

**Fort Alexander Indian Band (o\u00e1  
Sagkeeng First Nation)  
Consolidated Financial Statements**

*March 31, 2023*

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

For the year ended March 31, 2023

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## **Management's Responsibility**

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To the Members of Fort Alexander Indian Band (o\u00e1 Sagkeeng First Nation):

The accompanying consolidated financial statements of Fort Alexander Indian Band (o\u00e1 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 policies 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\u00e1 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 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.

November 9, 2023



**MNP LLP**

True North Square  
242 Hargrave Street, Suite 1200, Winnipeg MB, R3C 0T8

1.877.500.0795 T: 204.775.4531 F: 204.783.8329

## Independent Auditor's Report

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

### **Qualified 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, 2023, and the consolidated statements of operations and accumulated surplus, changes 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, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Nation as at March 31, 2023, and the results of its operations, changes in its net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### **Basis for Qualified Opinion**

Canadian public sector accounting standards ("PSAS") Section PS 3280 Asset Retirements Obligations ("ARO") was adopted by the Nation as of April 1, 2022 prospectively and requires the recognition of an ARO liability when there is a legal obligation that establishes a clear responsibility to incur retirement costs in relation to a tangible capital asset. The Nation has not identified ARO liabilities as of March 31, 2023 and we were unable to satisfy ourselves concerning the completeness of those liabilities by alternative means. Consequently, we were not able to determine whether any adjustments would be necessary to liabilities and tangible capital assets and as at March 31, 2023 and expenses and change in net debt end of year for the year-ended March 31, 2023.

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 qualified 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.

**MNP LLP**

True North Square

242 Hargrave Street, Suite 1200, Winnipeg MB, R3C 0T8

1.877.500.0795 T: 204.775.4531 F: 204.783.8329

- 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 Nation's 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

November 9, 2023

*MNP LLP*

Chartered Professional Accountants

**MNP LLP**

True North Square

242 Hargrave Street, Suite 1200, Winnipeg MB, R3C 0T8

1.877.500.0795 T: 204.775.4531 F: 204.783.8329

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

## **Consolidated Statement of Financial Position**

As at March 31, 2023

	2023	2022
<b>Financial assets</b>		
Cash (Note 8)	5,283,555	14,385,405
Investments (Note 3)	224,284	134,268
Accounts receivable (Note 4)	1,544,721	3,903,705
Inventory for resale (Note 5)	302,950	267,941
Restricted cash (Note 6)	1,641,025	2,658,454
	<b>8,996,535</b>	21,349,773
<b>Liabilities</b>		
Employee future benefits (Note 7)	-	373,606
Accounts payable and accruals (Note 9)	4,096,655	2,408,564
Deferred revenue (Note 10)	19,552,616	16,880,258
Long-term debt (Note 11)	25,052,046	19,327,738
	<b>48,701,317</b>	38,990,166
<b>Net debt</b>	<b>(39,704,782)</b>	(17,640,393)
<b>Contingent liabilities (Note 19)</b>		
<b>Non-financial assets</b>		
Tangible capital assets (Schedule 1)	80,899,089	72,723,726
Prepaid expenses	1,102,194	931,780
Construction in progress (Note 12)	17,644,672	7,313,706
	<b>99,645,955</b>	80,969,212
<b>Accumulated surplus (Note 13)</b>	<b>59,941,173</b>	63,328,819

Approved on behalf of the Chief and Council

### Chief

### Councillor

## Councillor

## Councillor

### Councillor

### Councillor

### Councillor

### Councillor

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

*For the year ended March 31, 2023*

	<i>Schedules</i>	<i>2023 Budget</i>	<i>2023</i>	<i>2022</i>
<b>Revenue</b>				
Indigenous Services Canada (ISC) (Note 15)		<b>42,487,592</b>	<b>59,060,103</b>	55,849,561
Canada Mortgage and Housing Corporation		550,864	952,339	809,920
Province of Manitoba		114,246	455,335	142,492
Superstore sales		43,152,702	60,467,777	56,801,973
Other revenue		9,413,000	12,014,915	8,016,436
Service Canada		6,527,118	3,401,650	1,574,528
Rental income		236,540	1,829,802	1,796,912
VLT revenue (net of payouts)		1,412,318	966,975	883,491
Bingo revenues (net of payouts)		1,877,759	2,164,602	936,000
Fall economic funding		87,000	(855,520)	976,602
First Nations Confederacy of Cultural Education Centre		-	41,171	164,684
Deferred revenue - prior year (Note 10)		387,608	16,880,258	8,917,794
Deferred revenue - current year (Note 10)		-	(19,552,616)	(16,880,258)
		<b>63,094,045</b>	<b>77,359,014</b>	63,754,820
<b>Segment expenses</b>				
Education	4	30,897,211	18,892,411	15,078,284
Administration	5	1,495,016	15,388,756	13,863,321
Employment and Training and Daycare	6	253,798	2,444,972	1,592,318
CMHC Housing	7	1,056,222	1,515,312	1,290,392
Gaming	8	1,743,259	1,752,552	1,163,989
Wellness	9	10,086,523	12,540,244	10,146,178
Economic Development	10	7,713,021	13,037,852	8,750,002
Telecommunications	11	-	222,748	179,009
Social Assistance	12	5,301,880	9,619,196	7,795,340
Public Works	13	1,109,666	5,332,617	3,858,776
<b>Total segment expenses (Schedule 2)</b>		<b>59,656,596</b>	<b>80,746,660</b>	63,717,609
<b>Annual surplus (deficit)</b>		<b>3,437,449</b>	<b>(3,387,646)</b>	37,211
Accumulated surplus, beginning of year		63,328,819	63,328,819	63,291,608
<b>Accumulated surplus, end of year</b>		<b>66,766,268</b>	<b>59,941,173</b>	63,328,819

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

**Fort Alexander Indian Band (o\la Sagkeeng First Nation)**  
**Consolidated Statement of Change in Net Debt**

*For the year ended March 31, 2023*

	<i>2023 Budget</i>	<i>2023</i>	<i>2022</i>
<b>Annual surplus (deficit)</b>	<b>3,437,449</b>	<b>(3,387,646)</b>	<b>37,211</b>
Purchases of tangible capital assets	-	(11,983,143)	(3,605,768)
Amortization of tangible capital assets	-	4,760,280	6,286,641
Acquisition of construction in progress	-	(11,283,466)	(1,177,500)
Change in prepaid expenses	-	(170,414)	(884,141)
<b>Change in net debt</b>	<b>3,437,449</b>	<b>(22,064,389)</b>	<b>656,443</b>
<b>Net debt, beginning of year</b>	<b>(17,640,393)</b>	<b>(17,640,393)</b>	<b>(18,296,836)</b>
<b>Net debt, end of year</b>	<b>(14,202,944)</b>	<b>(39,704,782)</b>	<b>(17,640,393)</b>

