

**Fort Alexander Indian Band (o/a
Sagkeeng First Nation)
Consolidated Financial Statements**
March 31, 2019

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

Contents

For the year ended March 31, 2019

	Page
Management's Responsibility	
Independent Auditors' Report	
Consolidated Financial Statements	
Consolidated Statement of Financial Position.....	1
Consolidated Statement of Operations and Accumulated Surplus.....	2
Consolidated Statement of Change in Net Debt.....	3
Consolidated Statement of Cash Flows.....	4
Notes to the Consolidated Financial Statements.....	5
Schedules	
Schedule 1 - Consolidated Schedule of Tangible Capital Assets.....	20
Schedule 2 - Schedule of Consolidated Expenses by Object.....	22
Schedule 3 - Consolidated Schedule of Segment Revenue and Expenses.....	23
Schedule 4 - Social Assistance - Schedule of Revenue and Expenses.....	24
Schedule 5 - Education - Schedule of Revenue and Expenses.....	25
Schedule 6 - Administration - Schedule of Revenue and Expenses.....	26
Schedule 7 - Employment and Training and Day Care - Schedule of Revenue and Expenses.....	27
Schedule 8 - CMHC Housing - Schedule of Revenue and Expenses.....	28
Schedule 9 - Gaming - Schedule of Revenue and Expenses.....	29
Schedule 10 - Wellness - Schedule of Revenue and Expenses.....	30
Schedule 11 - Economic Development - Schedule of Revenue and Expenses.....	31
Schedule 12 - Telecommunications - Schedule of Revenue and Expenses.....	32
Schedule 13 - Community Infrastructure - Schedule of Revenue and Expenses.....	33

Management's Responsibility

To the Members of Fort Alexander Indian Band (o\la Sagkeeng First Nation):

The accompanying consolidated financial statements of Fort Alexander Indian Band (o\la Sagkeeng First Nation) (the "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\la 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.



CAO

Independent Auditor's Report

To the Members of Fort Alexander Indian Band (o\la Sagkeeng First Nation):

Opinion

We have audited the consolidated financial statements of Fort Alexander Indian Band (o\la Sagkeeng First Nation) (the "Nation"), which comprise the consolidated statement of financial position as at March 31, 2019, and the consolidated statements of operations and accumulated surplus, change in net debt and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Nation as at March 31, 2019, and the results of its consolidated operations, consolidated change in net debt and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Nation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the consolidated financial statements, management is responsible for assessing the Nation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the operations to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Winnipeg, Manitoba

July 29, 2019

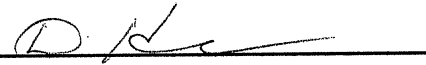
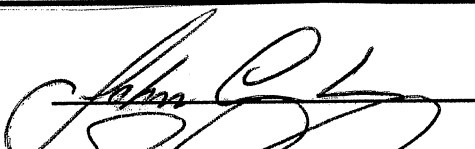

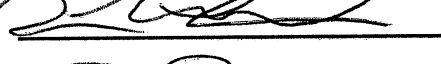


MNP LLP

Chartered Professional Accountants

Fort Alexander Indian Band (o/a Sagkeeng First Nation)
Consolidated Statement of Financial Position
As at March 31, 2019

	2019	2018
Financial assets		
Cash (Note 8)	3,983,677	4,750,886
Investments (Note 3)	94,510	418,510
Accounts receivable (Note 4)	3,973,294	1,017,317
Inventory for resale (Note 5)	201,796	211,264
Restricted cash (Note 6)	1,748,107	1,621,056
	10,001,384	8,019,033
Liabilities		
Accounts payable and accruals (Note 9)	2,556,603	4,396,623
Deferred revenue (Note 10)	5,267,515	5,350,441
Indigenous Services Canada (ISC) payable	-	235,551
Long-term debt (Note 11)	18,096,703	18,445,253
	25,920,821	28,427,868
Net debt	(15,919,437)	(20,408,835)
Contingent liabilities (Note 16)		
Non-financial assets		
Tangible capital assets (Schedule 1)	55,985,982	58,529,000
Employee future benefits (Note 7)	1,000,000	4,182,069
Prepaid expenses	48,295	161,239
Construction in progress (Note 12)	3,617,898	3,122,312
	60,652,175	65,994,620
Accumulated surplus (Note 13)	44,732,738	45,585,785

Approved on behalf of the Chief and Council

	Chief		Councillor
	Councillor		Councillor
	Councillor		Councillor
_____	Councillor		

Fort Alexander Indian Band (o/a Sagkeeng First Nation)

