 - \$nil)
Revenue trust	\$3,327 (2017 - \$3,116); 2018 interest revenue - \$211 (2017 - \$195)

***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. As at March 31, 2018 the replacement reserve was underfunded by \$283,986 (2017 - \$405,896).

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, 2018 the subsidy surplus reserve was underfunded by \$79,764 (2017 - \$226,464).

**Fort Alexander Indian Band (o\la Sagkeeng First Nation)**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2018*

**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, 2017. The next funding valuations are required to be completed as at August 31, 2018. 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, 2017 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:

	2018	2017
<b>Pension and Post retirement expense</b>		
Current service cost	683,113	770,489
Employee contributions	(162,491)	(192,094)
Interest cost	953,117	940,856
Expected return on plan assets	(1,282,648)	(1,253,767)
Plan expenses	53,164	44,385
Amortization of net actuarial (gain)/loss	(520,620)	(517,445)
Pension expense (income)	<b>(276,365)</b>	<b>(207,576)</b>
<b>Accrued Benefit Asset (Liability)</b>		
Accrued benefit asset (liability), opening	3,318,092	2,370,525
Add: pension income	276,365	207,576
Add: band contributions	587,612	739,991
Accrued benefit asset (liability), ending	<b>4,182,069</b>	<b>3,318,092</b>
<b>Accrued Benefit Obligation</b>		
Accrued benefit obligations, opening	19,967,090	19,369,472
Service cost	683,113	770,489
Interest cost	953,117	940,856
Benefit payments	(904,078)	(1,875,198)
Actuarial (gain)/loss	(292,711)	761,471
Accrued benefit obligation, ending	<b>20,406,531</b>	<b>19,967,090</b>

**Fort Alexander Indian Band (o\la Sagkeeng First Nation)**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2018*

**8. Employee future benefits (Continued from previous page)**

	<b>2018</b>	<b>2017</b>
<b>Reconciliation of Plan Assets</b>		
Market value of plan assets, opening	26,825,401	25,569,088
Nation contributions	587,612	739,991
Member contributions	162,491	192,094
Benefit payments	(904,078)	(1,875,198)
Expenses	(53,164)	(44,385)
Actual return on plan assets	1,031,885	2,243,811
Market value of plan assets, ending	27,650,147	26,825,401
<b>Unamortized Gains/(Losses)</b>		
Net unamortized gains (losses), opening	3,540,219	3,829,091
New net gain (loss) for current year	41,948	228,573
Amortization for current year	(520,620)	(517,445)
Net unamortized gain (loss), ending	3,061,547	3,540,219
<b>Reconciliation of surplus (deficit) to accrued benefit asset</b>		
Surplus of plan assets over obligations, ending	7,243,616	6,858,311
Net unamortized amounts	(3,061,547)	(3,540,219)
Accrued benefit asset, ending	4,182,069	3,318,092

**Actuarial assumptions for year-end disclosure**

Discount rate for pension expense	4.80%	5.00%
Discount rate for end of year accrued benefit obligation	4.75%	4.80%
Expected return on plan assets for pension expense	4.75%	4.80%
Expected remaining service life for pension expense (in years)	6.80	7.40

**Asset breakdown**

Cash and short-term	3.0%	3.0%
Fixed income (bonds and mortgages)	40.5%	40.5%
Real estate	14.5%	14.5%
Canadian equities	27.0%	29.0%
US equities	3.5%	3.6%
International equities	11.5%	9.4%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

**Fort Alexander Indian Band (o\la Sagkeeng First Nation)**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2018*

**9. Bank indebtedness**

The Nation has five operating lines of credit 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% and \$80,000 at an interest rate of prime plus 2.55%. As at March 31, 2018 the lines of credit are at \$500,000, \$160,000, \$25,000, \$70,000, \$15,000, and \$nil respectively. The operating lines are secured by a general security agreement and band council resolution. Prime rate at March 31, 2018 is 3.45%. Bank indebtedness in excess of maximum limits are due to cheques issued in excess of funds in deposit.