**Fort Alexander Indian Band (o\la Sagkeeng First Nation)**  
**Consolidated Statement of Cash Flows**

*For the year ended March 31, 2023*

**2023**

**2022**

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

**Operating activities**

Cash receipts from contributors	82,390,355	69,629,068
Cash paid to suppliers	(48,642,592)	(35,648,527)
Cash paid to employees	(25,687,403)	(21,772,672)
Interest on long-term debt	(502,324)	(543,434)
	<b>7,558,036</b>	<b>11,664,435</b>

**Financing activities**

Advances of long-term debt	10,069,946	1,611,466
Repayment of long-term debt	(4,345,636)	(8,095,178)
	<b>5,724,310</b>	<b>(6,483,712)</b>

**Capital activities**

Purchases of tangible capital assets	(11,983,143)	(3,605,768)
Purchases in construction in progress	(11,283,466)	(1,177,500)
	<b>(23,266,609)</b>	<b>(4,783,268)</b>

**Investing activities**

Change in investments	(90,016)	(12,785)
Change in restricted cash	1,017,429	13,703
	<b>927,413</b>	<b>918</b>

**Increase (decrease) in cash resources**

<b>Cash resources, beginning of year</b>	<b>14,385,405</b>	398,373
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<b>Cash resources, end of year</b>	<b>5,328,555</b>	14,385,405
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# Fort Alexander Indian Band (o\u00e1 Sagkeeng First Nation)

## Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

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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 M. Guimond Care Centre Inc.
- Sagkeeng Administration
- Sagkeeng Education
- Sagkeeng Social Services
- Sagkeeng Employment and Training Services
- Sagkeeng First Nation Bingo Committee
- Sagkeeng First Nation Gaming Control Commission
- Sagkeeng First Nation Trust Fund
- Sagkeeng First Nation Video Lottery Committee
- Sagkeeng Memorial Arena Inc.
- 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***

Long-term investments in entities that are not controlled or influenced by the Nation reporting entity are accounted for using the cost method. Any impairment in these investments which is other than temporary is charged against the amount the investment is reported.

# Fort Alexander Indian Band (oɬa Sagkeeng First Nation)

## Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

### 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 and less provisions made for slow moving or obsolete inventory.

#### **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 (oɬa Sagkeeng First Nation)

## Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

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

#### **Revenue recognition**

Government transfer revenue, which includes, but is not limited to, funding from ISC, CMHC, Province of Manitoba and Service Canada 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) are 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.

#### **Measurement uncertainty**

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after estimates as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Inventory is stated after provisions are made for slow moving or obsolete inventory. Amortization is based on the estimated useful lives of tangible capital assets. Deferred revenue is recorded based on management's analysis of the extent to which eligibility requirements have been met on government transfer revenue. Employee future benefits are based off of actuarial report assumptions.

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 17. These operating segments are established by senior management to facilitate the achievement of the Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

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

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

# Fort Alexander Indian Band (oɬa Sagkeeng First Nation)

## Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

### 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 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, 2023.

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.

#### ***Asset retirement obligation***

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the consolidated financial statement date when there is a legal obligation for the Nation to incur retirement costs in relation to a tangible capital asset (or component thereof), the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at March 31, 2023. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset (or component thereof). The asset retirement cost is amortized over the useful life of the related asset.

At each financial reporting date, the Nation reviews the carrying amount of the liability. The Nation recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset.

The Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

#### ***Fair value measurements***

The Nation classifies fair value measurements recognized in the statement of financial position using a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

- Level 1: Quoted prices (unadjusted) are available in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices in active markets that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Unobservable inputs in which there is little or no market data, which require the Nation to develop its own assumptions.

Fair value measurements are classified in the fair value hierarchy based on the lowest level input that is significant to that fair value measurement. This assessment requires judgment, considering factors specific to an asset or a liability and may affect placement within the fair value hierarchy.

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

## Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

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

#### **Financial instruments**

The Nation recognizes its financial instruments when the Nation becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties.

At initial recognition, the Nation may irrevocably elect to subsequently measure any financial instrument at fair value. The Nation has made such an election during the year.

Cash, accounts receivable and restricted cash are subsequently measured at their amortized cost using the effective interest rate method. Amortized cost is the amount at which the financial asset is measured at their initial recognition less principal payments, plus or minus the cumulative amortization using the effective interest rate method of any difference between the initial amount and the maturity amount, and less any reduction for impairment or uncollectability.

Employee future benefits, accounts payable and accruals and long-term debt are subsequently measured at their amortized cost using the effective interest rate method. Under this method, estimated future cash payments are discounted over the liability's expected life, or other appropriate period, to their net carrying value. Amortized cost is the amount at which the financial liability is measured at initial recognition less principal repayments, plus or minus the cumulative amortization using the effective interest rate method of any difference between that initial amount and the maturity amount.

The Nation subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Transactions to purchase or sell these items are recorded on the trade date. Net gains and losses arising from changes in fair value are recognized in the statement of remeasurement gains and losses. There are no transactions to report on the statement of remeasurement gains and losses for the current year. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost. With the exception of those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in operating annual surplus (deficit). Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

All financial assets except derivatives are tested annually for impairment. Management considers whether the investee has experienced continued losses for a period of years, recent collection experience for the loan, such as a default or delinquency in interest or principal payments in determining whether objective evidence of impairment exists. Any impairment, which is not considered temporary, is recorded in the statement of operations. Write-downs of financial assets measured at cost and/or amortized cost to reflect losses in value are not reversed for subsequent increases in value. Reversals of any net remeasurements of financial assets measured at fair value are reported in the consolidated statement of remeasurement gains and losses.