Consolidated Statement of Operations and Accumulated Surplus

For the year ended March 31, 2019

	<i>Schedules</i>	<i>2019 Budget</i>	<i>2019</i>	<i>2018</i>
Revenue				
Indigenous Services Canada (ISC) (Note 19)		18,154,428	35,786,740	32,551,917
ISC recovery		-	(5,859)	(393,738)
First Nations and Inuit Health (FNIH) (Note 20)		5,508,302	6,852,256	6,801,075
First Peoples Development Inc.		1,393,008	1,573,708	1,375,275
Canada Mortgage and Housing Corporation		578,681	677,423	554,707
Province of Manitoba		50,882	-	99,732
		25,685,301	44,884,268	40,988,968
Superstore sales		10,350,654	9,440,311	7,643,120
Other revenue		249,302	2,594,965	2,188,249
VLT revenue (net of payouts)		3,262,500	2,251,856	2,227,577
Rental income		1,155,080	1,162,348	886,320
Bingo revenues (net of payouts)		561,725	271,772	202,662
Solicitor General		195,670	116,012	116,111
First Nations Confederacy of Cultural Education Centre		86,676	86,675	86,675
Deferred revenue - prior year (Note 10)		-	5,350,441	3,255,144
Deferred revenue - current year (Note 10)		-	(5,267,515)	(5,350,441)
		41,546,908	60,891,133	52,244,385
Program expenses				
Social Assistance	4	-	5,587,348	5,306,873
Education	5	11,747,919	11,283,168	12,647,115
Administration	6	6,088,568	13,851,317	5,370,567
Employment and Training and Daycare	7	1,362,974	1,778,177	1,605,776
CMHC Housing	8	1,196,358	1,402,011	1,188,303
Gaming	9	2,757,670	2,001,935	1,602,910
Wellness	10	7,376,188	8,481,659	9,327,307
Economic Development	11	9,781,854	10,051,832	7,926,543
Telecommunications	12	-	133,930	120,538
Community Infrastructure	13	3,144,515	4,009,726	6,287,643
Total segment expenses (Schedule 2)		43,456,046	58,581,103	51,383,575
Annual surplus (deficit) before other items		(1,909,138)	2,310,030	860,810
Other items				
Unrealized gain (loss) on pension plan		-	(3,163,077)	880,790
Transfers between programs		4,170,702	-	-
		4,170,702	(3,163,077)	880,790
Annual surplus		2,261,564	(853,047)	1,741,600
Accumulated surplus, beginning of year		45,585,785	45,585,785	43,844,185
Accumulated surplus, end of year		47,847,349	44,732,738	45,585,785

Fort Alexander Indian Band (o\la Sagkeeng First Nation)
Consolidated Statement of Change in Net Debt
For the year ended March 31, 2019

	2019 Budget	2019	2018
Annual surplus (deficit)	2,261,564	(853,047)	1,741,600
Purchases of tangible capital assets	-	(2,269,061)	(2,871,023)
Amortization of tangible capital assets	-	4,812,079	4,470,028
Change in construction in progress	-	(495,586)	(707,122)
Change in prepaid expenses	-	112,944	(147,679)
Change in employee future benefits	-	3,182,069	(863,977)
Decrease (increase) in net debt	2,261,564	4,489,398	1,621,827
Net debt, beginning of year	(20,408,835)	(20,408,835)	(22,030,662)
Net debt, end of year	(18,147,271)	(15,919,437)	(20,408,835)

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

Consolidated Statement of Cash Flows

For the year ended March 31, 2019

	2019	2018
Cash provided by (used for) the following activities		
Operating activities		
Cash receipts from contributors	57,616,680	55,008,925
Cash paid to suppliers	(37,197,512)	(28,480,908)
Cash paid to employees	(17,537,798)	(16,252,697)
Interest on long-term debt	(732,331)	(933,909)
	2,149,039	9,341,411
Financing activities		
Advances of long-term debt	1,111,490	2,056,749
Repayment of long-term debt	(1,460,040)	(1,325,677)
	(348,550)	731,072
Capital activities		
Purchases of tangible capital assets	(2,269,061)	(2,871,023)
Change in construction in progress	(495,586)	(707,122)
	(2,764,647)	(3,578,145)
Investing activities		
Change in investments	324,000	(103,427)
Change in restricted cash	(127,051)	(241,386)
	196,949	(344,813)
Increase (decrease) in cash resources (deficiency)	(767,209)	6,149,525
Cash resources (deficiency), beginning of year	4,750,886	(1,398,639)
Cash resources, end of year	3,983,677	4,750,886

Fort Alexander Indian Band (o/a Sagkeeng First Nation)

Notes to the Consolidated Financial Statements

For the year ended March 31, 2019

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 M. 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 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.

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.

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

Notes to the Consolidated Financial Statements

For the year ended March 31, 2019

2. Significant accounting policies (Continued from previous page)

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 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	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 %

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 consolidated financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt is determined by financial assets less 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.

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

Notes to the Consolidated Financial Statements

For the year ended March 31, 2019

2. Significant accounting policies (Continued from previous page)

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.

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 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.

Fort Alexander Indian Band (oġa Sagkeeng First Nation)

Notes to the Consolidated Financial Statements

For the year ended March 31, 2019

2. Significant accounting policies (Continued from previous page)

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. Employee future benefits are based on actuarial estimates and assumptions as noted in note 7. 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 ten reportable segments as identified in Note 14. These operating segments are established by senior management to facilitate the achievement of the Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

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

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in the Significant Accounting Policies.

Liability for contaminated 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 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, 2019.

At each financial reporting date, the carrying amount of the liability is reviewed. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The liability continues to be recognized 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, 2021. 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.

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

Notes to the Consolidated Financial Statements

For the year ended March 31, 2019

3. Investments

Investments include shares of Sun Life Financial with a value of \$74,510 (2018 - \$74,510) and a \$20,000 (2018 - \$344,000) investment in an annually renewable guaranteed investment certificate.