**10. Accounts payable and accruals**

	<b>2018</b>	<b>2017</b>
Trade payables	3,936,541	2,751,307
Wages and source deductions payable	459,814	332,994
	<b>4,396,355</b>	3,084,301

**11. Deferred revenue**

	<b>2018</b>	<b>2017</b>
Band Governance - ISC	(Schedule 4)	4,690,826
Community Wellness – FNIH	(Schedule 6)	272,493
Community Infrastructure - ISC	(Schedule 8)	266,480
Employment and Training - First Peoples Development Inc.	(Schedule 10)	120,642
	<b>5,350,441</b>	285,964

**12. ISC payable**

	<b>2018</b>	<b>2017</b>
2017-18 Skills Link	50,138	-
2013-14 Basic Needs/In-Home Care	185,413	185,413
	<b>235,551</b>	185,413

**Fort Alexander Indian Band (oɬa Sagkeeng First Nation)**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2018*

**13. Long-term debt**

	2018	2017
RBC term loan payable in monthly installments of \$20,924 including interest at 4.15% with a renewal of November 2018, secured by a general security agreement and band council resolution.	2,754,918	-
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 \$1,183,065 (2017 - \$1,264,553).	1,052,175	1,123,120
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.	71,580	118,234
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.	1,302,625	1,372,005
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.	6,110	77,161
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.	1,307,081	1,376,812
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.	1,487,821	1,563,096
CMHC mortgage repayable in monthly payments of \$5,991 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.	1,195,986	1,250,291
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.	735,126	773,293
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.	923,913	958,690
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.	789,339	829,338
RBC Debt consolidation loan repayable in monthly installments of \$33,830 plus interest at prime plus 1.5%, with an annual renewal of January 2019, secured through tobacco tax refunds by the Government of Manitoba.	464,460	836,590
RBC term loan payable in monthly installments of \$1,667 plus interest at prime plus 1.5% with a renewal of February 2019, secured by related equipment with net book value of \$10,000 (2017 - \$40,000).	58,325	78,329

**Fort Alexander Indian Band (oɬa Sagkeeng First Nation)**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2018*

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**13. Long-term debt (Continued from previous page)**

	2018	2017
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.	2,380,827	1,919,396
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.	1,360,774	1,289,696
Loan repaid during the year.	-	2,340,000
RBC term loan payable in monthly installments of \$1,746 plus interest at prime plus 1.5% with a renewal of July 2018, secured by related vehicles with net book value of \$73,323.	90,781	-
RBC term loan payable in monthly instalments of \$2,071 plus interest at prime plus 1.5% with a renewal of July 2018, secured by related heavy equipment with a net book value of \$49,698 (2017 - \$86,972).	82,830	107,679
RBC term loan payable in monthly installments of \$881 plus interest at prime plus 1.5% with a renewal of August 2018, secured by related equipment with net book value of \$36,955.	46,683	-
RBC term loan payable in monthly installments of \$6,915 plus interest at prime plus 1.5% with a renewal of September 2018, secured by a general security agreement and band council resolution.	237,125	320,105
RBC term loan payable in monthly installments of \$5,552, plus interest at prime plus 1.5%, with a renewal date of October 2018, secured by related housing with net book value of \$739,423.	571,773	97,428
RBC term loan payable in monthly installments of \$424 plus interest at prime plus 1.5% with a renewal of January 2019, secured by related equipment with net book value of \$1,526 (2017 - \$6,105).	4,240	9,327
RBC term loan payable in monthly installments of \$2,222 plus interest at prime plus 1.5% with a renewal of November 2018, secured by related building with net book value of \$518,621 (2017 - \$541,169).	337,778	364,444
RBC term loan payable in monthly installments of \$5,483 plus interest at prime plus 1.5% with a renewal of December 2018, secured by related equipment with net book value of \$31,896 (2017 - \$131,585).	180,930	246,722
Loan repaid during the year.	-	33,314
Loan repaid during the year.	-	501,423

**Fort Alexander Indian Band (o\la Sagkeeng First Nation)**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2018*

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**13. Long-term debt** *(Continued from previous page)*