#### **Statement of Remeasurement Gains and Losses**

By presenting remeasurement gains (losses) separately, changes in the carrying value of financial instruments arising from fair value measurement, unrealized foreign exchange gains (losses) and other comprehensive income arising from investments in government business entities are distinguished from revenues and expenses reported in the consolidated statement of operations. The consolidated statement of operations reports the extent to which revenues raised in the period were sufficient to meet the expenses incurred. Remeasurement gains (losses) do not affect this assessment as they are recognized in the consolidated statement of remeasurement gains and losses. Taken together, the two statements account for changes in a Nation's net assets (liabilities) in the period.

Upon settlement, the cumulative gain (loss) is reclassified from the consolidated statement of remeasurement gains and losses and recognized in the consolidated statement of operations. Interest and dividends attributable to all financial instruments are reported in the statement of operations. There are no transactions to report in the consolidated statement of remeasurement gains and losses, therefore no statement has been presented in these consolidated financial statements.

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

*For the year ended March 31, 2023*

**3. Investments**

	2023	2022
Measured at cost:		
Guaranteed investment certificate	115,000	20,000
Treaty One Development Corporation (14.28% ownership)	1	1
10040629 Manitoba Ltd. (25% ownership)	25	25
	<b>115,026</b>	20,026
Measured at fair value:		
Sun Life Financial (Cost - \$39,860 (2022 - \$35,217))	<b>109,258</b>	114,242
	<b>224,284</b>	134,268

**4. Accounts receivable**

	2023	2022
Indigenous Services Canada ("ISC")	103,500	2,344,975
First Nation Safety Officer Program	422,197	-
Trade and other	1,299,193	1,484,631
Canada Mortgage and Housing Corporation ("CMHC")	84,340	74,879
Tobacco tax	89,475	94,685
Receivable from staff	522,209	509,976
Allowance for doubtful accounts - staff and trade and other	(976,193)	(605,441)
	<b>1,544,721</b>	3,903,705

**5. Inventory for resale**

	2023	2022
Gaming	11,236	11,236
Economic Development - Superstore	291,714	256,706
	<b>302,950</b>	267,941

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

## Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

### 6. Restricted cash

	2023	2022
Sagkeeng First Nation Consolidated Revenue Trust Fund	177,688	194,266
Fort Alexander Health Centre Moveable Asset Reserve	171,513	171,603
CMHC replacement reserve	1,287,667	2,163,960
CMHC subsidy surplus reserve	-	124,617
Ottawa Trust Fund	4,157	4,008
	<b>1,641,025</b>	2,658,454

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 ISC and has set aside an amount of \$171,513 (2022 - \$171,603) 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 ISC. The account is underfunded by \$334,568 (2022 - \$270,978).

#### ***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 (2022 - \$315); 2023 interest revenue - \$nil (2022 - \$nil)
Revenue trust	\$3,842 (2022 - \$3,693); 2023 interest revenue - \$149 (2022 - \$101)

#### ***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, 2023 the subsidy surplus reserve was overfunded by \$nil (2022 - overfunded by \$124,617). As at March 31, 2023 the replacement reserve was overfunded by \$2,288 (2022 - overfunded by \$1,025,239).

**Fort Alexander Indian Band (o\la Sagkeeng First Nation)**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2023*

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**7. Employee future benefits**

The Nation has made the transition from a defined benefit plan to a defined contribution plan effective September 1, 2020. The Nation's contributions to the defined contribution plan are expensed as incurred, and no further liability exists under this plan.

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

	<b>2023</b>	<b>2022</b>
<b>Pension and Post retirement expense</b>		
Interest cost	-	522,843
Expected return on plan assets	-	(538,504)
Plan expenses	-	43,725
Amortization of net actuarial (gain)/loss	-	994,150
 Pension expense (income)	 -	 1,022,214
<b>Accrued Benefit Asset (Liability)</b>		
Accrued benefit asset (liability), opening	-	501,880
Add: pension income (expense)	-	(1,022,214)
Add: band contributions	-	146,728
 Accrued benefit asset (liability), ending	 -	 (373,606)
<b>Accrued Benefit Obligation</b>		
Accrued benefit obligations, opening	-	29,803,321
Interest cost	-	522,843
Benefit payments	-	(22,656,585)
Actuarial (gain)/loss	-	352,885
 Accrued benefit obligation, ending	 -	 8,022,464

**Fort Alexander Indian Band (o\la Sagkeeng First Nation)**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2023*

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

	2023	2022
<b>Reconciliation of Plan Assets</b>		
Market value of plan assets, opening	-	30,305,202
Band contributions	-	146,728
Benefit payments	-	(22,656,585)
Expenses	-	(43,725)
Actual return on plan assets	-	(102,761)
Market value of plan assets, ending	-	7,648,859
<b>Unamortized (Gains)/Losses</b>		
New net (gain) loss for current year	-	(994,150)
Amortization for current year	-	994,150
Net unamortized (gain) loss, ending	-	-
<b>Reconciliation of surplus (deficit) to accrued benefit asset</b>		
Surplus (deficit) of plan assets over obligations, ending	-	(373,606)
Accrued benefit asset (liability), ending	-	(373,606)

**Actuarial assumptions for year-end disclosure**

Discount rate for pension expense	<b>N/A</b>	2.73%
Discount rate for end of year accrued benefit obligation	<b>N/A</b>	2.83%
Expected return on plan assets for pension expense	<b>N/A</b>	2.73%
Expected remaining service life for pension expense (in years)	<b>0.00</b>	0.00

**Asset breakdown**

Fixed income (bonds and mortgages)	<b>N/A</b>	<u>100.0%</u>
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**Fort Alexander Indian Band (o\la Sagkeeng First Nation)**  
**Notes to the Consolidated Financial Statements**

*For the year ended March 31, 2023*

**8. Credit facility**

The Nation also has 1 operating line of credit up to a maximum of \$2,000,000 at an interest rate of prime plus 1%. As at March 31, 2023, \$nil (2022 - \$20,000) was drawn on this facility. The operating lines are secured by a general security agreement and band council resolution. Prime rate at March 31, 2023 is 6.70% (2022 - 2.70%).