4. Accounts receivable

	2019	2018
Indigenous Services Canada ("ISC")	3,132,172	63,781
Trade and other	848,801	922,528
Canada Mortgage and Housing Corporation ("CMHC")	51,080	46,226
First Peoples Development Inc.	157,555	7,589
Advances to staff	203,709	91,981
	4,393,317	1,132,105
Allowance for doubtful accounts	(420,023)	(114,788)
	3,973,294	1,017,317

5. Inventory for resale

	2019	2018
Gaming	13,944	13,944
Economic Development - Superstore	187,852	197,320
	201,796	211,264

Fort Alexander Indian Band (o/a Sagkeeng First Nation)

Notes to the Consolidated Financial Statements

For the year ended March 31, 2019

6. Restricted cash

	2019	2018
Sagkeeng First Nation Consolidated Revenue Trust Fund	222,273	355,159
Fort Alexander Health Centre Moveable Asset Reserve	13,907	163,907
CMHC replacement reserve	1,383,539	1,005,030
CMHC subsidy surplus reserve	124,637	93,318
Ottawa Trust Fund	3,751	3,642
	1,748,107	1,621,056

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 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 \$13,907 (2018 – \$163,907) 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. The account is underfunded by \$249,837 (2018 - \$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 (2018 - \$315); 2018 interest revenue - \$nil (2018 - \$nil)
Revenue trust	\$3,436 (2018 - \$3,327); 2018 interest revenue - \$109 (2018 - \$211)

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, 2019 the subsidy surplus reserve was overfunded by \$124,637 (2018 - underfunded by \$79,764). As at March 31, 2019 the replacement reserve was overfunded by \$1,49,542 (2018 - underfunded by \$283,986).

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

Notes to the Consolidated Financial Statements

For the year ended March 31, 2019

7. 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, 2018. The next funding valuations are required to be completed as at August 31, 2019. 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, 2018 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 Nation intends to transition the Plan from a defined benefit plan to a defined contribution plan effective September 1, 2019. A number of assumptions and valuations need to be completed and approval is required by OSFI to finalize the ending values to be transferred, however upon transitioning the Plan, management estimates that approximately \$1,000,000 of the Plan surplus will be used to cover future pension costs of the Nation.

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

	2019	2018
Pension and Post retirement expense		
Current service cost	701,702	683,113
Employee contributions	(164,295)	(162,491)
Interest cost	959,329	953,117
Expected return on plan assets	(1,310,130)	(1,282,648)
Plan expenses	12,800	53,164
Amortization of net actuarial (gain)/loss	(456,947)	(520,620)
Pension expense (income)	(257,541)	(276,365)
Accrued Benefit Asset (Liability)		
Accrued benefit asset (liability), opening	4,182,069	3,318,092
Add: pension income	257,541	276,365
Add: band contributions	833,517	587,612
Accrued benefit asset (liability), ending	5,273,127	4,182,069
Accrued Benefit Obligation		
Accrued benefit obligations, opening	20,406,531	19,967,090
Service cost	701,702	683,113
Interest cost	959,329	953,117
Benefit payments	(1,121,952)	(904,078)
Actuarial (gain)/loss	3,979,741	(292,711)
Accrued benefit obligation, ending	24,925,351	20,406,531

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

Notes to the Consolidated Financial Statements

For the year ended March 31, 2019

7. Employee future benefits (Continued from previous page)

	2019	2018
Reconciliation of Plan Assets		
Market value of plan assets, opening	27,650,147	26,825,401
Nation contributions	833,517	587,612
Member contributions	164,295	162,491
Benefit payments	(1,121,952)	(904,078)
Expenses	(12,800)	(53,164)
Actual return on plan assets	1,960,308	1,031,885
Market value of plan assets, ending	29,473,515	27,650,147
Unamortized Gains/(Losses)		
Net unamortized gains (losses), opening	3,061,547	3,540,219
New net gain (loss) for current year	(3,329,563)	41,948
Amortization for current year	(456,947)	(520,620)
Net unamortized gain (loss), ending	(724,963)	3,061,547
Reconciliation of surplus (deficit) to accrued benefit asset		
Surplus of plan assets over obligations, ending	4,548,164	7,243,616
Net unamortized amounts	724,963	(3,061,547)
Accrued benefit asset, ending	5,273,127	4,182,069

Actuarial assumptions for year-end disclosure

Discount rate for pension expense	4.75%	4.80%
Discount rate for end of year accrued benefit obligation	3.55%	4.75%
Expected return on plan assets for pension expense	4.75%	4.80%
Expected remaining service life for pension expense (in years)	6.70	6.80

Asset breakdown

Cash and short-term	0.0%	3.0%
Fixed income (bonds and mortgages)	100.0%	40.5%
Real estate	0.0%	14.5%
Canadian equities	0.0%	27.0%
US equities	0.0%	3.5%
International equities	0.0%	11.5%
Total	100.0%	100.0%

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

Notes to the Consolidated Financial Statements

For the year ended March 31, 2019

8. 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, 2019 the lines of credit are at \$500,000, \$160,000, \$250,000, \$nil, \$50,000, and \$13,601 respectively. The operating lines are secured by a general security agreement and band council resolution. Prime rate at March 31, 2019 is 3.95%.