	2018	2017
RBC term loan payable in monthly installments of \$745 plus interest at prime plus 1.5% with a renewal of November 2018, secured by related vehicle with a net book value of \$17,859 (2017 - \$31,254).	31,239	40,179
RBC term loan payable in monthly installments of \$1,945 plus interest at prime plus 1.5% with a renewal of December 2018, secured by related equipment with net book value of \$11,668 (2017 - \$46,671).	64,173	87,509
Mortgage loan advance, bearing interest at 0.69%, requires no payment of principal or interest until the project is complete and the advance is converted into a mortgage.	906,643	-
	<b>18,445,253</b>	17,714,181

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:

2019	1,410,300
2020	1,047,800
2021	948,800
2022	791,600
2023	779,800

Prime rate as at March 31, 2018 is 3.45% (2017 - 2.70%). All RBC loans are secured by a general security agreement and band council resolution.

**14. Construction in progress**

	2018	2017
Flood Protection project	-	848,807
Manitoba Hydro homes project	-	514,501
ACS project	1,335,024	212,519
VLT building addition	-	2,500,000
CMHC 6 unit project	1,392,288	1,353,864
16/17 CMHC Housing	395,000	-
	<b>3,122,312</b>	5,429,691

**Fort Alexander Indian Band (o\la Sagkeeng First Nation)**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2018*

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**15. Accumulated surplus**

Accumulated surplus consists of the following:

	<b>2018</b>	<b>2017</b>
Equity in Ottawa Trust Funds	3,642	3,431
Invested in Tangible Capital Assets	47,182,118	47,271,929
CMHC replacement reserve	1,289,016	1,155,616
CMHC subsidy surplus reserve	173,082	287,464
Moveable asset reserve	209,840	157,102
<u>Unrestricted accumulated deficit</u>	<u>(3,271,921)</u>	<u>(5,031,365)</u>
	<b>45,585,777</b>	<b>43,844,177</b>

**16. 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 ISC 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\la Sagkeeng First Nation)**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2018*

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**17. Economic dependence**

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

**18. Contingent liabilities**

During the fiscal year, the Nation conducted an internal investigation regarding the eligibility of expenses incurred by the Health Department during the 2017 and 2018 fiscal years. Recoveries would only be recorded if First Nation Inuit Health (FNIH) disallows certain expenses, deeming them to be ineligible. As of the report date, FNIH has not done their own review. Adjustments, if any, for disallowed expenses will be accounted for in the year of determination.

The other 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, one pension plan claim, one caveat on land title, three related to outstanding invoices totalling \$64,750, one claim for withheld tobacco tax rebates for \$133,000, and two human rights complaints, none of which the outcome or potential liability can be reasonably determined, and therefore no accrual has been made.

**19. 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.

**20. Budget information**

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

**21. ISC revenue reconciliation**

The ISC revenues of \$32,551,917 (2017 - \$27,142,195) on the consolidated statement of operations and accumulated surplus agrees to the ISC confirmation.

**Fort Alexander Indian Band (o\la Sagkeeng First Nation)**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2018*

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**22. FNIH revenue reconciliation**

The FNIH revenues of \$6,801,075 (2017 - \$5,764,049) on the consolidated statement of operations and accumulated surplus agrees to the FNIH confirmation.

**23. Comparative figures**

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

**24. Subsequent event**

On June 22, 2018 the Department of Indigenous Services Canada made an offer settlement of \$3,000,000 to the Nation in exchange for the benefit plan being converted to a defined contribution benefit plan and the discontinuance of the legal proceedings in the Federal Court of Canada and Manitoba Court of Queen's Bench. On July 16, 2018 the Nation accepted the offer and are finalizing the terms and conditions of the offer with Indigenous Services Canada.

