

**ALEXANDER FIRST NATION**  
**Consolidated Financial Statements**  
**Year Ended March 31, 2021**

**ALEXANDER FIRST NATION**  
**Index to Consolidated Financial Statements**  
**Year Ended March 31, 2021**

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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The consolidated financial statements of Alexander First 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 Alexander First 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).



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Administrator

Alexander First Nation, AB  
July 27, 2021



KINGSTON  
ROSS  
PASNAK<sup>LLP</sup>

CHARTERED PROFESSIONAL ACCOUNTANTS

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July 27, 2021  
Edmonton, Alberta

## **INDEPENDENT AUDITOR'S REPORT**

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To the Members of Alexander First Nation

### **Report on the Consolidated Financial Statements**

#### **Opinion**

We have audited the consolidated financial statements of Alexander First Nation (the Nation), which comprise the consolidated statement of financial position as at March 31, 2021, and the consolidated statements of revenues and expenditures, changes in accumulated surplus, changes in net financial debt and cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Nation as at March 31, 2021, 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 Opinion**

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with 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.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.
- 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 Group 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.



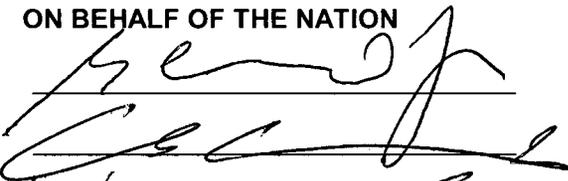
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**Kingston Ross Parnak LLP**  
Chartered Professional Accountants

**ALEXANDER FIRST NATION**  
**Consolidated Statement of Financial Position**  
**March 31, 2021**

	2021	2020
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents	\$ 4,173,290	\$ 3,327,159
Restricted cash and short term investments (Note 4)	732,247	551,340
Accounts receivable (Note 5)	136,703	282,874
Investment in government business enterprises (Note 6)	546,502	237,007
Restricted capital and revenue trust funds (Note 7)	974,708	881,160
	<b>6,563,450</b>	<b>5,279,540</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 8)	2,018,398	1,751,121
Deferred revenue (Note 9)	3,425,245	3,220,698
Long term debt (Note 10)	7,816,481	8,704,999
Obligation under capital lease (Note 11)	33,400	119,147
	<b>13,293,524</b>	<b>13,795,965</b>
CONTINGENT LIABILITY (Note 12)		
<b>NET FINANCIAL DEBT</b>	<b>(6,730,074)</b>	<b>(8,516,425)</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 13)	25,244,344	25,022,214
Prepaid expenses	20,500	21,500
	<b>25,264,844</b>	<b>25,043,714</b>
<b>ACCUMULATED SURPLUS (Note 14)</b>	<b>\$ 18,534,770</b>	<b>\$ 16,527,289</b>

ON BEHALF OF THE NATION

  
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 Heather Janning

**ALEXANDER FIRST NATION**  
**Consolidated Statement of Revenues and Expenditures**  
**Year Ended March 31, 2021**

	Budget 2021 (unaudited)	2021	2020
<b>REVENUE</b>			
Indigenous Services Canada			
Block funding	\$ 10,459,867	\$ 8,431,240	\$ 8,283,638
Fixed funding	-	6,492,167	4,023,298
Flexible funding	-	1,963,896	1,274,800
Grant funding	-	160,320	160,320
Set funding	-	100	9,850
Indigenous Services Canada - Health Contributions	3,331,992	7,056,482	5,738,650
Contributions carried forward from prior year (Note 9)	-	3,220,698	4,018,166
Contributions carried forward to next year (Note 9)	-	(3,425,245)	(3,220,698)
Other revenue	2,590,978	5,827,765	3,223,795
Province of Alberta	1,500,786	2,000,327	2,519,563
Land Surrender Claim Distributions (Note 9)	50,000	1,635,877	2,676,533
Capital and revenue trust funds	1,049,350	876,673	2,484,379
Canada Mortgage and Housing Corporation	576,444	617,636	614,930
Service Canada	515,367	371,542	399,670
First Nation Development Fund Grants	650,000	346,895	572,019
Farm rental income	-	274,901	296,112
Forestry revenue	-	146,702	174,356
	20,724,784	35,997,976	33,249,381
<b>EXPENSES</b>			
Band Government	3,052,719	8,332,494	6,246,978
Education	6,301,980	7,465,991	7,313,365
Health	3,826,678	4,659,066	4,361,085
Public Works	1,519,948	2,362,319	3,537,685
Per Capita Distribution (PCD)	-	2,206,924	-
Housing	1,190,885	2,172,585	1,933,863
Social Services	1,566,519	2,164,390	3,554,461
Kipohtakawmik Lodge	1,456,246	1,820,812	1,596,593
Forestry	-	749,851	1,117,254
Employment and Labour Services	562,183	581,919	743,535
Emergency Response	-	499,864	219,558
First Nation Development Fund Grant (FNDF)	650,000	295,397	394,343
Farm	311,494	176,585	312,323
Economic Development	164,240	173,768	164,240
Lands	121,892	154,082	168,434
TLE Trust	-	72,356	99,734
	20,724,784	33,888,403	31,763,451
<b>SURPLUS FROM OPERATIONS</b>	-	2,109,573	1,485,930

