

ALEXIS NAKOTA SIOUX NATION
Consolidated Financial Statements
Year Ended March 31, 2023

ALEXIS NAKOTA SIOUX NATION
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Year Ended March 31, 2023

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

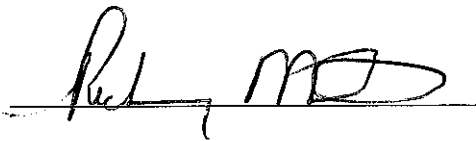
The consolidated financial statements of Alexis Nakota Sioux Nation have been prepared in accordance with Canadian public sector accounting standards (PSAS). When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of Alexis Nakota Sioux Nation's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

Chief and Council are responsible for ensuring that management fulfills its responsibility for financial reporting and internal control and is ultimately responsible for reviewing and approving the consolidated financial statements.

Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfying themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the external auditor's report.

The consolidated financial statements have been audited on behalf of the members by Kingston Ross Pasnak LLP, in accordance with Canadian public sector accounting standards (PSAS).



Alexis Nakota Sioux Nation, AB
July 31, 2023



KINGSTON
ROSS
PASNAK LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

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July 31, 2023
Edmonton, Alberta

INDEPENDENT AUDITOR'S REPORT

To the Members of Alexis Nakota Sioux Nation

Qualified Opinion

We have audited the consolidated financial statements of Alexis Nakota Sioux Nation (the Nation), which comprise the consolidated statement of financial position as at March 31, 2023, and the consolidated statements of revenues and expenditures, remeasurement gains and losses, changes in accumulated surplus, changes in net financial assets and cash flow for the year then ended, and notes to the consolidated consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible 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 consolidated financial position of the Nation as at March 31, 2023, and the consolidated results of its operations and consolidated cash flow for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

Basis for Qualified Opinion

Investments in and equity in Alexis owned enterprises, which are accounted for by the modified equity method, are carried on the consolidated statement of financial position as at March 31, 2023 and March 31, 2022. The Nation's share of these enterprises' net income is included in the Nation's consolidated surplus of revenue over expenditures for the years then ended. We were unable to obtain sufficient appropriate audit evidence about the carrying amount of the Nation's investment and equity in these enterprises as at March 31, 2023 and March 31, 2022 and the Nation's share of these enterprises' net income for the years then ended. Consequently, we were unable to determine whether any adjustments to these amounts were necessary. Our audit opinion on the consolidated financial statements for the year ended March 31, 2022 was modified accordingly because of the possible effects of this limitation of scope.

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 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 audit opinion.

Emphasis of Matter

We draw attention to Note 2 to the consolidated financial statements, which explains that comparative information regarding Alexis Settlement Trust for the year ended March 31, 2022 have been restated. Explanation of the reason for the restatement is outlined in Note 2 and explains the adjustments made. In our opinion such adjustments are appropriate and have been properly applied.

(continues)

Other Matter - Restriction on Use

The supplementary information of the Annex A schedules are prepared to assist the users of the consolidated financial statements and is not required by the Canadian public sector accounting standards (PSAS). The supplementary information is not audited, and is provided solely for the purpose of assisting the users of the consolidated financial statements. Accordingly, we do not express an audit opinion over such supplementary information and the information may not be suitable for other purposes.

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 PSAS, 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 Nation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Nation's 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 qualified audit 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 Nation's 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 Nation to cease to continue as a going concern.

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Independent Auditor's Report to the Members of Alexis Nakota Sioux Nation *(continued)*

- 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 within the Nation 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.

A handwritten signature in black ink that reads "Kingston Ross Pasnak" followed by a stylized "LLP".

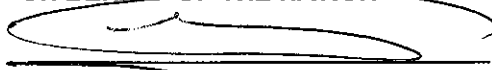

Kingston Ross Pasnak LLP

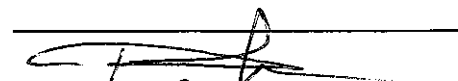
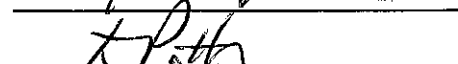

Chartered Professional Accountants

ALEXIS NAKOTA SIOUX NATION
Consolidated Statement of Financial Position
March 31, 2023

	2023	2022 (Restated) Note 2
ASSETS		
Cash (Note 3)	\$ 16,846,367	\$ 9,312,914
Restricted cash (Note 3)	123,777	485,567
Term deposits (Note 4)	843,326	836,064
Accounts receivable (Note 5)	1,853,055	945,742
Restricted capital and revenue trust funds (Note 7)	1,076,646	656,355
Investment in Alexis owned enterprises	1,019	1,019
Alexis Settlement Trust (Notes 2, 6)	13,121,196	13,817,234
Equity in Alexis owned enterprises (Note 14)	43,181,498	46,175,229
	77,046,884	72,230,124
LIABILITIES		
Accounts payable and accrued liabilities (Note 8)	1,633,914	1,311,930
Long term debt (Note 10)	11,736,485	11,347,672
Deferred revenue (Note 9)	18,595,307	12,737,138
	31,965,706	25,396,740
CONTINGENT LIABILITY (Note 11)		
NET FINANCIAL ASSETS	45,081,178	46,833,384
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 12)	52,724,933	51,860,708
Prepaid expenses	93	93
	52,725,026	51,860,801
ACCUMULATED SURPLUS (Note 2)	\$ 97,806,204	\$ 98,694,185