**Fort Alexander Indian Band (o\la Sagkeeng First Nation)**  
**Schedule 1 - Consolidated Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2018*

	<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>
<b>Cost</b>							
Balance, beginning of year	3,953,440	456,172	3,736,597	41,444,041	34,255,841	130,587	83,976,678
Acquisition of tangible capital assets	488,547	850	210,475	3,027,583	154,500	-	3,881,955
Disposal of tangible capital assets	(14,750)	(1,166)	(32,736)	-	-	(15,000)	(63,652)
<b>Balance, end of year</b>	<b>4,427,237</b>	<b>455,856</b>	<b>3,914,336</b>	<b>44,471,624</b>	<b>34,410,341</b>	<b>115,587</b>	<b>87,794,981</b>
<b>Accumulated amortization</b>							
Balance, beginning of year	2,801,987	403,621	2,080,592	24,698,719	8,920,086	-	38,905,005
Annual amortization	509,644	15,974	347,559	1,898,452	672,477	-	3,444,106
Accumulated amortization on disposals	(13,275)	(1,166)	(27,348)	-	-	-	(41,789)
<b>Balance, end of year</b>	<b>3,298,356</b>	<b>418,429</b>	<b>2,400,803</b>	<b>26,597,171</b>	<b>9,592,563</b>	<b>-</b>	<b>42,307,322</b>
<b>Net book value of tangible capital assets</b>	<b>1,128,881</b>	<b>37,427</b>	<b>1,513,533</b>	<b>17,874,453</b>	<b>24,817,778</b>	<b>115,587</b>	<b>45,487,659</b>
2017 Net book value of tangible capital assets	1,151,453	52,551	1,656,005	16,745,322	25,335,755	130,587	45,073,690

**Fort Alexander Indian Band (o\la Sagkeeng First Nation)**  
**Schedule 1 - Consolidated Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2018*

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	<i>Subtotal</i>	<i>Housing</i>	<i>2018</i>	<i>2017</i>
<b>Cost</b>				
Balance, beginning of year	83,976,678	25,700,588	109,677,266	108,363,145
Acquisition of tangible capital assets	3,881,955	2,025,432	5,907,387	1,314,121
Disposal of tangible capital assets	(63,652)	-	(63,652)	-
Balance, end of year	<b>87,794,981</b>	<b>27,726,020</b>	<b>115,521,001</b>	<b>109,677,266</b>
<b>Accumulated amortization</b>				
Balance, beginning of year	38,905,005	13,658,757	52,563,762	48,451,217
Annual amortization	3,444,106	1,025,922	4,470,028	4,112,545
Accumulated amortization on disposals	(41,789)	-	(41,789)	-
Balance, end of year	<b>42,307,322</b>	<b>14,684,679</b>	<b>56,992,001</b>	<b>52,563,762</b>
<b>Net book value of tangible capital assets</b>	<b>45,487,659</b>	<b>13,041,341</b>	<b>58,529,000</b>	<b>57,113,504</b>
2017 Net book value of tangible capital assets	45,073,690	12,041,831	57,113,504	

**Fort Alexander Indian Band (o\la Sagkeeng First Nation)**  
**Schedule 2 - Schedule of Consolidated Expenses by Object**  
*For the year ended March 31, 2018*

	<b>2018 Budget</b>	<b>2018</b>	<b>2017</b>
<b>Expenses by object</b>			
Amortization	-	4,470,028	4,112,545
Automotive, fuel and insurance	452,772	656,771	588,597
Bad debts	-	126,974	137,338
Bank charges and interest	141,350	164,439	158,250
Basic needs	3,240	5,081,485	5,065,809
Board and Chief and Council travel and honouraria	640,629	655,693	814,316
Community donations and support	611,822	615,768	533,035
Cost of sales	5,570,000	5,997,397	5,847,359
Economic development grants	100,000	167,620	185,671
Insurance	590,381	463,106	525,247
Interest on long-term debt	2,422,094	933,593	521,715
Office supplies, materials and other	1,751,011	1,400,268	1,336,811
Professional fees and contract work	705,186	1,284,051	1,804,808
Programming, workshops and activities	1,114,637	1,142,244	1,175,339
Rent - equipment and buildings	410,297	296,799	342,308
Repairs and maintenance	2,254,732	5,332,070	3,767,428
Salaries and benefits	13,064,129	16,252,531	17,061,072
Special needs	-	226,229	246,907
Telephone	257,786	308,157	300,880
Training and professional development	1,855,047	2,641,547	2,329,047
Travel	580,369	1,033,819	652,965
Tuition	1,354,954	1,315,352	1,366,061
Utilities	590,562	589,923	636,795
VLT licensing and lease fees	189,500	215,817	219,825
	<b>34,660,498</b>	<b>51,371,681</b>	<b>49,730,128</b>