9. Accounts payable and accruals

	2019	2018
Trade payables	2,105,763	3,936,809
Wages and source deductions payable	450,840	459,814
	2,556,603	4,396,623

10. Deferred revenue

	2019	2018
Education - ISC (Schedule 5)	3,323,630	-
Administration - ISC (Schedule 6)	1,063,743	4,690,826
Employment and Training and Day Care - FPID (Schedule 7)	101,015	120,642
Wellness - FNIH (Schedule 10)	611,973	272,493
Community Infrastructure - ISC (Schedule 13)	167,154	266,480
	5,267,515	5,350,441

Fort Alexander Indian Band (o/a Sagkeeng First Nation)

Notes to the Consolidated Financial Statements

For the year ended March 31, 2019

11. Long-term debt

	2019	2018
RBC Term loan payable in monthly installments of \$22,535 (2018- \$20,924) including interest at 5.33% maturing November 2021. The loan is secured by a building with a net book value of \$2,590,000 (2018 - \$2,730,000).	2,618,975	2,754,918
Peace Hills Trust ("PHT") mortgage payable in monthly installments of \$11,661 including interest at 6.25%, due on March 2027, with the next scheduled renewal on April 11, 2023, secured by insurance and property with a net book value of \$1,101,580 (2018 - \$1,183,065).	975,003	1,052,175
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.	24,074	71,580
CMHC mortgage repayable in monthly payments of \$8,545 including interest at 2.61%, maturing August 1, 2033, with the next scheduled renewal on December 1, 2023, secured by a Ministerial guarantee for a 25-unit housing project and assignment of fire insurance.	1,231,943	1,302,625
Loan repaid during the year.	-	6,110
CMHC mortgage repayable in monthly payments of \$8,299 including interest at 2.22%, maturing November 1, 2033, with the next scheduled renewal on January 1, 2024, secured by a Ministerial guarantee for a 25-unit housing project and assignment of fire insurance.	1,235,964	1,307,081
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.	1,411,162	1,487,821
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.	1,140,785	1,195,986
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.	696,546	735,126
CMHC mortgage repayable in monthly payments of \$4,844 including interest at 2.61%, maturing September 1, 2038, with the next scheduled renewal on December 1, 2023, secured by a Ministerial guarantee for a 7-unit rental housing project and assignment of fire insurance.	888,560	923,913
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.	748,934	789,339
CMHC mortgage repayable in monthly payments of \$7,386 including interest at 2.35%, maturing July 1, 2033, with the next scheduled renewal on July 1, 2023, secured by a Ministerial guarantee for a 6-unit rental housing project and assignment of fire insurance.	1,078,479	906,643
RBC Debt consolidation loan repayable in monthly installments of \$33,830 plus interest at prime (3.95%) plus 1.5%, due June 2019, secured through tobacco tax refunds by the Government of Manitoba.	58,500	464,460

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

Notes to the Consolidated Financial Statements

For the year ended March 31, 2019

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

	2019	2018
Term loan payable in monthly installments of \$1,667 plus interest at prime plus 1.5% with a renewal of February 2020, secured by related equipment with net book value of \$7,000 (2018 - \$10,000).	38,321	58,325
CMHC construction loan advance with interest only payments at prime plus 1.5%.	500,000	-
Term loan payable in monthly installments of \$1,746 plus interest at prime plus 1.5% with a renewal of July 2019, secured by related vehicles with net book value of \$51,326 (2018 - \$73,323).	69,831	90,781
Term loan payable in monthly instalments of \$2,071 plus interest at prime plus 1.5% with a renewal of July 2019, secured by related heavy equipment with a net book value of \$34,789 (2018 - \$49,698).	57,981	82,830
Term loan payable in monthly installments of \$881 plus interest at prime plus 1.5% with a renewal of August 2019, secured by related equipment with net book value of \$28,569 (2018 - \$36,955).	36,111	46,683
Term loan payable in monthly installments of \$2,842 plus interest at prime plus 1.5% with a renewal of March 2020, secured by related equipment with net book value of \$173,000.	170,523	-
Term loan payable in monthly installments of \$5,552, plus interest at prime plus 1.5%, with a renewal date of October 2019, secured by related housing with net book value of \$709,846 (2018 - \$739,423).	505,149	571,773
Loan repaid during the year.	-	4,240
Term loan payable in monthly installments of \$2,222 plus interest at prime plus 1.5% with a renewal of November 2019, secured by related building with net book value of \$497,876 (2018 - \$518,621).	311,111	337,778
Term loan payable in monthly installments of \$6,915 plus interest at prime plus 1.5% with a renewal of September 2019, secured by a general security agreement and band council resolution.	154,145	237,125
Term loan payable in monthly installments of \$5,483 plus interest at prime plus 1.5% with a renewal of December 2019, secured by related equipment with net book value of \$64,476 (2018 - \$92,109).	115,137	180,930
RBC loan in regards to 1923-1926 surrender claim, repayable in interest only payments at prime plus .50%, due June 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.	1,429,883	1,360,774
Term loan payable in monthly installments of \$745 plus interest at prime plus 1.5% with a renewal of September 2019, secured by related vehicle with a net book value of \$15,315 (2018 - \$21,878).	22,299	31,239
Term loan payable in monthly installments of \$1,945 plus interest at prime plus 1.5% with a renewal of December 2019, secured by related equipment with net book value of \$22,868 (2018 - \$32,669).	40,837	64,173

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

Notes to the Consolidated Financial Statements

For the year ended March 31, 2019

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

	2019	2018
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.	2,536,448	2,380,827
	18,096,703	18,445,253

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:

2019-2020	1,103,200
2020-2021	973,100
2021-2022	818,200
2022-2023	814,400
2023-2024	825,400

12. Construction in progress

	2019	2018
ACS project	2,797,398	1,335,024
CMHC Construction in Progress	820,500	395,000
CMHC 6 unit project	-	1,392,288
	3,617,898	3,122,312

Fort Alexander Indian Band (o\la Sagkeeng First Nation)
Notes to the Consolidated Financial Statements
For the year ended March 31, 2019

13. Accumulated surplus

Accumulated surplus consists of the following:

	2019	2018
Equity in Ottawa Trust Funds	3,751	3,642
Invested in Tangible Capital Assets	45,532,008	47,182,118
CMHC replacement reserve	1,233,997	1,289,016
CMHC subsidy surplus reserve	-	173,082
Moveable asset reserve	263,744	209,840
Unrestricted accumulated surplus (deficit)	(2,300,762)	(3,271,913)
	44,732,738	45,585,785

14. 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:

Administration - 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.