ON BEHALF OF THE NATION

ALEXIS NAKOTA SIOUX NATION

Consolidated Statement of Revenues and Expenditures

Year Ended March 31, 2023

	Budget 2023	2023	2022
REVENUES			
Indigenous Services Canada			
Block funding	\$ 5,708,516	\$ 9,576,574	\$ 8,827,501
Fixed funding	2,528,121	11,062,019	11,878,821
Flexible funding	-	4,164,873	2,291,602
Indigenous Services Canada- Health	2,443,150	3,518,441	5,139,895
Northern ISGA Foundation	50,000	1,456,921	1,432,339
Other revenue	1,103,375	4,851,758	1,856,381
Government of Alberta and Federal Grants	949,669	2,230,701	1,661,513
Consultation revenue	-	1,168,981	1,033,515
Yellowhead Tribal council grants and contributions (Note 15)	416,915	568,174	273,240
Canada Mortgage and Housing Corporation	65,000	612,109	408,374
Alexis Settlement Trust (Note 6)	-	628,534	685,005
Lapsed Indigenous Services Canada	-	-	(41,569)
Contributions carried forward from prior year	11,177,512	11,159,766	11,712,161
Contributions carried forward to next year	-	(16,696,793)	(11,177,512)
	24,442,258	34,302,058	35,981,266
EXPENSES			
Education	8,861,983	7,077,770	6,512,711
Administration	2,049,932	6,639,122	6,127,827
Social assistance	3,745,682	6,067,031	5,444,400
Health	2,404,122	5,794,557	4,973,910
Economic development	606,642	3,222,357	6,859,529
Housing	4,005,644	2,674,168	2,927,802
Infrastructure	1,732,782	2,320,769	1,590,108
Northern ISGA Foundation	-	989,197	866,618
Capital projects	-	778,432	1,195,807
Heritage and Language	-	761,632	558,389
Other	-	513,683	367,028
	23,406,787	36,838,718	37,424,129
SURPLUS (DEFICIT) FROM OPERATIONS	1,035,471	(2,536,660)	(1,442,863)

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ALEXIS NAKOTA SIOUX NATION**Consolidated Statement of Revenues and Expenditures** *(continued)***Year Ended March 31, 2023**

	Budget 2023	2023	2022
<hr/>			
OTHER INCOME (EXPENSES)			
Income from Alexis owned enterprises <i>(Note 14)</i>	-	1,500,563	17,433,410
ISC band funds capital and revenue account income <i>(Note 7)</i>	321,280	626,000	362,000
Net change in revenue and capital trust funds <i>(Note 7)</i>	-	420,292	207,166
	321,280	2,546,855	18,002,576
<hr/>			
SURPLUS OF REVENUES OVER EXPENSES	\$ 1,356,751	\$ 10,195	\$ 16,559,713

ALEXIS NAKOTA SIOUX NATION**Consolidated Statement of Remeasurement Gains and Losses****Year Ended March 31, 2023**

	Budget 2023	2023	2022
ACCUMULATED REMEASUREMENT GAIN - BEGINNING OF YEAR	\$ -	\$ 2,305,036	\$ -
Adjustment as a result of prior restatement (Note 2)	-	-	2,305,036
Unrealized losses on portfolio investments (Note 2)	-	(898,178)	-
Net remeasurement gains (losses) for the year	-	(898,178)	2,305,036
ACCUMULATED REMEASUREMENT GAIN - END OF YEAR	\$ -	\$ 1,406,858	\$ 2,305,036

ALEXIS NAKOTA SIOUX NATION**Consolidated Statement of Changes in Accumulated Surplus
Year Ended March 31, 2023**

	2023	2022 (Restated) Note 2
ACCUMULATED SURPLUS - BEGINNING OF YEAR		
As previously reported	96,389,151	79,829,436
Adjustment as a result change in accounting policy	2,305,036	-
As restated	98,694,187	79,829,436
SURPLUS FOR THE YEAR	10,195	16,559,713
	98,704,382	96,389,149
Change in accumulated remeasurement gains	(898,178)	2,305,036
ACCUMULATED SURPLUS - END OF YEAR (Note 2)	\$ 97,806,204	\$ 98,694,185