**Fort Alexander Indian Band (o\la Sagkeeng First Nation)**  
**Schedule 3 - Consolidated Schedule of Segment Revenue and Expenses**  
*For the year ended March 31, 2018*

	<i>Schedule #</i>	<i>ISC Revenue</i>	<i>Other Revenue</i>	<i>Deferred Revenue</i>	<i>Total Revenue</i>	<i>Total Expenses</i>	<i>Current Surplus (Deficit)</i>	<i>Prior Year Surplus (Deficit)</i>
Band Governance	4	10,872,775	2,032,210	(3,043,695)	9,861,290	6,613,313	3,247,977	1,046,322
Education	5	11,788,495	1,761,076	-	13,549,571	12,647,265	902,306	(1,430,565)
Community Wellness	6	2,454,178	7,486,008	(134,779)	9,805,407	9,327,308	478,099	(285,506)
Social Assistance	7	5,351,711	(819)	-	5,350,892	5,306,873	44,019	(85,772)
Community Infrastructure	8	2,035,100	(87,019)	907,855	2,855,936	5,262,209	(2,406,273)	(1,133,667)
CMHC Housing	9	-	1,104,396	-	1,104,396	1,162,878	(58,482)	(122,971)
Employment and Training	10	49,657	1,722,969	165,322	1,937,948	1,695,511	242,437	271,658
Economic Development	11	-	8,647,842	-	8,647,842	9,356,324	(708,482)	78,165
<b>Total</b>		<b>32,551,917</b>	<b>22,666,663</b>	<b>(2,105,297)</b>	<b>53,113,281</b>	<b>51,371,681</b>	<b>1,741,600</b>	<b>(1,662,337)</b>

**Fort Alexander Indian Band (oɬa Sagkeeng First Nation)**  
**Band Governance**  
**Schedule 4 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2018*

	<b>2018 Budget</b>	<b>2018</b>	<b>2017</b>
<b>Revenue</b>			
Indigenous Services Canada (ISC)	2,643,726	10,872,775	5,430,549
ISC recovery	(173,544)	(193,738)	(236,023)
Province of Manitoba	134,128	99,732	68,004
Other revenue	2,604,310	10,778,769	5,262,530
Solicitor General	942,100	1,594,824	738,134
Deferred revenue from prior year	112,424	116,111	114,000
Deferred revenue to subsequent year	-	1,647,131	-
	-	(4,690,826)	(1,647,131)
	<b>3,658,834</b>	<b>9,446,009</b>	<b>4,467,533</b>
<b>Expenses</b>			
Amortization	-	108,130	26,129
Automotive, fuel and insurance	125,522	284,556	222,613
Bad debts	-	36,489	17,384
Bank charges and interest	32,400	89,377	83,307
Board and Chief and Council travel and honouraria	426,500	488,532	592,570
Community donations and support	12,096	58,203	76,784
Economic development grants	100,000	167,620	185,671
Insurance	126,811	11,826	30,432
Interest on long-term debt	1,510,677	652,721	266,745
Office supplies, materials and other	142,087	92,732	94,431
Professional fees and contract work	326,767	556,679	1,062,581
Programming, workshops and activities	-	62,356	34,671
Rent - equipment and buildings	54,408	54,612	86,263
Repairs and maintenance	148,704	1,474,681	858,221
Salaries and benefits	1,366,525	2,058,301	2,448,929
Telephone	57,689	47,807	75,537
Training and professional development	17,750	31,528	57,181
Travel	82,733	232,270	70,694
Utilities	58,199	104,893	101,447
	<b>4,588,868</b>	<b>6,613,313</b>	<b>6,391,590</b>
<b>Surplus (deficit) before other items</b>	<b>(930,034)</b>	<b>2,832,696</b>	<b>(1,924,057)</b>
<b>Other items</b>			
Unrealized gain (loss) on pension plan	-	880,790	1,014,864
Transfers between segments	1,069,218	(465,509)	1,955,515
	<b>1,069,218</b>	<b>415,281</b>	<b>2,970,379</b>
<b>Annual surplus (deficit)</b>	<b>139,184</b>	<b>3,247,977</b>	<b>1,046,322</b>