Gaming - includes the Nation's VLT and bingo operations.

Telecommunications - currently includes the Wolf fm radio and in the future it will also include the services of internet and telephone.

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, 2019

15. 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.

16. Contingent liabilities

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

The Nation has several lawsuits outstanding as of year-end, including four wrongful dismissal claims in excess of \$280,000, one caveat on land title, two related to outstanding invoices totaling \$33,500, one claim for withheld tobacco tax rebates for \$133,000, and one human rights complaints, none of which the outcome or potential liability can be reasonably determined, and therefore no accrual has been made.

17. 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.

18. Budget information

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

19. ISC revenue reconciliation

The ISC revenues of \$35,786,740 (2017 - \$32,551,917) 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, 2019

20. FNIH revenue reconciliation

The FNIH revenues of \$6,852,256 (2018- \$6,801,075) on the consolidated statement of operations and accumulated surplus agrees to the FNIH confirmation.

21. Comparative figures

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

Fort Alexander Indian Band (o/a Sagkeeng First Nation)
Schedule 1 - Consolidated Schedule of Tangible Capital Assets

For the year ended March 31, 2019

	<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	4,427,237	455,856	3,914,336	44,471,624	34,410,341	115,587	87,794,981
Acquisition of tangible capital assets	230,591	19,661	609,006	22,240	155,212	-	1,036,710
Transfer from construction-in-progress	-	-	-	-	-	-	-
Disposal of tangible capital assets	-	-	-	-	-	-	-
Balance, end of year	4,657,828	475,517	4,523,342	44,493,864	34,565,553	115,587	88,831,691
Accumulated amortization							
Balance, beginning of year	3,298,356	418,429	2,400,803	26,597,171	9,592,563	-	42,307,322
Annual amortization	942,812	23,560	404,117	2,324,781	374,372	-	4,069,642
Accumulated amortization on disposals	-	-	-	-	-	-	-
Balance, end of year	4,241,168	441,989	2,804,920	28,921,952	9,966,935	-	46,376,964
Net book value of tangible capital assets	416,660	33,528	1,718,422	15,571,912	24,598,618	115,587	42,454,727
2018 Net book value of tangible capital assets	1,128,881	37,427	1,513,533	17,874,453	24,817,778	115,587	45,489,677

Fort Alexander Indian Band (o/a Sagkeeng First Nation)
Schedule 1 - Consolidated Schedule of Tangible Capital Assets

For the year ended March 31, 2019

	<i>Subtotal</i>	<i>Housing</i>	<i>2019</i>	<i>2018</i>
<hr/>				
Cost				
Balance, beginning of year	87,794,981	27,726,020	115,521,001	109,677,266
Acquisition of tangible capital assets	1,036,710	1,232,351	2,269,061	2,871,023
Transfer from construction-in-progress	-	-	-	3,036,364
Disposal of tangible capital assets	-	-	-	(63,652)
<hr/>				
Balance, end of year	88,831,691	28,958,371	117,790,062	115,521,001
<hr/>				
Accumulated amortization				
Balance, beginning of year	42,307,322	14,684,679	56,992,001	52,563,762
Annual amortization	4,069,642	742,437	4,812,079	4,470,028
Accumulated amortization on disposals	-	-	-	(41,789)
<hr/>				
Balance, end of year	46,376,964	15,427,116	61,804,080	56,992,001
<hr/>				
Net book value of tangible capital assets	42,454,727	13,531,255	55,985,982	58,529,000
<hr/>				
2018 Net book value of tangible capital assets	45,489,677	13,041,341	58,529,000	
<hr/>				

Fort Alexander Indian Band (o\la Sagkeeng First Nation)
Schedule 2 - Schedule of Consolidated Expenses by Object

For the year ended March 31, 2019

	2019 Budget	2019	2018
Expenses by object			
Amortization	-	4,812,079	4,470,028
Automotive, fuel and insurance	588,064	483,695	482,929
Bad debts	-	313,515	95,501
Bank charges and interest	111,078	139,964	167,792
Basic needs	-	5,403,758	5,129,705
Community donations and support	868,139	688,248	512,583
Cost of goods sold	8,203,436	7,694,550	5,995,415
Council, elders and board travel and honoraria	849,532	821,971	653,593
Economic development grants	223,017	178,889	167,620
Insurance	417,759	491,400	453,404
Interest on long-term debt	2,552,333	732,331	933,909
Professional fees and contract work	766,945	1,640,506	1,302,180
Programming, workshops and activities	3,302,116	1,306,549	1,191,182
Rent - equipment and buildings	735,714	617,359	316,211
Repairs and maintenance	2,969,314	4,220,493	3,440,996
Salaries and benefits	13,861,502	17,537,798	16,252,697
Shoreline repairs	-	4,632,903	2,151,284
Special needs	-	172,301	174,655
Supplies, office materials and other	2,709,871	1,327,169	1,434,995
Telephone and utilities	814,978	998,606	788,866
Training and professional development	2,130,166	2,092,758	2,574,347
Travel	552,219	755,538	1,033,649
Tuition	1,083,470	1,279,189	1,429,043
VLT lease and licensing	716,393	239,534	230,991
	43,456,046	58,581,103	51,383,575