**9. Accounts payable and accruals**

	2023	2022
Trade payables	3,343,401	1,844,909
Wages and source deductions payable	753,254	563,655
	<b>4,096,655</b>	2,408,564

**10. Deferred revenue**

	2023	2022
Education - Heritage Centre (Schedule 4)	-	151,276
Administration - ISC (Schedule 5)	11,511,224	8,573,611
Employment and Training and Daycare - AMC (Schedule 6)	301,512	422,860
Employment and Training and Daycare - CRF (Schedule 6)	285,487	417,890
Employment and Training and Daycare - Fall Economic Funding (Schedule 6)	351,065	500,931
Wellness - ISC (Schedule 9)	5,323,657	5,034,019
Community Infrastructure - ISC (Schedule 13)	1,779,671	1,779,671
	<b>19,552,616</b>	16,880,258

**Fort Alexander Indian Band (oɬa Sagkeeng First Nation)**  
**Notes to the Consolidated Financial Statements**

*For the year ended March 31, 2023*

**11. Long-term debt**

	<b>2023</b>	<b>2022</b>
BMO demand loan repayable in monthly payments of \$104,443 including interest, at prime plus 3%, due on demand. Loan is secured by a band council resolution approved up to a maximum of \$10,500,000, assignment of tobacco tax rebate revenues, fuel tax rebate revenues and gaming revenues.	<b>8,801,752</b>	-
Term loan repaid during the year.	-	2,177,251
Mortgage repaid during the year.	-	712,092
Term loan repaid during the year.	-	305,277
Term loan repaid during the year.	-	231,111
Term loan repaid during the year.	-	68,209
Term loan repaid during the year.	-	6,983
Term loan repaid during the year.	-	4,395
RBC loan in regards to land settlement claim, repayable in interest only payments at prime plus .50%, due when the claim is settled. The loan is authorized up to a combined amount of \$5,976,320 with the surrender claim 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.	<b>3,276,471</b>	3,115,625
RBC loan in regards to 1923-1926 surrender claim, repayable in interest only payments at prime plus .50%, due when the claim is settled. The loan is authorized up to a combined amount of \$5,976,320 with the land settlement claim 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.	<b>2,061,043</b>	1,991,626
Phase 1, Post 1996 - 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 rental housing project and assignment of fire insurance.	<b>934,910</b>	1,012,082
Phase 2, Post 1996 - CMHC mortgage repayable in monthly payments of \$8,229 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 rental housing project and assignment of fire insurance.	<b>937,516</b>	1,014,617
Phase 3, Post 1996 - CMHC mortgage repayable in monthly payments of \$8,596 including interest at 1.83%, maturing December 1, 2034, with the next scheduled renewal on May 1, 2023, secured by a Ministerial guarantee for a 15-unit rental housing project and assignment of fire insurance.	<b>1,090,124</b>	1,172,578
Phase 4, Post 1996 - CMHC mortgage repayable in monthly payments of \$3,748 including interest at 0.68%, maturing August 1, 2035, with the next scheduled renewal on August 1, 2025, secured by a Ministerial guarantee for an 8-unit rental housing project and assignment of fire insurance.	<b>535,341</b>	576,526

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

*For the year ended March 31, 2023*

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

	<b>2023</b>	<b>2022</b>
Phase 5, Post 1996 - CMHC mortgage repayable in monthly payments of \$3,936 including interest at 0.74%, maturing February 1, 2036, with the next scheduled renewal on February 1, 2026, secured by a Ministerial guarantee for a 7-unit rental housing project and assignment of fire insurance.	581,631	624,390
Phase 6, Post 1996 - CMHC mortgage repayable in monthly payments of \$6,359 including interest at 2.27%, maturing March 1, 2037, with the next scheduled renewal on April 1, 2027, secured by a Ministerial guarantee for a 10-unit rental housing project and assignment of fire insurance.	915,111	970,385
Phase 7, Post 1996 - 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.	740,983	779,325
Phase 8, Post 1996 - 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.	812,897	881,638
Phase 9, Post 1996 - CMHC mortgage repayable in monthly payments of \$7,366 including interest at 1.73%, maturing August 1, 2034, with the next scheduled renewal on August 1, 2024, secured by a Ministerial guarantee for a 6-unit rental housing project and assignment of fire insurance.	915,382	987,313
Phase 10, Post 1996 - CMHC mortgage repayable in monthly payments of \$8,442 including interest at .96%, maturing March 1, 2036, with the next scheduled renewal on March 1, 2026, secured by a Ministerial guarantee for a 7-unit rental housing project and assignment of fire insurance.	1,237,766	1,326,744
Phase 11, Post 1996 - CMHC mortgage repayable in monthly payments of \$8,777 including interest at 1.88%, maturing February 1, 2037, with the next scheduled renewal on February 1, 2027, secured by a Ministerial guarantee for a 6-unit rental housing project and assignment of fire insurance.	1,289,218	1,369,571
Phase 12, Post 1996 - CMHC mortgage repayable in monthly payments of \$6,971 including interest at 3.29%, maturing September 1, 2037, with the next scheduled renewal on September 1, 2027, secured by a Ministerial guarantee for a 5-unit rental housing project and assignment of fire insurance.	921,902	-
	<b>25,052,046</b>	<b>19,327,738</b>

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:

2024	6,550,000
2025	1,317,000
2026	1,384,000
2027	1,484,000
2028	1,535,000

**Fort Alexander Indian Band (o\la Sagkeeng First Nation)**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2023*

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**12. Construction in progress**

	2023	2022
Housing projects	8,468,412	136,206
Pitambara housing project - estimated total costs is \$10M	8,000,000	6,225,000
Kookum Lodge project	1,106,652	-
Housing project - Disability program	69,608	-
Fibre project - estimated total costs is \$7M	-	952,500
	<b>17,644,672</b>	7,313,706

**13. Accumulated operating surplus**

Accumulated operating surplus consists of the following:

	2023	2022
Equity in Ottawa Trust Funds	4,157	4,008
Invested in Tangible Capital Assets	79,716,229	66,736,181
CMHC replacement reserve	1,285,379	1,138,721
Moveable asset reserve	506,081	442,581
Unrestricted accumulated surplus (deficit)	<b>(21,570,673)</b>	(4,992,672)
	<b>59,941,173</b>	63,328,819

**14. Budget information**

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

**15. ISC revenue reconciliation**

The ISC revenues of \$59,060,103 (2022 - 55,849,561) on the consolidated statement of operations and accumulated surplus agrees to the ISC confirmation

**16. First Nations Financial Transparency Act**

The Nation is required to post its consolidated financial statements on a website and submit the consolidated financial statements to ISC by July 29, 2023. Since the audit report is dated after this date, the Nation has not complied with this requirement, and the impact of this non-compliance is unknown at this time, if any.