**Fort Alexander Indian Band (o\la Sagkeeng First Nation)**  
**Education**  
**Schedule 5 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2018*

	<b>2018 Budget</b>	<b>2018</b>	<b>2017</b>
<b>Revenue</b>			
Indigenous Services Canada (ISC)	7,389,274	11,788,495	11,740,945
First Nations Confederacy of Cultural Education Centre	86,676	86,675	86,675
Other revenue	17,495	103,100	61,520
	<b>7,493,445</b>	<b>11,978,270</b>	<b>11,889,140</b>
<b>Expenses</b>			
Amortization	-	599,027	555,989
Automotive, fuel and insurance	46,550	101,517	66,491
Bank charges and interest	-	12,888	15,583
Board and Chief and Council travel and honouraria	117,929	46,779	92,408
Community donations and support	-	4,500	4,306
Insurance	54,023	32,341	39,667
Office supplies, materials and other	502,855	604,897	523,758
Professional fees and contract work	73,800	445,702	362,777
Programming, workshops and activities	680,264	540,379	379,705
Rent - equipment and buildings	138,141	157,995	160,529
Repairs and maintenance	128,667	553,693	291,188
Salaries and benefits	3,748,283	5,767,223	6,340,165
Telephone	107,917	154,426	122,385
Training and professional development	1,575,562	2,161,489	1,683,878
Travel	95,618	364,234	186,488
Tuition	1,087,106	950,421	1,196,686
Utilities	106,636	149,754	184,086
	<b>8,463,351</b>	<b>12,647,265</b>	<b>12,206,089</b>
<b>Surplus (deficit) before transfers</b>	<b>(969,906)</b>	<b>(668,995)</b>	<b>(316,949)</b>
<b>Transfers between segments</b>	<b>165,409</b>	<b>1,571,301</b>	<b>(1,113,616)</b>
<b>Annual surplus (deficit)</b>	<b>(804,497)</b>	<b>902,306</b>	<b>(1,430,565)</b>

**Fort Alexander Indian Band (o\la Sagkeeng First Nation)**  
**Community Wellness**  
**Schedule 6 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2018*

	<b>2018 Budget</b>	<b>2018</b>	<b>2017</b>
<b>Revenue</b>			
First Nations and Inuit Health (FNIH)	5,832,631	6,801,075	5,764,049
Indigenous Services Canada (ISC)	2,422,295	2,454,178	2,486,034
Province of Manitoba	-	-	51,428
Canada Mortgage and Housing Corporation (CMHC)	-	-	5,623
 Rental income	 8,254,926	 9,255,253	 8,307,134
Other revenue	343,940	431,753	475,548
Deferred revenue from prior year	29,240	45,007	88,861
Deferred revenue to subsequent year	-	137,714	104,606
 	 -	 (272,493)	 (137,714)
 	 8,628,106	 9,597,234	 8,838,435
 <b>Expenses</b>			
Amortization	-	587,384	778,068
Automotive, fuel and insurance	252,700	263,712	273,133
Bad debts	-	31,991	5,272
Bank charges and interest	9,500	12,105	10,914
Basic needs	3,240	3,354	3,150
Board and Chief and Council travel and honouraria	96,200	115,025	127,188
Community donations and support	32,164	32,054	17,807
Insurance	71,000	58,668	86,631
Office supplies, materials and other	584,551	537,921	543,130
Professional fees and contract work	213,519	201,925	182,505
Programming, workshops and activities	353,873	406,337	701,888
Rent - equipment and buildings	41,800	56,007	58,906
Repairs and maintenance	108,976	195,203	144,279
Salaries and benefits	5,997,224	5,885,116	5,740,917
Telephone	68,075	79,372	77,752
Training and professional development	257,735	191,465	307,493
Travel	377,151	395,440	333,269
Tuition	167,848	167,848	-
Utilities	135,612	106,381	123,797
 	 8,771,168	 9,327,308	 9,516,099
 <b>Surplus (deficit) before transfers</b>	 (143,062)	 269,926	 (677,664)
<b>Transfers between segments</b>	<b>431,542</b>	<b>208,173</b>	<b>392,158</b>
 <b>Annual surplus (deficit)</b>	 <b>288,480</b>	 <b>478,099</b>	 <b>(285,506)</b>