Fort Alexander Indian Band (o/a Sagkeeng First Nation)
Schedule 3 - Consolidated Schedule of Segment Revenue and Expenses

For the year ended March 31, 2019

	<i>Schedule #</i>	<i>Total Revenue including other items</i>	<i>Total Expenses</i>	<i>Current Surplus (Deficit)</i>	<i>Prior Year Surplus (Deficit)</i>
Social Assistance	4	5,355,706	5,587,348	(231,642)	44,019
Education	5	13,777,689	11,283,168	2,494,521	1,704,464
Administration	6	9,491,676	13,851,317	(4,359,641)	2,724,978
Employment and Training and Daycare	7	1,847,008	1,778,177	68,831	75,202
CMHC Housing	8	1,280,380	1,402,011	(121,631)	(88,745)
Gaming	9	2,133,154	2,001,935	131,219	115,820
Wellness	10	9,475,054	8,481,659	993,395	478,099
Economic Development	11	10,425,499	10,051,832	373,667	(624,381)
Telecommunications	12	252,848	133,930	118,918	167,236
Community Infrastructure	13	3,689,041	4,009,726	(320,685)	(2,855,093)
Total		57,728,056	58,581,103	(853,047)	1,741,600

Fort Alexander Indian Band (o\la Sagkeeng First Nation)
Social Assistance
Schedule 4 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2019

	<i>2019 Budget</i>	<i>2019</i>	<i>2018</i>
Revenue			
Indigenous Services Canada	-	5,304,956	5,351,711
Other revenue	-	50,750	-
	-	5,355,706	5,351,711
Expenses			
Bank charges and interest	-	11,289	2,513
Basic needs	-	5,403,758	5,129,705
Special needs	-	172,301	174,655
	-	5,587,348	5,306,873
Surplus (deficit) before transfers	-	(231,642)	44,838
Transfers between programs	-	-	(819)
Surplus (deficit)	-	(231,642)	44,019

Fort Alexander Indian Band (o/a Sagkeeng First Nation)
Education
Schedule 5 - Consolidated Schedule of Revenue and Expenses

For the year ended March 31, 2019

	<i>2019 Budget</i>	<i>2019</i>	<i>2018</i>
Revenue			
Indigenous Services Canada	10,496,655	16,898,928	12,422,042
Other revenue	19,962	276,818	103,100
First Nations Confederacy of Cultural Education Centre	86,676	86,675	86,675
Deferred revenue - prior year	-	-	487,481
Deferred revenue - current year	-	(3,323,630)	-
	10,603,293	13,938,791	13,099,298
Expenses			
Amortization	-	-	599,027
Automotive, fuel and insurance	46,550	69,385	101,517
Bank charges and interest	-	13,874	12,888
Community donations and support	-	9,982	-
Council, elders and board travel and honoraria	180,400	214,648	46,779
Insurance	75,285	34,875	32,341
Professional fees and contract work	200,000	81,763	435,412
Programming, workshops and activities	268,447	526,216	581,223
Rent - equipment and buildings	170,500	221,059	111,151
Repairs and maintenance	132,167	340,642	553,693
Salaries and benefits	5,485,732	6,186,797	5,852,775
Supplies, office materials and other	2,055,542	555,956	616,621
Telephone and utilities	234,074	286,528	201,161
Training and professional development	1,637,621	1,529,015	2,154,044
Travel	178,131	198,579	354,327
Tuition	1,083,470	1,013,849	994,156
	11,747,919	11,283,168	12,647,115
Surplus (deficit) before transfers	(1,144,626)	2,655,623	452,183
Transfers between programs	60,160	(161,102)	1,252,281
Surplus (deficit)	(1,084,466)	2,494,521	1,704,464

Fort Alexander Indian Band (o\la Sagkeeng First Nation)
Administration
Schedule 6 - Consolidated Schedule of Revenue and Expenses