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**ALEXANDER FIRST NATION****Consolidated Statement of Revenues and Expenditures** *(continued)***Year Ended March 31, 2021**

	Budget 2021 (unaudited)	2021	2020
<b>OTHER INCOME (EXPENSES)</b>			
ISC band funds capital account income <i>(Note 7)</i>	-	<b>706,382</b>	1,333,700
ISC band funds revenue account income <i>(Note 7)</i>	-	<b>102,167</b>	142,714
Surplus (loss) from Government Business Enterprises <i>(Note 6)</i>	-	<b>647,907</b>	(731,166)
Transfer of band funds to other departments carried forward from prior year <i>(Note 7)</i>	-	-	(112,612)
Gain on disposal of tangible capital assets	-	-	106,218
Transfer of band funds to other departments <i>(Note 7)</i>	-	<b>(715,000)</b>	(2,484,380)
Operational support for Alexander Business Centre Group of Companies	-	<b>(750,000)</b>	-
	-	<b>(8,544)</b>	(1,745,526)
<b>SURPLUS (DEFICIT) OF REVENUE OVER EXPENSE</b>	\$ -	<b>\$ 2,101,029</b>	\$ (259,596)

**ALEXANDER FIRST NATION**  
**Consolidated Statement of Changes in Accumulated Surplus**  
**Year Ended March 31, 2021**

	<b>2021</b>	2020
<b>ACCUMULATED SURPLUS - BEGINNING OF YEAR</b>	<b>\$ 16,527,289</b>	\$ 16,753,572
Change in consolidation <i>(Note 2)</i>	-	(946,450)
ADJUSTED ACCUMULATED SURPLUS - BEGINNING OF YEAR	<b>16,527,289</b>	15,807,122
Change in investment in government business enterprise <i>(Note 2)</i>	-	979,763
SURPLUS (DEFICIT) FOR THE YEAR	<b>2,101,029</b>	(259,596)
Net change in trust funds	<b>(93,548)</b>	-
<b>ACCUMULATED SURPLUS - END OF YEAR</b>	<b>\$ 18,534,770</b>	\$ 16,527,289

**ALEXANDER FIRST NATION**  
**Consolidated Statement of Changes in Net Financial Debt**  
**Year Ended March 31, 2021**

	2021	2020
<b>SURPLUS (DEFICIT) OF REVENUE OVER EXPENSE</b>	<b>\$ 2,101,029</b>	<b>\$ (259,596)</b>
Acquisition of tangible capital assets <i>(Note 13)</i>	<b>(3,820,990)</b>	(5,146,747)
Amortization of tangible capital assets	<b>3,598,862</b>	3,016,325
Change in deposits and prepaid expenses	<b>998</b>	3,000
Net change in consolidation of Alexander Industry Relations Corporation <i>(Note 2)</i>	-	59,497
Disposal of tangible capital assets <i>(Note 13)</i>	-	(106,218)
Net change in trust funds	<b>(93,548)</b>	-
	<b>(314,678)</b>	(2,174,143)
<b>INCREASE (DECREASE) IN NET FINANCIAL DEBT</b>	<b>1,786,351</b>	(2,433,739)
<b>NET FINANCIAL DEBT - BEGINNING OF YEAR</b>	<b>(8,516,425)</b>	(6,082,686)
<b>NET FINANCIAL DEBT - END OF YEAR</b>	<b>\$ (6,730,074)</b>	<b>\$ (8,516,425)</b>