# Fort Alexander Indian Band (oɬa Sagkeeng First Nation)

## Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

### 17. Segments

The Nation has ten 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.

**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 and Daycare** - employment services to assist community members to find and maintain meaningful employment.

**Economic Development** - other Nation programs not funded by ISC, including its commercial operations.

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

**Telecommunications** - currently includes the Wolf fm radio station 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.

### 18. Economic dependence

The Nation receives substantially all of its revenue from Indigenous Services Canada (ISC) 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.

### 19. Contingent liabilities

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

The Nation has several lawsuits outstanding as of year-end, none of which the outcome or potential liability can be reasonably determined, and therefore no accrual has been made. Lawsuits outstanding include one wrongful dismissal claim in excess of \$280,000, two possible claims related to an employee matter, two claims seeking damages of \$140,000, and one possible claim seeking invoice payment in the amount of 35,500.

# Fort Alexander Indian Band (oɬa Sagkeeng First Nation)

## Notes to the Consolidated Financial Statements

For the year ended March 31, 2023

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### 20. Provision for site rehabilitation

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

As directed by PS 3270, a liability must be recognized beginning when the landfill first accepts waste to the date the landfill stops accepting waste. The liability for closure and post-closure care is recognized as the site capacity is used to the extent of the proportion of site capacity used compared to the estimated total expenditure required for closure and post-closure care.

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

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

### 21. Comparative figures

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

### 22. Financial Instruments

The Nation as part of its operations carries a number of financial instruments. It is management's opinion that the Nation is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

#### ***Fair value of financial instruments***

Fair value estimates are subjective in nature and involve uncertainties and matters of significant judgment. Unless otherwise stated, the book value of the Nation's financial assets and liabilities approximates their fair value due to the short-term maturities of the instruments. The fair value of the Nation's long-term debt is approximated by its carrying value as the terms and conditions of similar instruments are not materially different from those associated with the Nation's current long-term debt.

#### ***Liquidity risk***

The Nation manages the liquidity by maintaining adequate cash and collection of accounts receivables to ensure current liabilities are being paid by due dates. Liquidity is also managed by updating and reviewing multi-year cash flow projections on a regular basis and on an as-needed basis

#### ***Interest rate risk***

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. In seeking to minimize the risks from interest rate fluctuations, the Nation manages exposure through closely monitoring its operating cash flows to ensure there is availability of cash to repay loans.

The Nation is exposed to a fixed interest rate risk with respect to bank indebtedness and long-term debt where the majority include prime rate.

**Fort Alexander Indian Band (oɬa Sagkeeng First Nation)**  
**Schedule 1 - Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2023*

	<i>Vehicles and heavy equipment</i>	<i>Computers</i>	<i>Equipment and furniture</i>	<i>Community Buildings</i>	<i>Infrastructure</i>	<i>Land</i>	<i><b>Subtotal</b></i>
<b>Cost</b>							
Balance, beginning of year	8,075,831	605,325	5,375,917	67,686,476	35,538,938	142,587	117,425,074
Acquisition of tangible capital assets	343,475	117,539	60,738	3,183,151	6,030,763	-	9,735,666
Transfer from construction-in-progress	-	-	-	-	952,500	-	952,500
Balance, end of year	8,419,306	722,864	5,436,655	70,869,627	42,522,201	142,587	128,113,240
<b>Accumulated amortization</b>							
Balance, beginning of year	6,287,542	588,918	4,609,860	35,158,771	12,920,499	-	59,565,590
Annual amortization	475,716	39,580	279,572	1,926,007	785,436	-	3,506,311
Balance, end of year	6,763,258	628,498	4,889,432	37,084,778	13,705,935	-	63,071,901
<b>Net book value of tangible capital assets</b>	<b>1,656,048</b>	<b>94,366</b>	<b>547,223</b>	<b>33,784,849</b>	<b>28,816,266</b>	<b>142,587</b>	<b>65,041,339</b>
Net book value of tangible capital assets 2022	1,788,289	16,407	766,057	32,527,705	22,618,439	142,587	57,859,484

**Fort Alexander Indian Band (o\u00e1 Sagkeeng First Nation)**  
**Schedule 1 - Schedule of Tangible Capital Assets**  
*For the year ended March 31, 2023*

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	<i>Subtotal</i>	<i>Housing</i>	2023	2022
<b>Cost</b>				
Balance, beginning of year	117,425,074	34,768,449	152,193,523	125,331,598
Acquisition of tangible capital assets	9,735,666	2,247,477	11,983,143	3,605,768
Transfer from construction-in-progress	952,500	-	952,500	23,256,157
Balance, end of year	<b>128,113,240</b>	<b>37,015,926</b>	<b>165,129,166</b>	<b>152,193,523</b>
<b>Accumulated amortization</b>				
Balance, beginning of year	59,565,590	19,904,207	79,469,797	73,183,156
Annual amortization	3,506,311	1,253,969	4,760,280	6,286,641
Balance, end of year	<b>63,071,901</b>	<b>21,158,176</b>	<b>84,230,077</b>	<b>79,469,797</b>
<b>Net book value of tangible capital assets</b>	<b>65,041,339</b>	<b>15,857,750</b>	<b>80,899,089</b>	<b>72,723,726</b>
Net book value of tangible capital assets 2022	<b>57,859,484</b>	<b>14,864,242</b>	<b>72,723,726</b>	