ALEXIS NAKOTA SIOUX NATION

Consolidated Statement of Changes in Net Financial Assets

Year Ended March 31, 2023

	Budget March 31 2023	2023	2022 (Restated) Note 2
SURPLUS OF REVENUE OVER EXPENSES	\$ 1,356,751	\$ 10,195	\$ 16,559,713
Amortization of tangible capital assets (Note 12)	-	3,654,704	3,491,620
Purchase of tangible capital assets (Note 12)	-	(4,518,927)	(5,356,984)
Acquisition of prepaid expense	-	-	65,437
Change in remeasurement gains (losses) for the year	-	(898,178)	2,305,036
	-	(1,762,401)	505,109
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	1,356,751	(1,752,206)	17,064,822
NET FINANCIAL ASSETS - BEGINNING OF YEAR	46,833,384	46,833,384	29,768,562
NET FINANCIAL ASSETS - END OF YEAR (Note 2)	\$ 48,190,135	\$ 45,081,178	\$ 46,833,384

ALEXIS NAKOTA SIOUX NATION
Consolidated Statement of Cash Flow
Year Ended March 31, 2023

	2023	2022 (Note 2)
OPERATING ACTIVITIES		
Annual surplus	\$ 10,195	\$ 16,559,713
Items not affecting cash:		
Amortization of tangible capital assets	3,654,704	3,491,620
Income from Alexis owned enterprises (Note 14)	(1,500,563)	(17,433,410)
	2,164,336	2,617,923
Changes in non-cash working capital:		
Accounts receivable	(907,313)	(503,905)
Accounts payable and accrued liabilities	321,986	(2,437,520)
Prepaid expenses	-	65,445
Deferred revenue	5,858,169	(574,196)
	5,272,842	(3,450,176)
Cash flow from (used by) operating activities	7,437,178	(832,253)
INVESTING ACTIVITIES		
Cash distribution from Alexis owned enterprises (Note 14)	4,494,294	2,799,722
Restricted capital and revenue trust funds	(420,292)	(207,166)
Net changes in Alexis Settlement Trust	(202,140)	(203,409)
Purchase of term deposits	(7,262)	(27,047)
Cash flow from investing activities	3,864,600	2,362,100
FINANCING ACTIVITIES		
Proceeds from long term financing	873,137	-
Repayment of long term debt	(484,325)	(521,594)
Cash flow from (used by) financing activities	388,812	(521,594)
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(4,518,927)	(5,356,984)
INCREASE (DECREASE) IN CASH FLOW	7,171,663	(4,348,731)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	9,798,481	14,147,212
CASH AND CASH EQUIVALENTS- END OF YEAR	\$ 16,970,144	\$ 9,798,481

ALEXIS NAKOTA SIOUX NATION**Consolidated Consolidated Schedule of Total Expenses by Object****(Schedule 1)****Year Ended March 31, 2023**

	Budget 2023	2023	2022
EXPENSES			
Wages and casual labour	\$ 10,017,529	\$ 11,077,831	\$ 9,980,333
Special cultural and recreational events	536,857	3,817,041	1,905,945
Amortization expense	-	3,636,402	3,478,141
Utilities	662,201	1,965,849	1,625,317
Travel and meetings	572,378	1,861,281	1,245,164
Professional services	1,018,126	1,648,038	1,119,019
Per capita distributions	1,349,301	1,445,971	1,226,505
Contract services	601,409	1,343,014	2,064,061
Social assistance benefits	208,840	1,266,956	1,627,157
Honoraria	157,850	1,188,712	996,958
Northern ISGA expenses	-	989,197	844,859
Assessments	-	794,049	605,647
Insurance	411,421	735,966	555,952
Materials and supplies	405,366	605,486	697,270
Office and general	100,957	578,851	512,163
Repairs and maintenance	388,730	510,471	363,799
Training and development	605,638	456,297	285,402
Tuition fees	524,818	427,873	549,188
Capital Purchases	4,395,074	414,669	183,179
Miscellaneous	214,326	409,762	582,728
Nutritional supplement	117,700	376,284	204,503
Interest on long term debt	-	254,805	309,129
Fuel	108,627	249,098	131,255
Pension benefits	473,352	217,786	232,955
Special health events	128,233	203,095	153,479
Transportation	292,087	171,219	315,232
Emergency / Covid band member assistance	-	104,000	491,175
Workers compensation premiums	57,687	111,992	102,924
Interest and bank charges	51,680	57,784	56,242
Rent expense	6,600	6,930	21,447
Bad debts expense (recovery)	-	(87,991)	85,650
Own source support (Alexis owned enterprises)	-	-	3,609,311
Other program delivery	-	-	1,262,040
	\$ 23,406,787	\$ 36,838,718	\$ 37,424,129

ALEXIS NAKOTA SIOUX NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2023

Alexis Nakota Sioux Nation ("the Nation") is committed to developing an effective governance structure to enhance the community services, culture, education, wellness and economic prosperity While retaining the Treaty Rights of Alexis Nakota Sioux Nation members.