For the year ended March 31, 2019

	<i>2019 Budget</i>	<i>2019</i>	<i>2018</i>
Revenue			
Indigenous Services Canada	2,245,727	7,306,680	9,408,781
Recovery of funding	-	(2,488)	(193,738)
Province of Manitoba	50,882	-	99,732
Other revenue	61,200	1,419,185	1,110,476
Solicitor General	195,670	116,012	116,111
Deferred revenue - prior year	-	4,690,826	1,218,698
Deferred revenue - current year	-	(1,063,743)	(4,690,826)
	2,553,479	12,466,472	7,069,234
Expenses			
Amortization	-	3,367,189	108,130
Automotive, fuel and insurance	15,000	20,213	20,394
Bad debts	-	-	31,759
Bank charges and interest	52,000	34,717	81,226
Community donations and support	16,500	112,800	75,816
Council, elders and board travel and honoraria	552,000	554,073	486,432
Economic development grants	223,017	178,889	167,620
Insurance	(74,430)	4,447	(19,461)
Interest on long-term debt	1,248,832	370,907	652,721
Professional fees and contract work	199,425	1,173,148	433,206
Programming, workshops and activities	2,149,392	148,612	25,512
Rent - equipment and buildings	104,649	228,395	81,725
Repairs and maintenance	14,000	79,267	70,117
Salaries and benefits	1,388,415	2,778,065	1,372,161
Shoreline repairs	-	4,357,482	1,302,477
Supplies, office materials and other	57,289	104,172	153,306
Telephone and utilities	71,700	122,806	62,624
Training and professional development	17,389	93,955	30,394
Travel	53,390	122,180	234,408
	6,088,568	13,851,317	5,370,567
Surplus (deficit) before other items	(3,535,089)	(1,384,845)	1,698,667
Other items			
Transfers between programs	4,482,750	188,281	145,521
Unrealized gain (loss) on pension plan	-	(3,163,077)	880,790
	4,482,750	(2,974,796)	1,026,311
Surplus (deficit)	947,661	(4,359,641)	2,724,978

Fort Alexander Indian Band (o/a Sagkeeng First Nation)
Employment and Training and Daycare
Schedule 7 - Consolidated Schedule of Revenue and Expenses

For the year ended March 31, 2019

	2019 Budget	2019	2018
Revenue			
Indigenous Services Canada	78,500	85,006	49,657
First Peoples Development Inc.	1,393,008	1,573,708	1,375,275
Other revenue	-	168,667	80,724
Deferred revenue - prior year	-	120,642	295,964
Deferred revenue - current year	-	(101,015)	(120,642)
	1,471,508	1,847,008	1,680,978
Expenses			
Amortization	-	-	18,106
Automotive, fuel and insurance	-	233	750
Bank charges and interest	1,950	4,943	2,123
Council, elders and board travel and honoraria	-	125	-
Insurance	3,922	9,460	8,956
Professional fees and contract work	17,200	16,863	10,847
Programming, workshops and activities	409,664	49,644	73,673
Rent - equipment and buildings	24,948	44,397	43,654
Repairs and maintenance	103,000	14,379	29,944
Salaries and benefits	429,178	1,001,511	876,280
Supplies, office materials and other	22,000	50,695	44,113
Telephone and utilities	23,145	36,387	13,368
Training and professional development	324,000	235,998	198,444
Travel	3,967	48,202	29,813
Tuition	-	265,340	255,705
	1,362,974	1,778,177	1,605,776
Surplus (deficit)	108,534	68,831	75,202

Fort Alexander Indian Band (o\la Sagkeeng First Nation)
CMHC Housing
Schedule 8 - Consolidated Schedule of Revenue and Expenses

For the year ended March 31, 2019

	2019 Budget	2019	2018
Revenue			
Canada Mortgage and Housing Corporation	578,681	677,423	554,707
Rental income	505,358	361,531	358,518
Other revenue	-	-	423
	1,084,039	1,038,954	913,648
Expenses			
Amortization	-	472,747	499,339
Bank charges and interest	-	78	88
Insurance	174,031	179,161	179,161
Interest on long-term debt	762,247	158,098	145,498
Professional fees and contract work	5,035	12,138	2,254
Repairs and maintenance	64,639	486,552	242,660
Salaries and benefits	190,406	93,237	119,303
	1,196,358	1,402,011	1,188,303
Surplus (deficit) before transfers	(112,319)	(363,057)	(274,655)
Transfers between programs	30,000	241,426	185,910
Surplus (deficit)	(82,319)	(121,631)	(88,745)

Fort Alexander Indian Band (o/a Sagkeeng First Nation)
Gaming
Schedule 9 - Consolidated Schedule of Revenue and Expenses

For the year ended March 31, 2019

	<i>2019 Budget</i>	<i>2019</i>	<i>2018</i>
Revenue			
VLT revenue (net of payouts)	3,262,500	2,251,856	2,227,577
Other revenue	-	24,810	38,644
Bingo revenues (net of payouts)	561,725	23,929	(82,163)
	3,824,225	2,300,595	2,184,058
Expenses			
Amortization	-	167,420	83,312
Bank charges and interest	1,500	10,684	8,316
Community donations and support	787,512	429,098	351,350
Council, elders and board travel and honoraria	-	-	5,358
Insurance	5,430	9,312	9,312
Interest on long-term debt	251,085	121,588	38,613
Professional fees and contract work	22,400	28,279	28,731
Programming, workshops and activities	50,000	36,426	45,264
Rent - equipment and buildings	367,850	33,371	6,892
Repairs and maintenance	83,350	97,803	60,194
Salaries and benefits	406,475	707,571	669,002
Supplies, office materials and other	30,500	48,624	30,984
Telephone and utilities	32,475	68,952	32,727
Travel	2,700	3,273	1,864
VLT lease and licensing	716,393	239,534	230,991
	2,757,670	2,001,935	1,602,910
Surplus (deficit) before transfers	1,066,555	298,660	581,148
Transfers between programs	(30,000)	(167,441)	(465,328)
Surplus (deficit)	1,036,555	131,219	115,820

Fort Alexander Indian Band (o\la Sagkeeng First Nation)
Wellness
Schedule 10 - Consolidated Schedule of Revenue and Expenses