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

*For the year ended March 31, 2023*

	<b>2023 Budget</b>	<b>2023</b>	<b>2022</b>
<b>Expenses by object</b>			
Amortization	-	<b>4,760,280</b>	6,286,641
Automotive, fuel and insurance	515,845	<b>1,344,917</b>	977,440
Bad debts (recovery)	-	<b>418,847</b>	(7,354)
Bank charges and interest	81,879	<b>154,737</b>	113,604
Basic needs	5,154,880	<b>9,556,540</b>	7,791,127
Community donations and support	980,990	<b>745,642</b>	349,283
Contracted services	58,550	<b>369,101</b>	59,260
Cost of goods sold	5,871,603	<b>9,584,962</b>	6,644,491
Council, elders and board travel and honoraria	308,000	<b>1,499,191</b>	996,259
COVID-19 expenses	-	<b>1,344,451</b>	1,203,298
Economic development grants	-	<b>133,519</b>	142,687
Insurance	192,099	<b>695,349</b>	715,443
Interest on long-term debt	1,091,384	<b>502,324</b>	543,434
Professional fees and contract work	814,415	<b>2,274,747</b>	1,700,306
Programming, workshops and activities	1,618,044	<b>3,748,464</b>	2,593,457
Property tax	-	<b>24,095</b>	-
Rent - equipment and buildings	170,671	<b>547,802</b>	327,096
Repairs and maintenance	1,123,003	<b>7,672,193</b>	3,924,997
Salaries and benefits	34,966,182	<b>25,687,403</b>	21,843,111
Shoreline repairs	-	<b>50,366</b>	74,803
Special needs	138,500	<b>54,981</b>	-
Supplies, office materials and other	1,151,300	<b>2,884,954</b>	2,152,203
Telephone and utilities	1,176,880	<b>1,393,204</b>	1,240,697
Training and professional development	2,764,609	<b>3,468,730</b>	2,500,946
Travel	471,318	<b>880,109</b>	323,077
Tuition	1,006,444	<b>1,331,002</b>	1,172,257
VLT lease and licensing	-	<b>61,084</b>	28,793
	<b>59,656,596</b>	<b>80,746,660</b>	63,717,609

**Fort Alexander Indian Band (o\la Sagkeeng First Nation)**  
**Schedule 3 - Consolidated Schedule of Segment Revenue and Expenses**  
*For the year ended March 31, 2023*

	<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>
Education	4	23,808,639	18,892,411	4,916,228	4,655,100
Administration	5	8,062,440	15,388,756	(7,326,316)	(8,242,395)
Employment and Training and Daycare	6	2,708,011	2,444,972	263,039	(31,464)
CMHC Housing	7	1,491,219	1,515,312	(24,093)	117,908
Gaming	8	2,179,294	1,752,552	426,742	563,273
Wellness	9	13,994,484	12,540,244	1,454,240	2,491,312
Economic Development	10	12,649,474	13,037,852	(388,378)	(182,970)
Telecommunications	11	(1,004,095)	222,748	(1,226,843)	693,793
Social Assistance	12	8,710,071	9,619,196	(909,125)	(130,126)
Public Works	13	4,759,476	5,332,617	(573,141)	102,780
<b>Total</b>		<b>77,359,014</b>	<b>80,746,660</b>	<b>(3,387,646)</b>	<b>37,211</b>

**Fort Alexander Indian Band (o\la Sagkeeng First Nation)**  
**Education**  
**Schedule 4 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2023*

	<b>2023 Budget</b>	<b>2023</b>	<b>2022</b>
<b>Revenue</b>			
Indigenous Services Canada	25,667,150	23,532,428	19,128,910
Other revenue	4,842,453	83,764	271,328
First Nations Confederacy of Cultural Education Centre	-	41,171	164,684
Deferred revenue - prior year	387,608	151,276	319,738
Deferred revenue - current year	-	-	(151,276)
	<b>30,897,211</b>	<b>23,808,639</b>	<b>19,733,384</b>
<b>Expenses</b>			
Automotive, fuel and insurance	79,162	205,484	191,117
Bank charges and interest	1,068	2,203	1,901
Council, elders and board travel and honoraria	66,000	145,084	60,025
COVID-19 expenses	-	11,041	-
Insurance	49,848	61,649	57,055
Supplies, office materials and other	520,781	961,436	812,256
Professional fees and contract work	142,623	197,152	49,378
Programming, workshops and activities	643,692	1,136,181	805,213
Rent - equipment and buildings	93,271	141,677	119,006
Repairs and maintenance	213,000	397,618	513,273
Salaries and benefits	25,211,905	10,947,539	9,070,280
Telephone and utilities	473,460	571,061	503,367
Training and professional development	2,350,059	2,762,384	1,877,415
Travel	45,898	329,180	27,589
Tuition	1,006,444	1,022,722	990,409
	<b>30,897,211</b>	<b>18,892,411</b>	<b>15,078,284</b>
<b>Surplus (deficit)</b>	<b>-</b>	<b>4,916,228</b>	<b>4,655,100</b>

**Fort Alexander Indian Band (o\la Sagkeeng First Nation)**  
**Administration**  
**Schedule 5 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2023*

	<b>2023 Budget</b>	<b>2023</b>	<b>2022</b>
<b>Revenue</b>			
Indigenous Services Canada	893,320	11,898,775	14,254,339
Province of Manitoba	83,246	422,197	126,974
Other revenue	1,436,409	1,567,400	734,408
Rental income	-	170,864	-
Deferred revenue - prior year	-	8,573,611	3,159,191
Deferred revenue - current year	-	(11,511,224)	(8,573,611)
	<b>2,412,975</b>	<b>11,121,623</b>	<b>9,701,301</b>
<b>Expenses</b>			
Amortization	-	2,971,012	4,613,878
Automotive, fuel and insurance	-	86,428	108,301
Bad debts (recovery)	-	332,741	(3,340)
Bank charges and interest	26,000	71,021	58,574
COVID-19 expenses	-	1,081,546	247,732
Community donations and support	535,000	234,498	105,503
Contracted services	-	153,542	-
Council, elders and board travel and honoraria	192,000	1,227,349	886,034
Economic development grants	-	133,519	142,687
Insurance	-	168,111	208,617
Interest on long-term debt	-	106,505	206,212
Professional fees and contract work	199,500	1,701,129	1,271,345
Programming, workshops and activities	-	156,940	820,957
Property tax	-	24,095	-
Rent - equipment and buildings	5,800	266,266	97,895
Repairs and maintenance	1,800	2,081,071	643,358
Salaries and benefits	376,416	3,375,838	3,627,921
Shoreline repairs	-	50,366	36,360
Supplies, office materials and other	12,000	659,880	491,429
Telephone and utilities	54,000	293,456	217,135
Training and professional development	-	25,565	14,779
Travel	92,500	187,878	67,944
	<b>1,495,016</b>	<b>15,388,756</b>	<b>13,863,321</b>
<b>Surplus (deficit) before transfers</b>	<b>917,959</b>	<b>(4,267,133)</b>	<b>(4,162,020)</b>
<b>Transfers between segments</b>	<b>(71,625)</b>	<b>(3,059,183)</b>	<b>(4,080,375)</b>
<b>Surplus (deficit)</b>	<b>846,334</b>	<b>(7,326,316)</b>	<b>(8,242,395)</b>

**Fort Alexander Indian Band (o\la Sagkeeng First Nation)**  
**Employment and Training and Daycare**  
**Schedule 6 - Schedule of Revenue and Expenses**