These consolidated financial statements reflect the financial assets, non-financial assets, liabilities, revenues and expenses of Alexis Nakota Sioux Nation.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

The consolidated financial statements include the accounts of the Nation and its subsidiaries:

- Northern ISGA Foundation
- Alexis Board of Education

As a result, figures as at March 31, 2023 or for the years then ended include the financial position of those subsidiaries and the results of their operations for the years then ended. The results of operations of the subsidiaries are included in the consolidated financial statements from the respective dates of acquisition or incorporation.

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards established for local governments recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant accounting policies observed in the preparation of the consolidated financial statements are summarized below.

Revenue recognition

Funding received under the terms of agreements is recognized as revenue in the relevant funding period when the funding agreements are approved. Restricted contributions are recognized as revenue when the revenue is approved and the related expenditures are incurred. Restricted contributions which are not yet expended for the intended purpose are included in the consolidated statement of financial position as deferred revenue.

Revenue earned from oil and gas royalties and lease revenue in the capital and revenue trust funds is recognized when a Band Council Resolution requesting to withdraw the amounts from the respective trust fund accounts is approved. Approved withdrawals which are not yet expended for the intended purpose are recognized in the statement of financial position as deferred revenue. The uncommitted balance in the trust fund accounts is recognized in the consolidated statement of financial position as accumulated surplus.

Income earned from Alexis Settlement Trust is recognized in the period in which the events occurred that gave rise to the revenue. Withdrawals are made when the related Band Council Resolution requesting to withdraw the amounts from the respective trust fund account is approved. Approved withdrawals which are not yet expended for the intended purpose are recognized in the statements of financial position as deferred revenue.

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ALEXIS NAKOTA SIOUX NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Other revenues are recognized when persuasive evidence of an arrangement exists, delivery of goods has occurred or services have been rendered, the selling price is fixed or determinable, and collection is reasonably assured. Revenue is measure at fair value of the consideration received.

Northern ISGA Foundation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. In addition, revenue is only recognized if the amount can be reasonably estimated and collection is reasonably assured. Restricted contributions which are not yet expended for the intended purpose are included in the consolidated statement of financial position as deferred revenue.

Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They may have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year together with the excess of revenues over expenses and the change in trust funds provides the change in net financial assets for the year.

Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit less cheques issued and outstanding and net of draws on the overdraft facility.

Term deposits

Term deposits, which consist primarily of commercial paper with original maturities at date of purchase are carried at amortized cost.

Goods and services tax

Expenses are recoverable at 50% as a rebate, and are not recognized until cash is received.

Alexis Settlement Trust

Alexis Settlement Trust includes investments with prices quoted in an active market and that are measured at fair value while those that are not quoted in an active market are measured at cost less impairment. Changes in fair value of investments quoted in an active market are recorded in the consolidated statement of remeasurement gains and losses.

Investment in and due from Alexis owned enterprises

The investment in and advances due from Alexis owned enterprises are accounted for using the modified equity method whereby the investment is initially recorded at cost and adjusted thereafter to include the post acquisition earnings of the enterprise. The accounting policies of the government business enterprise have not been adjusted to conform with those of Alexis Nakota Sioux Nation and inter-entity balances are not eliminated. Inter-entity gains and losses are eliminated on assets remaining within the government reporting entities at the reporting date.

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ALEXIS NAKOTA SIOUX NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Tangible capital assets

Tangible capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives on a declining basis at the following rates and methods:

Band buildings	4%	straight-line method
Housing/Mobile homes	5%	straight-line method
Water treatment plant	4%	straight-line method
Sewage lagoon	4%	straight-line method
General equipment	20%	straight-line method
Subdivision	4%	straight-line method
Roads	4%	straight-line method
Solar panels	50%	declining balance method
Vehicle	30%	declining balance method
Furniture and fixtures	20%	declining balance method
Computer equipment	55%	declining balance method

Tangible capital assets acquired during the year but not available for use are not amortized until they are available for use.

All additions made during the year are amortized at one half of the above rates.

Pension expenditures

Alexis Nakota Sioux Nation sponsors a defined contribution pension plan for certain employees. Under the plan the Nation matches the employee's contribution of 8.95% of earnings. During the year the Nation contributed \$217,786 (2022 - \$232,955) to the pension plan. The employer's portion of the payment is recorded as employee benefits in the period when the benefit is earned.

Use of estimates

The preparation of the consolidated financial statements in conformity with Canadian public sector accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the period. Items requiring the use of significant estimates include the valuation of accounts receivable, accrued liabilities and estimated useful life of tangible assets. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Financial instruments

All financial instruments are initially measured at fair value, and, unless otherwise noted, the Nation subsequently measures its financial instruments at amortized cost.

The measurement basis for related party financial instruments is disclosed in Note 15.