**Fort Alexander Indian Band (o\la Sagkeeng First Nation)**  
**Social Assistance**  
**Schedule 7 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2018*

	<b>2018 Budget</b>	<b>2018</b>	<b>2017</b>
<b>Revenue</b>			
Indigenous Services Canada (ISC)	-	5,351,711	5,201,263
Province of Manitoba	-	-	27,206
	-	5,351,711	5,228,469
<b>Expenses</b>			
Bank charges and interest	-	2,513	4,675
Basic needs	-	5,078,131	5,062,659
Special needs	-	226,229	246,907
	-	5,306,873	5,314,241
<b>Surplus (deficit) before transfers</b>	-	44,838	(85,772)
<b>Transfers between segments</b>	-	(819)	-
<b>Annual surplus (deficit)</b>	-	44,019	(85,772)

**Fort Alexander Indian Band (o\la Sagkeeng First Nation)**  
**Community Infrastructure**  
**Schedule 8 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2018*

	<b>2018 Budget</b>	<b>2018</b>	<b>2017</b>
<b>Revenue</b>			
Indigenous Services Canada (ISC)	2,035,100	2,035,100	2,235,100
ISC recovery	(200,000)	(200,000)	-
Other revenue	-	112,981	452,500
Deferred revenue from prior year	-	1,174,335	1,115,287
Deferred revenue to subsequent year	-	(266,480)	(1,174,335)
	<b>1,835,100</b>	<b>2,855,936</b>	<b>2,628,552</b>
<b>Expenses</b>			
Amortization	-	2,377,602	2,035,051
Bank charges and interest	-	4,450	5,627
Insurance	106,658	106,658	104,567
Interest on long-term debt	149,169	26,730	24,285
Repairs and maintenance	1,579,273	2,746,769	1,501,737
Salaries and benefits	-	-	90,952
	<b>1,835,100</b>	<b>5,262,209</b>	<b>3,762,219</b>
<b>Annual surplus (deficit)</b>	<b>-</b>	<b>(2,406,273)</b>	<b>(1,133,667)</b>

**Fort Alexander Indian Band (o\la Sagkeeng First Nation)**  
**CMHC Housing**  
**Schedule 9 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2018*

	<b>2018 Budget</b>	<b>2018</b>	<b>2017</b>
<b>Revenue</b>			
Canada Mortgage and Housing Corporation	578,680	554,707	556,283
Rental income	505,360	358,518	394,428
Other revenue	-	5,261	-
CMHC RRAP and Retrofit	-	-	723,428
	<b>1,084,040</b>	<b>918,486</b>	<b>1,674,139</b>
<b>Expenses</b>			
Amortization	-	499,339	488,223
Bank charges and interest	-	88	679
Insurance	174,020	179,161	179,161
Interest on long-term debt	762,248	145,498	158,040
Professional fees and contract work	12,500	2,254	25,617
Rent - equipment and buildings	7,000	-	-
Repairs and maintenance	86,512	217,235	853,095
Salaries and benefits	285,210	119,303	88,469
	<b>1,327,490</b>	<b>1,162,878</b>	<b>1,793,284</b>
<b>Surplus (deficit) before transfers</b>	<b>(243,450)</b>	<b>(244,392)</b>	<b>(119,145)</b>
<b>Transfers between segments</b>	<b>13,100</b>	<b>185,910</b>	<b>(3,826)</b>
<b>Annual surplus (deficit)</b>	<b>(230,350)</b>	<b>(58,482)</b>	<b>(122,971)</b>

**Fort Alexander Indian Band (o\la Sagkeeng First Nation)**  
**Employment and Training**  
**Schedule 10 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2018*