*For the year ended March 31, 2023*

	<b>2023 Budget</b>	<b>2023</b>	<b>2022</b>
<b>Revenue</b>			
Indigenous Services Canada	-	156,797	52,032
Service Canada	236,540	1,829,802	1,796,912
Fall economic funding	-	-	566,658
Other revenue	20,000	317,795	84,346
Deferred revenue - prior year	-	1,341,681	402,587
Deferred revenue - current year	-	(938,064)	(1,341,681)
	<b>256,540</b>	<b>2,708,011</b>	<b>1,560,854</b>
<b>Expenses</b>			
Bank charges and interest	2,400	4,965	3,939
Council, elders and board travel and honoraria	-	1,799	1,552
Insurance	2,000	8,239	8,960
Professional fees and contract work	-	6,020	20,661
Programming, workshops and activities	-	253,676	79,718
Rent - equipment and buildings	2,000	67,344	44,514
Supplies, office materials and other	19,000	74,709	27,551
Repairs and maintenance	45,298	177,807	63,433
Salaries and benefits	168,100	1,042,595	711,805
Telephone and utilities	15,000	24,628	24,508
Training and professional development	-	400,730	393,527
Travel	-	74,179	30,302
Tuition	-	308,281	181,848
	<b>253,798</b>	<b>2,444,972</b>	<b>1,592,318</b>
<b>Surplus (deficit)</b>	<b>2,742</b>	<b>263,039</b>	<b>(31,464)</b>

**Fort Alexander Indian Band (o\la Sagkeeng First Nation)**  
**CMHC Housing**  
**Schedule 7 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2023*

	<b>2023 Budget</b>	<b>2023</b>	<b>2022</b>
<b>Revenue</b>			
Canada Mortgage and Housing Corporation	550,864	952,339	809,920
Rental income	505,358	247,822	262,084
	<b>1,056,222</b>	<b>1,200,161</b>	1,072,004
<b>Expenses</b>			
Amortization	-	747,626	642,757
Bank charges and interest	-	20	-
Insurance	-	229,148	229,148
Interest on long-term debt	705,964	207,288	176,432
Professional fees and contract work	-	18,900	14,165
Repairs and maintenance	128,933	24,747	44,587
Salaries and benefits	221,325	287,583	172,172
Telephone and utilities	-	-	11,131
	<b>1,056,222</b>	<b>1,515,312</b>	1,290,392
<b>Surplus (deficit) before transfers</b>	<b>-</b>	<b>(315,151)</b>	(218,388)
<b>Transfers between segments</b>	<b>-</b>	<b>291,058</b>	336,296
<b>Surplus (deficit)</b>	<b>-</b>	<b>(24,093)</b>	117,908

**Fort Alexander Indian Band (oɬa Sagkeeng First Nation)**  
**Gaming**  
**Schedule 8 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2023*

	<b>2023 Budget</b>	<b>2023</b>	<b>2022</b>
<b>Revenue</b>			
Indigenous Services Canada	-	-	805,687
VLT revenue (net of payouts)	1,877,759	2,164,602	936,000
Other revenue	-	32,208	40,606
Bingo revenues (net of payouts)	87,000	152,569	105,600
	<b>1,964,759</b>	<b>2,349,379</b>	1,887,893
<b>Expenses</b>			
Amortization	-	154,789	174,025
Bank charges and interest	12,300	5,711	5,025
COVID-19 expenses	-	-	10,437
Community donations and support	313,400	284,925	175,377
Council, elders and board travel and honoraria	-	14,223	-
Insurance	24,000	9,312	14,194
Interest on long-term debt	270,420	139,072	113,036
Professional fees and contract work	19,800	22,540	14,553
Rent - equipment and buildings	7,000	-	-
Repairs and maintenance	258,200	229,692	12,873
Salaries and benefits	698,719	716,860	532,268
Supplies, office materials and other	49,200	49,058	27,867
Telephone and utilities	85,020	62,708	52,913
Training and professional development	2,100	-	-
Travel	3,100	2,578	2,628
VLT lease and licensing	-	61,084	28,793
	<b>1,743,259</b>	<b>1,752,552</b>	1,163,989
<b>Surplus (deficit) before transfers</b>	<b>221,500</b>	<b>596,827</b>	723,904
<b>Transfers between segments</b>	<b>-</b>	<b>(170,085)</b>	(160,631)
<b>Surplus (deficit)</b>	<b>221,500</b>	<b>426,742</b>	563,273

**Fort Alexander Indian Band (o\la Sagkeeng First Nation)**  
**Wellness**  
**Schedule 9 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2023*

	<b>2023 Budget</b>	<b>2023</b>	<b>2022</b>
<b>Revenue</b>			
Indigenous Services Canada	7,155,547	10,115,497	10,801,817
Rental income	410,390	377,950	385,529
Other revenue	142,136	1,022,551	167,522
Deferred revenue - prior year	-	5,034,019	3,254,752
Deferred revenue - current year	-	(5,323,657)	(5,034,019)
	<b>7,708,073</b>	<b>11,226,360</b>	<b>9,575,601</b>
<b>Expenses</b>			
Amortization	-	694,495	665,583
Automotive, fuel and insurance	347,125	356,264	271,239
Bad debts (recovery)	-	68,011	(4,301)
Bank charges and interest	7,200	6,213	9,059
COVID-19 expenses	-	251,863	945,130
Community donations and support	19,990	50,828	23,549
Contracted services	58,550	215,558	59,260
Council, elders and board travel and honoraria	50,000	86,935	46,248
Insurance	27,000	62,856	62,588
Professional fees and contract work	418,306	194,370	177,687
Programming, workshops and activities	974,352	2,099,704	631,722
Rent - equipment and buildings	53,000	49,298	43,627
Repairs and maintenance	268,415	195,051	147,351
Salaries and benefits	6,503,592	6,826,839	5,902,657
Supplies, office materials and other	415,231	580,822	494,970
Telephone and utilities	234,512	285,276	288,369
Training and professional development	395,450	280,052	215,225
Travel	313,800	235,809	166,215
	<b>10,086,523</b>	<b>12,540,244</b>	<b>10,146,178</b>
<b>Surplus (deficit) before transfers</b>	<b>(2,378,450)</b>	<b>(1,313,884)</b>	<b>(570,577)</b>
<b>Transfers between segments</b>	<b>-</b>	<b>2,768,124</b>	<b>3,061,889</b>
<b>Surplus (deficit)</b>	<b>(2,378,450)</b>	<b>1,454,240</b>	<b>2,491,312</b>