ALEXIS NAKOTA SIOUX NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2023

2. CHANGE IN ACCOUNTING POLICY

During the current year, the Nation has adopted a change in accounting policy related to its portfolio investments within Alexis Settlement Trust, in accordance with public sector accounting standards PS 3041, which became effective on April 1, 2022. The change in accounting policy affects the accounting treatment of the Alexis Settlement Trust and results in a change in the presentation and measurement of financial assets. Under the previous accounting policy, Alexis Settlement Trust assets were recorded at cost. As a result of the adoption of the new accounting policy, the Alexis Settlement Trust assets are now recognized at fair value with any remeasurement gains or losses due to fair value changes recorded through accumulated remeasurement surplus.

	Previously reported	Restated	Change
2022 Accumulated surplus	\$ 96,389,149	\$ 98,694,185	\$ 2,305,036
2022 Net financial assets	44,528,356	46,833,400	2,305,036
2022 Alexis Settlement Trust	11,512,198	13,817,234	2,305,036
2022 Accumulated remeasurement surplus	-	2,305,036	2,305,036

3. CASH

	2023	2022
Cash	\$ 15,949,345	\$ 8,786,523
Internally restricted cash	897,022	526,391
	16,846,367	9,312,914
Restricted	123,777	485,567
	\$ 16,970,144	\$ 9,798,481

Restricted cash includes \$123,777 (2022 - \$485,567) of cash that is set aside for repairs, maintenance and replacement of homes under the terms of an agreement with Canada Mortgage and Housing Corporation. The replacement reserve is under funded at year end as reflected in note 17.

Internally restricted cash includes \$19,750 (2022- \$19,750) for the Minors' trust which is to be used for the trust liability for minor children and is payable to the minors when they attain the age of 18 years, \$277,751 (2022 - \$277,677) for the construction of a new multi-purpose facility and \$559,497 (2022 - \$228,964) for the Northern ISGA Foundation.

The Nation has an overdraft facility which bears interest at prime plus 2% (2021 - prime plus 2%). The overdraft is authorized to a maximum outstanding balance of \$600,000 (2022 - \$600,000). The bank indebtedness is collateralized by a Band Council Resolution redirecting ISC funding.

4. TERM DEPOSITS

Included in term deposits are \$843,326 (2022 - \$836,064) of Guaranteed Investment Certificates held by Northern Isga Foundation which bear interest between 0.00% and 4.40% and mature between November 14, 2023 and July 29, 2024.

ALEXIS NAKOTA SIOUX NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2023

5. ACCOUNTS RECEIVABLE

	2023	2022
Various organizations and entities	\$ 2,841,520	\$ 2,161,620
Band members loans and advances	753,206	742,307
CMHC receivable	175,863	25,545
Indigenous Services Canada	20,000	-
	3,790,589	2,929,472
Allowance for doubtful accounts	(1,937,534)	(1,983,730)
	\$ 1,853,055	\$ 945,742

6. ALEXIS SETTLEMENT TRUST

The Alexis Settlement Trust retains settlement funds received from the Government of Canada pursuant to the Alexis Treaty Land Entitlement Agreement entered into in March 1995. Under the Trust Deed, only 80% of the annual investment income earned on the trust assets can be used for program delivery in any year; the remaining balance is restricted and is therefore not available for any other current use. These settlement funds are recorded at fair value and are comprised of the following:

	2023		2022	
	Cost	Market value	Cost	Market value
Cash and cash equivalents	\$ 464,569	\$ 464,569	\$ 403,349	\$ 403,349
Fixed income securities	7,020,321	6,749,805	6,771,180	6,560,802
Equity securities	4,229,448	5,906,822	4,337,667	6,853,083
	\$ 11,714,338	\$ 13,121,196	\$ 11,512,196	\$ 13,817,234

During the year, the investment income available for distribution was \$723,910 (2022 - \$789,806) and the investment management fees and other costs paid were \$95,375 (2022 - \$104,801).

ALEXIS NAKOTA SIOUX NATION**Notes to Consolidated Financial Statements****Year Ended March 31, 2023****7. RESTRICTED CAPITAL AND REVENUE TRUST FUNDS**

Trust funds are considered restricted assets and are controlled directly by Indigenous Services Canada (ISC). The expenditure of trust funds is limited to purposes identified in the Indian Act. Information relating to the income earned in the trust fund accounts from oil and gas royalties, leases and rentals was obtained directly from Indigenous Services Canada. The uncommitted balance at the end of the year is shown in the accumulated surplus as equity in the trust funds.