For the year ended March 31, 2019

	<i>2019 Budget</i>	<i>2019</i>	<i>2018</i>
Revenue			
Indigenous Services Canada	2,476,899	2,585,251	2,454,178
First Nations and Inuit Health (FNIH)	5,508,302	6,852,256	6,801,075
Recovery of funding	-	(3,371)	-
Rental income	358,722	346,114	353,040
Other revenue	29,240	39,654	123,719
Deferred revenue - prior year	-	272,493	137,714
Deferred revenue - current year	-	(611,973)	(272,493)
	8,373,163	9,480,424	9,597,233
Expenses			
Amortization	-	606,536	587,384
Automotive, fuel and insurance	420,740	285,758	263,712
Bad debts	-	5,958	31,991
Bank charges and interest	22,008	17,026	15,459
Community donations and support	28,127	26,454	30,549
Council, elders and board travel and honoraria	117,132	40,862	115,025
Insurance	66,739	47,578	58,668
Professional fees and contract work	176,457	174,367	201,925
Programming, workshops and activities	419,030	532,907	460,307
Rent - equipment and buildings	56,167	72,427	56,477
Repairs and maintenance	435,625	151,361	217,601
Salaries and benefits	4,518,123	5,252,011	5,885,116
Supplies, office materials and other	473,436	439,060	451,422
Telephone and utilities	191,596	259,289	185,753
Training and professional development	151,156	228,893	191,465
Travel	299,852	341,172	395,272
Tuition	-	-	179,181
	7,376,188	8,481,659	9,327,307
Surplus (deficit) before transfers	996,975	998,765	269,926
Transfers between programs	(479,616)	(5,370)	208,173
Surplus (deficit)	517,359	993,395	478,099

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, 2019

	<i>2019 Budget</i>	<i>2019</i>	<i>2018</i>
Revenue			
Superstore sales	10,350,654	9,440,311	7,643,120
Other revenue	-	508,044	487,204
Rental income	291,000	454,703	174,762
	10,641,654	10,403,058	8,305,086
Expenses			
Amortization	-	198,186	197,128
Automotive, fuel and insurance	-	2,812	6,235
Bad debts	-	307,557	31,751
Bank charges and interest	33,620	43,648	40,689
Community donations and support	36,000	64,512	9,652
Cost of goods sold	8,203,436	7,694,550	5,995,415
Insurance	24,633	68,966	50,984
Interest on long-term debt	141,000	62,846	70,032
Professional fees and contract work	18,900	58,847	34,313
Repairs and maintenance	168,000	202,152	222,117
Salaries and benefits	897,965	1,091,001	961,006
Supplies, office materials and other	58,100	87,849	90,743
Telephone and utilities	191,100	138,055	206,551
Training and professional development	-	4,898	-
Travel	9,100	25,953	9,927
	9,781,854	10,051,832	7,926,543
Surplus (deficit) before transfers	859,800	351,226	378,543
Transfers between programs	173,000	22,441	(1,002,924)
Surplus (deficit)	1,032,800	373,667	(624,381)

Fort Alexander Indian Band (o\la Sagkeeng First Nation)
Telecommunications
Schedule 12 - Consolidated Schedule of Revenue and Expenses
For the year ended March 31, 2019

	2019 Budget	2019	2018
Revenue			
Bingo revenues (net of payouts)	-	247,843	284,825
Other revenue	-	5,005	2,949
	-	252,848	287,774
Expenses			
Bank charges and interest	-	33	41
Community donations and support	-	45,405	45,215
Council, elders and board travel and honoraria	-	12,264	-
Professional fees and contract work	-	6,500	7,800
Programming, workshops and activities	-	5,683	5,200
Rent - equipment and buildings	-	5,500	5,500
Salaries and benefits	-	30,323	28,487
Supplies, office materials and other	-	23,906	26,315
Telephone and utilities	-	4,074	1,710
Travel	-	242	270
	-	133,930	120,538
Surplus (deficit)	-	118,918	167,236

Fort Alexander Indian Band (o/a Sagkeeng First Nation)
Community Infrastructure
Schedule 13 - Consolidated Schedule of Revenue and Expenses

For the year ended March 31, 2019

	2019 Budget	2019	2018
Revenue			
Indigenous Services Canada	2,856,647	3,605,919	2,865,547
Recovery of funding	-	-	(200,000)
Other revenue	138,900	102,032	241,009
Deferred revenue - prior year	-	266,480	1,115,287
Deferred revenue - current year	-	(167,154)	(266,480)
	2,995,547	3,807,277	3,755,363
Expenses			
Amortization	-	-	2,377,602
Automotive, fuel and insurance	105,774	105,294	90,320
Bank charges and interest	-	3,671	4,450
Insurance	142,149	137,601	133,443
Interest on long-term debt	149,169	18,893	27,046
Professional fees and contract work	127,528	88,600	147,692
Programming, workshops and activities	5,583	7,060	-
Rent - equipment and buildings	11,600	12,209	10,812
Repairs and maintenance	1,968,533	2,848,336	2,044,671
Salaries and benefits	545,208	397,282	488,567
Shoreline repairs	-	275,421	848,807
Supplies, office materials and other	13,004	16,905	21,492
Telephone and utilities	70,888	82,517	84,973
Travel	5,079	15,937	7,768
	3,144,515	4,009,726	6,287,643
Surplus (deficit) before transfers	(148,968)	(202,449)	(2,532,280)
Transfer between programs	(65,592)	(118,236)	(322,813)
Surplus (deficit)	(214,560)	(320,685)	(2,855,093)