**Fort Alexander Indian Band (o\u00e1 Sagkeeng First Nation)**  
**Economic Development**  
**Schedule 10 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2023*

	<b>2023 Budget</b>	<b>2023</b>	<b>2022</b>
<b>Revenue</b>			
Superstore sales	<b>9,413,000</b>	<b>12,014,915</b>	8,016,436
Other revenue	-	294,135	154,087
Rental income	<b>496,570</b>	<b>170,338</b>	235,878
	<b>9,909,570</b>	<b>12,479,388</b>	8,406,401
<b>Expenses</b>			
Amortization	-	192,360	190,398
Automotive, fuel and insurance	<b>19,058</b>	<b>477,308</b>	245,523
Bad debts (recovery)	-	18,095	287
Bank charges and interest	<b>24,411</b>	<b>55,138</b>	29,044
Community donations and support	<b>112,600</b>	<b>117,780</b>	10,785
Cost of goods sold	<b>5,871,603</b>	<b>9,584,962</b>	6,644,491
Insurance	<b>71,304</b>	<b>66,517</b>	89,119
Interest on long-term debt	<b>115,000</b>	<b>47,994</b>	47,000
Professional fees and contract work	<b>34,186</b>	<b>17,188</b>	14,285
Repairs and maintenance	<b>115,357</b>	<b>313,469</b>	198,426
Salaries and benefits	<b>1,009,343</b>	<b>1,628,135</b>	971,336
Supplies, office materials and other	<b>93,088</b>	<b>397,618</b>	200,200
Telephone and utilities	<b>226,051</b>	<b>108,089</b>	99,615
Training and professional development	<b>5,000</b>	-	-
Travel	<b>16,020</b>	<b>13,199</b>	9,493
	<b>7,713,021</b>	<b>13,037,852</b>	8,750,002
<b>Surplus (deficit) before transfers</b>	<b>2,196,549</b>	<b>(558,464)</b>	(343,601)
<b>Transfers between segments</b>	-	<b>170,086</b>	160,631
<b>Surplus (deficit)</b>	<b>2,196,549</b>	<b>(388,378)</b>	(182,970)

**Fort Alexander Indian Band (o\la Sagkeeng First Nation)**  
**Telecommunications**  
**Schedule 11 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2023*

	<b>2023</b> <i>Budget</i>	<b>2023</b>	2022
<b>Revenue</b>			
Bingo revenues (net of payouts)	-	<b>(1,008,089)</b>	871,002
Other revenue	-	3,994	1,800
	<b>-</b>	<b>(1,004,095)</b>	872,802
 <b>Expenses</b>			
Bank charges and interest	-	110	50
Community donations and support	-	57,612	34,070
Professional fees and contract work	-	30,283	51,716
Programming, workshops and activities	-	15,088	-
Rent - equipment and buildings	-	6,000	6,000
Salaries and benefits	-	50,972	47,244
Supplies, office materials and other	-	47,261	33,588
Telephone and utilities	-	10,512	4,423
Travel	-	4,910	1,918
	<b>-</b>	<b>222,748</b>	179,009
<b>Surplus (deficit)</b>	<b>-</b>	<b>(1,226,843)</b>	693,793

**Fort Alexander Indian Band (o\la Sagkeeng First Nation)**  
**Social Assistance**  
**Schedule 12 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2023*

	<b>2023 Budget</b>	<b>2023</b>	<b>2022</b>
<b>Revenue</b>			
Indigenous Services Canada	5,270,880	<b>8,676,933</b>	6,964,506
Province of Manitoba	31,000	33,138	15,518
Other revenue	-	-	3,000
	<b>5,301,880</b>	<b>8,710,071</b>	6,983,024
<b>Expenses</b>			
Bank charges and interest	8,500	7,675	4,213
Basic needs	5,154,880	<b>9,556,540</b>	7,791,127
Special needs	138,500	54,981	-
	<b>5,301,880</b>	<b>9,619,196</b>	7,795,340
<b>Surplus (deficit) before transfers</b>	-	<b>(909,125)</b>	(812,316)
<b>Transfers between segments</b>	-	-	682,190
<b>Surplus (deficit)</b>	<b>-</b>	<b>(909,125)</b>	(130,126)

**Fort Alexander Indian Band (o\la Sagkeeng First Nation)**  
**Public Works**  
**Schedule 13 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2023*

	<b>2023 Budget</b>	<b>2023</b>	<b>2022</b>
<b>Revenue</b>			
Indigenous Services Canada	951,921	<b>4,679,673</b>	3,842,270
Other revenue	86,120	79,803	117,432
Deferred revenue - prior year	-	<b>1,779,671</b>	1,781,525
Deferred revenue - current year	-	<b>(1,779,671)</b>	(1,779,671)
	<b>1,038,041</b>	<b>4,759,476</b>	3,961,556
<b>Expenses</b>			
Automotive, fuel and insurance	70,500	<b>219,434</b>	161,260
Bank charges and interest	-	1,680	1,800
Council, elders and board travel and honoraria	-	<b>23,800</b>	2,400
Insurance	17,947	<b>89,516</b>	66,016
Interest on long-term debt	-	1,465	755
Professional fees and contract work	-	<b>87,165</b>	86,516
Programming, workshops and activities	-	<b>86,875</b>	255,847
Rent - equipment and buildings	9,600	<b>17,217</b>	16,053
Repairs and maintenance	92,000	<b>3,810,404</b>	2,301,697
Salaries and benefits	776,782	<b>811,043</b>	807,428
Shoreline repairs	-	-	38,442
Supplies, office materials and other	42,000	<b>114,168</b>	64,338
Telephone and utilities	88,837	<b>37,474</b>	39,236
Training and professional development	12,000	-	-
Travel	-	<b>32,376</b>	16,988
	<b>1,109,666</b>	<b>5,332,617</b>	3,858,776
<b>Surplus (deficit) before transfer</b>	<b>(71,625)</b>	<b>(573,141)</b>	102,780
<b>Transfer between segments</b>	<b>71,625</b>	-	-
<b>Surplus (deficit)</b>	<b>-</b>	<b>(573,141)</b>	102,780