	2023	2022
Capital Trust		
Balance, beginning of year	\$ 351,966	\$ 158,316
Income from royalties	532,706	305,650
Transfer to Nation programs	(350,500)	(112,000)
	534,172	351,966
Revenue Trust		
Balance, beginning of year	304,389	290,873
Income from royalties and interest	513,586	263,516
Transfer to Nation programs	(275,500)	(250,000)
	542,475	304,389
	\$ 1,076,647	\$ 656,355

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2023	2022
Accounts payable and accrued liabilities	\$ 1,536,663	\$ 1,184,945
Indigenous Services Canada - Health	79,051	79,051
Indigenous Services Canada	-	29,734
Minors trust liability	18,200	18,200
	\$ 1,633,914	\$ 1,311,930

ALEXIS NAKOTA SIOUX NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2023

9. DEFERRED REVENUE

	Opening balance	Contributions received	Revenue recognized	Ending balance
Indigenous Services Canada	\$ 5,110,090	\$ 24,803,466	\$ 16,618,025	\$ 13,295,531
Indigenous Services Canada - Health	5,650,610	3,518,441	5,846,015	3,323,036
Northern ISGA Foundation	860,800	357,187	-	1,217,987
Northern ISGA capital contributions	354,003	-	18,302	335,701
Other funding	416,810	-	338,583	78,227
Multi purpose facility	344,825	-	-	344,825
	\$ 12,737,138	\$ 28,679,094	\$ 22,820,925	\$ 18,595,307

10. LONG TERM DEBT

	2023	2022
CMHC 9001 loan bearing interest at 4.52% per annum, repayable in monthly blended payments of \$1,448. The loan renews on October 1, 2023 and matures on November 1, 2027 and is secured by a ministerial guarantee.	\$ 73,124	\$ 87,757
CMHC 9002 loan bearing interest at 1.5% per annum, repayable in monthly blended payments of \$1,233. The loan renews on January 1, 2027 and matures on October 1, 2031 and is secured by a ministerial guarantee.	119,123	132,034
CMHC 9003 loan bearing interest at 1.97% per annum, repayable in monthly blended payments of \$3,155. The loan renews on May 1, 2023 and and matures on October 1, 2027 and is secured by a ministerial guarantee.	165,813	200,054
CMHC 9004 loan bearing interest at 2.14% per annum, repayable in monthly blended payments of \$1,285. The loan renews on March 1, 2024 and matures on March 1, 2034 and is secured by a ministerial guarantee.	151,053	163,110
CMHC 9005 loan bearing interest at 2.14% per annum, repayable in monthly blended payments of \$1,146. The loan renews on March 1, 2024 and and matures on January 1, 2029 and is secured by a ministerial guarantee.	75,360	87,363
CMHC 9006 loan bearing interest at 1.87% per annum, repayable in monthly blended payments of \$1,316. The loan renews on May 1, 2024 and and matures on May 1, 2034 and is secured by a ministerial guarantee.	159,118	171,819
CMHC 9007 loan bearing interest at 2.02% per annum, repayable in monthly blended payments of \$1,843. The loan renews on March 1, 2027 and matures on May 1, 2036 and is secured by a ministerial guarantee.	255,600	272,386

(continues)

ALEXIS NAKOTA SIOUX NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2023

10. LONG TERM DEBT *(continued)*

	2023	2022
CMHC 9008 loan bearing interest at 1.5% per annum, repayable in monthly blended payments of \$2,062. The loan renews on January 1, 2027 and matures on February 1, 2036 and is secured by a ministerial guarantee.	290,497	310,736
CMHC 9009 loan bearing interest at 0.7% per annum, repayable in monthly blended payments of \$1,848. The loan renews on September 1, 2025 and matures on December 1, 2039 and is secured by a ministerial guarantee.	350,394	370,044
CMHC 9010 loan bearing interest at 0.7% per annum, repayable in monthly blended payments of \$1,796. The loan renews on September 1, 2025 and matures on December 1, 2039 and is secured by a ministerial guarantee.	340,602	359,703
CMHC 9011 loan bearing interest at 3.75% per annum, repayable in monthly blended payments of \$3,617. The loan renews on July 1, 2027 and matures on July 1, 2042 and is secured by a ministerial guarantee.	732,915	760,686
CMHC 9012 loan bearing interest at 0.68% per annum, repayable in monthly blended payments of \$4,807. The loan renews on August 1, 2025 and matures on August 1, 2045 and is secured by a ministerial guarantee.	1,199,139	1,248,498
CMHC 9013 partial mortgage loan advance for phase 13 units. The loan is secured by a ministerial guarantee.	873,137	-
BMO fixed rate term loan loan bearing interest at 3.6% per annum, repayable in monthly blended payments of \$40,640. The loan matures on November 30, 2024.	6,950,610	7,183,482
Amounts payable within one year	-	-
	\$ 11,736,485	\$ 11,347,672

Principal repayment terms are approximately:

2024	\$ 7,210,111
2025	275,743
2026	263,638
2027	271,009
2028	163,505
Thereafter	3,552,479
	<u>\$ 11,736,485</u>

(continues)

ALEXIS NAKOTA SIOUX NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2023

10. LONG TERM DEBT (*continued*)

As at March 31, 2023, the Nation has a total approved facility amount that shall not exceed \$8,929,311. This includes a fixed rate term loan repayable on demand for \$7,679,311 and a on reserve housing loan program for \$1,250,000. As of March 31, 2023 the on reserve housing loan program for \$1,250,000 has not been advanced.