	<b>2018 Budget</b>	<b>2018</b>	<b>2017</b>
<b>Revenue</b>			
First Peoples Development Inc.	958,646	1,375,276	1,749,984
Indigenous and Northern Affairs Canada	30,200	49,657	48,304
Bingo revenues	-	283,575	-
Other revenue	48,300	94,921	104,104
Deferred revenue from prior year	-	285,964	192,070
Deferred revenue to subsequent year	-	(120,642)	(285,964)
	<b>1,037,146</b>	<b>1,968,751</b>	<b>1,808,498</b>
<b>Expenses</b>			
Amortization	-	18,106	12,137
Automotive, fuel and insurance	-	750	-
Bad debts	-	-	1
Bank charges and interest	1,950	2,164	2,517
Community donations and support	200,000	45,215	-
Insurance	3,922	14,156	8,960
Office supplies, materials and other	27,000	73,405	41,097
Professional fees and contract work	17,200	10,847	16,896
Programming, workshops and activities	10,500	73,673	56,068
Rent - equipment and buildings	24,948	26,302	34,086
Repairs and maintenance	5,000	8,964	5,509
Salaries and benefits	446,618	912,568	836,414
Telephone	16,730	15,077	14,153
Training and professional development	4,000	257,065	280,119
Travel	3,967	30,084	50,152
Tuition	100,000	197,083	169,375
Utilities	6,415	10,052	7,839
	<b>868,250</b>	<b>1,695,511</b>	<b>1,535,323</b>
<b>Surplus (deficit) before transfers</b>	<b>168,896</b>	<b>273,240</b>	<b>273,175</b>
<b>Transfers between segments</b>	<b>(67,362)</b>	<b>(30,803)</b>	<b>(1,517)</b>
<b>Annual surplus (deficit)</b>	<b>101,534</b>	<b>242,437</b>	<b>271,658</b>

**Fort Alexander Indian Band (o\la Sagkeeng First Nation)**  
**Economic Development**  
**Schedule 11 - Consolidated Schedule of Revenue and Expenses**  
*For the year ended March 31, 2018*

	<b>2018 Budget</b>	<b>2018</b>	<b>2017</b>
<b>Revenue</b>			
Superstore sales	7,985,000	7,643,120	7,724,604
VLT revenue (net of payouts)	2,322,925	2,227,577	2,090,116
Other revenue	41,100	236,505	257,218
Rental income	74,400	91,055	210,233
Bingo revenues	561,725	(82,163)	235,992
	<b>10,985,150</b>	<b>10,116,094</b>	<b>10,518,163</b>
<b>Expenses</b>			
Amortization	-	280,440	216,949
Automotive, fuel and insurance	28,000	6,235	26,360
Bad debts	-	58,494	114,682
Bank charges and interest	97,500	40,854	34,948
Board and Chief and Council travel and honouraria	-	5,358	2,150
Community donations and support	367,562	475,796	434,139
Cost of sales	5,570,000	5,997,397	5,847,359
Insurance	53,947	60,296	75,829
Interest on long-term debt	-	108,644	72,645
Office supplies, materials and other	494,518	91,313	134,391
Professional fees and contract work	61,400	66,644	154,433
Programming, workshops and activities	70,000	59,499	3,008
Rent - equipment and buildings	144,000	1,883	2,525
Repairs and maintenance	197,600	135,525	113,399
Salaries and benefits	1,220,269	1,510,020	1,515,226
Telephone	7,375	11,475	11,052
Training and professional development	-	-	375
Travel	20,900	11,791	12,362
Utilities	283,700	218,843	219,626
VLT licensing and lease fees	189,500	215,817	219,825
	<b>8,806,271</b>	<b>9,356,324</b>	<b>9,211,283</b>
<b>Surplus (deficit) before transfers</b>	<b>2,178,879</b>	<b>759,770</b>	<b>1,306,880</b>
<b>Transfers between segments</b>	<b>(1,491,220)</b>	<b>(1,468,252)</b>	<b>(1,228,715)</b>
<b>Annual surplus (deficit)</b>	<b>687,659</b>	<b>(708,482)</b>	<b>78,165</b>