Ministerial Loan Guarantees are used to build, purchase or renovate on-reserve housing. Section 89(1) of the Indian Act protects property on reserves so it cannot be mortgaged and used as collateral by a non-First Nation person. Indigenous Services Canada issues loan guarantees to lenders to secure on-reserve housing loans to minimize the risk in the event of a loan default.

11. CONTINGENT LIABILITY

Government contributions related to the programs of Alexis Nakota Sioux Nation entities are subject to conditions regarding the expenditure of funds. The accounting records are subject to audit by various funding agencies. Should any instances be identified in which the amounts charged to projects are not in accordance with the agreed terms and conditions, amounts would be refundable to the respective agencies. Adjustments to the financial statements as a result of these audits will be recorded in the period in which they become known.

The Nation is involved in claims and potential claims arising in the normal course of operations and is actively defending all lawsuits. Since the amount of loss, if any, cannot be reasonably estimated, no provision has been recorded in these financial statements. Any settlements, awards or determination of loss will be reflected in the accounts in the year in which they are reasonably estimable.

The Nation has guaranteed two non-revolving loans of Nakota Crossing Ltd. (related by virtue of common control) with maximum values of \$8,507,000. The facilities are secured by a general security agreement providing BMO with a security interest over all present and after-acquired personal/movable property of the Corporation. As at March 31, 2023 the total outstanding loan balance is \$6,025,646 (2022- \$6,535,326).

Nakota Crossing Ltd. has been named as defendant in an on-going legal proceeding with the contractor it had engaged to construct its facility. The proceeding was commenced on March 12, 2021 and includes a claim for \$1,111,913 plus interest for alleged unpaid costs related to a change order, as well as \$250,000 for other damages. As a result the Nation filed a defence and a counterclaim on June 23, 2021 for the amount of \$1,050,000 against the plaintiff. The outcome and loss, if any, are currently not determinable. As such, no accruals or losses have been recorded in the financial statements with respect to this contingency.

ALEXIS NAKOTA SIOUX NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2023

12. TANGIBLE CAPITAL ASSETS

Cost	2022 Balance	Additions	Disposals	2023 Balance
Band buildings	\$ 35,582,055	\$ 729,733	\$ -	\$ 36,311,788
Housing	23,039,814	2,789,822	-	25,829,636
Water treatment plant	11,841,964	-	-	11,841,964
Sewage lagoon	6,596,730	-	-	6,596,730
General equipment	4,076,791	410,203	-	4,486,994
Roads	2,496,567	305,000	-	2,801,567
Subdivision	2,337,938	-	-	2,337,938
Vehicle	670,105	273,158	-	943,263
Furniture and fixtures	857,097	-	-	857,097
Solar pannels	376,822	-	-	376,822
Computer equipment	127,658	11,011	-	138,669
	\$ 88,003,541	\$ 4,518,927	\$ -	\$ 92,522,468

Accumulated Amortization	2022 Balance	Amortization	Accumulated Amortization on Disposals	2023 Balance
Band buildings	\$ 11,701,064	\$ 1,172,926	\$ -	\$ 12,873,990
Housing	10,464,452	945,673	-	11,410,125
Water treatment plant	2,450,996	428,131	-	2,879,127
Sewage lagoon	3,693,992	263,869	-	3,957,861
General equipment	3,188,364	328,120	-	3,516,484
Roads	1,912,757	50,551	-	1,963,308
Subdivision	2,021,501	55,251	-	2,076,752
Vehicle	227,185	188,807	-	415,992
Furniture and fixtures	110,714	149,276	-	259,990
Solar pannels	298,836	38,993	-	337,829
Computer equipment	72,972	33,105	-	106,077
	\$ 36,142,833	\$ 3,654,702	\$ -	\$ 39,797,535

(continues)

ALEXIS NAKOTA SIOUX NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2023

12. TANGIBLE CAPITAL ASSETS *(continued)*

Net book value	2023	2022
Band buildings	\$ 23,437,798	\$ 23,880,991
Housing	14,419,511	12,575,362
Water treatment plant	8,962,837	9,390,968
Sewage lagoon	2,638,869	2,902,738
General equipment	970,510	888,427
Roads	838,259	583,810
Subdivision	261,186	316,437
Vehicle	527,271	442,920
Furniture and fixtures	597,107	746,383
Solar pannels	38,993	77,986
Computer equipment	32,592	54,686
	\$ 52,724,933	\$ 51,860,708

ALEXIS NAKOTA SIOUX NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2023

13. ACCUMULATED SURPLUS

	2023	2022 (Restated)
Equity in tangible capital assets	\$ 42,031,011	\$ 40,777,974
Equity in trust funds	1,076,647	656,355
Unrestricted deficit	(1,604,156)	(2,732,615)
Equity in business entities	43,181,498	46,175,229
Equity in Alexis Settlement Trust (Note 2)	13,121,196	13,817,234
Share capital	8	8
	\$ 97,806,204	\$ 98,694,185

ALEXIS NAKOTA SIOUX NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2023

14. INCOME FROM ALEXIS OWNED ENTERPRISES

	2023	2022
Balance, beginning of year	\$ 46,175,229	\$ 31,541,541
Net advances from government business enterprises	(4,494,294)	(2,799,722)
Share of income	1,500,563	17,433,410
	\$ 43,181,498	\$ 46,175,229

The following is a summary of the percentage of government business enterprises owned and the related year end of the entities. All inactive government business enterprises that the Nation has a controlling interest in were omitted from the schedule below as it did not have a material impact on the financial statements. The financial information presented below is combined based on the government business enterprises' respective year ends.

	% Ownership	Year-end
Alexis Casino Corporation	100	December 31, 2022
Alexis First Nation Business Trust	100	December 31, 2022
Alexis Band Oil & Gas Corp.	100	December 31, 2022
Alexis Nakota Sioux Nation Business Trust	100	December 31, 2022
Alexis Group of Companies	100	December 31, 2022
Alexis Land Management Corporation	100	December 31, 2022
Nakota Crossing Ltd.	100	December 31, 2022
Hills Plain Construction LP	100	December 31, 2022

Unaudited aggregate balance sheet information:

Assets		
Current assets	\$ 28,595,793	\$ 33,079,385
Capital assets	25,634,103	26,948,148
	54,229,896	60,027,533
Liabilities		
Current liabilities	1,850,415	3,032,032
Other liabilities	12,887,943	13,917,168
Equity	39,491,538	43,078,333
	54,229,896	60,027,533

Unaudited aggregate income statement information:

Revenue	\$ 43,054,466	\$ 49,868,773
Expenses	(42,695,468)	(32,572,379)
	\$ 358,998	\$ 17,296,394

ALEXIS NAKOTA SIOUX NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2023

15. RELATED PARTY TRANSACTIONS

During the year, Alexis Nakota Sioux Nation entered into transactions with its own entities. These transactions are in the normal course of operations and have been recorded at the exchange amount which is the amount of consideration established and agreed to by the related parties. Any transactions with consolidated subsidiaries have been eliminated.

During the year, grants and contributions of \$568,174 (2022 - \$273,200) were received from Yellowhead Tribal Council and its related entities. The Nation is a member of the Yellowhead Tribal Council through its Unity Agreement. Included in accounts receivable at March 31, 2023 is \$147,409 (2022 - \$63,844) due from Yellowhead Tribal Council.

These transactions are in the normal course of operations and have been recorded at the exchange amount which is the amount of consideration established and agreed to by the related parties.

16. RESERVE

Under the terms of the agreements with Canada Mortgage and Housing Corporation, the replacement reserve account is to be credited annually with agreed amounts. These funds, along with accumulated interest, must be held in a separate bank account, and invested in accounts or instruments insured by the Canada Deposit Insurance Corporation, or as may otherwise be approved by CMHC from time to time. The funds in the account may only be used as approved by CMHC. Withdrawals are credited to interest first and then principal. At March 31, 2023, the replacement reserve was under funded by \$579,516 (2022 - \$527,306).

17. FINANCIAL INSTRUMENTS

The Nation is exposed to various risks through its financial instruments. The following analysis provides information about the Nation's risk exposure and concentration as of March 31, 2023. Unless otherwise noted, the Nation's risk exposure has not changed from the prior year.

(a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Nation is exposed to credit risk from other revenue. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The significant annual funding received from the Government of Canada minimizes concentration of credit risk.

(b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Nation is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, accounts payable and accrued liabilities and long-term debt.

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ALEXIS NAKOTA SIOUX NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2023

17. FINANCIAL INSTRUMENTS *(continued)*

(c) Currency risk

Currency risk is the risk to the company's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Nation is exposed to foreign currency exchange risk on Alexis Settlement Trust investments held in U.S. dollars. The company does not use derivative instruments to reduce its exposure to foreign currency risk.

(d) 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. The Nation has variable interest rates on the operating line of credit. In seeking to minimize the risks from interest rate fluctuations, the Nation manages exposure through its normal operating and financing activities. The Nation has fixed interest rates on most long-term debt. Consequently, the exposure to fluctuations in future cash flows, with respect to debt, as a result of changes in market interest rates is limited.

18. SEGMENT INFORMATION

The Nation provides a wide range of services to its members. Services are delivered through a number of different programs and departments. Identified segments are defined by Alexis Nakota Sioux First Nation for which separate financial information is available and is evaluated regularly by Chief and Council and management in allocating resources and assessing results.

For each reported segment, revenues and expenses represent amounts that are directly attributable to the segment. The accounting policies used in the segments are consistent with the accounting policies followed in the preparation of these consolidated financial statements as disclosed in Note 1.