**ALEXANDER FIRST NATION**  
**Consolidated Statement of Cash Flow**  
**Year Ended March 31, 2021**

	2021	2020
<b>OPERATING ACTIVITIES</b>		
Surplus (deficit) of revenue over expense	\$ 2,101,029	\$ (259,596)
Items not affecting cash:		
Amortization of tangible capital assets (Note 13)	3,598,862	3,016,325
Restricted capital and revenue trust fund	(93,548)	1,120,578
Gain on disposal of tangible capital assets (Note 13)	-	(106,218)
(Net income) loss from government business enterprise (Note 6)	(647,907)	731,166
	<b>4,958,436</b>	<b>4,502,255</b>
Changes in non-cash working capital:		
Accounts receivable	(146,171)	488,622
Prepaid expenses	1,000	3,000
Accounts payable and accrued liabilities	267,276	(470,740)
Deferred revenue	204,547	(797,468)
	<b>326,652</b>	<b>(776,586)</b>
Cash flow from operating activities	<b>5,285,088</b>	<b>3,725,669</b>
<b>INVESTING ACTIVITY</b>		
Maturity (reinvestment) of restricted cash and short term investments	(180,907)	481,633
Adjustment to remove cash held by government business enterprise	-	(431,685)
Cash flow (used by) from investing activity	<b>(180,907)</b>	<b>49,948</b>
<b>FINANCING ACTIVITIES</b>		
Net change in advances with government business enterprises	388,412	(262,410)
Issuance of long term debt	256,875	761,548
Repayment of long term debt	(1,145,392)	(708,553)
Repayment of obligations under capital lease	(85,723)	(52,231)
Cash flow used by financing activities	<b>(585,828)</b>	<b>(261,646)</b>
<b>CAPITAL ACTIVITIES</b>		
Purchase of tangible capital assets (Note 16)	(3,672,222)	(5,146,747)
Proceeds on disposal of tangible capital assets	-	147,500
	<b>(3,672,222)</b>	<b>(4,999,247)</b>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>846,131</b>	<b>(1,485,276)</b>
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<b>3,327,159</b>	<b>4,812,435</b>
<b>CASH AND CASH EQUIVALENTS- END OF YEAR (Note 16)</b>	<b>\$ 4,173,290</b>	<b>\$ 3,327,159</b>

**ALEXANDER FIRST NATION**

**Consolidated Schedule of Total Expenses by Object**

**(Schedule 1)**

**Year Ended March 31, 2021**

	Budget (unaudited) 2021	2021	2020
Salaries and benefits	\$ 14,419,420	\$ 14,330,205	\$ 12,725,937
Amortization	-	3,598,862	3,016,325
Casual labour	-	2,351,226	587,701
Per capita distribution	-	2,206,924	-
Program expense	895,124	1,234,592	4,217,433
Repairs and maintenance	572,816	1,200,943	1,057,448
Social assistance	601,099	826,641	610,698
Legal fees	110,333	772,708	545,303
Special Projects	339,981	770,102	1,654,274
Travel and meetings	501,544	680,382	1,232,733
Utilities	178,202	658,969	598,508
Subcontracts	-	527,566	220,902
Office supplies	245,057	516,126	223,758
Tuition costs	520,500	495,985	537,668
Consulting fees	231,783	432,000	287,730
Staff development	188,509	430,509	695,281
Administration expenses	458,464	386,261	411,271
Insurance	225,199	356,171	323,897
Materials	71,600	199,093	211,860
Water and wastewater	216,000	193,761	507,423
Telephone and IT support	75,700	185,341	190,919
Interest on long-term debt	-	163,029	194,917
Rental	13,000	160,126	76,972
Cultural events	39,159	159,802	300,979
Funeral	-	148,488	64,846
Equipment lease	148,398	147,554	72,519
Audit fees	-	140,500	159,060
Sponsorships and donations	5,000	111,161	173,920
Crop share expense	37,500	89,365	96,162
Gas, oil and fuel	-	76,080	74,879
Supplies	119,600	66,433	122,606
Community support	80,000	54,933	27,316
Accreditation	-	38,690	35,785
Bank charges and interest	22,963	35,654	52,514
Language and culture	-	35,419	28,833
Landfill fees	-	32,444	153,315
Contracted services	7,833	29,769	65,110
Medical transport	-	26,061	20,712
Automotive	-	12,719	1,743
Interest on capital lease	-	5,809	5,923
Alexander Business Centre Inc.	-	-	136,330
Band member assistance	-	-	33,820
Management fee	100,000	-	-
Loan payments	300,000	-	-
Capital projects	-	-	8,121
<b>TOTAL EXPENSES BY OBJECT</b>	<b>\$ 20,724,784</b>	<b>\$ 33,888,403</b>	<b>\$ 31,763,451</b>

**ALEXANDER FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2021**

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Alexander First 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 Alexander First Nation members.

These consolidated financial statements reflect the financial assets, non-financial assets, liabilities, revenues and expenses of Alexander First Nation.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

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

- Alexander Employment and Labour Services Ltd.
- 824750 Alberta Ltd. (o/a Alexander Forestry Services)
- Alexander First Nation Farm Enterprises

As a result, figures as at March 31, 2021 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.

Oil and gas royalties in the restricted Capital and Revenue trust funds are paid in trust to the Government of Canada on behalf of Alexander First Nation pursuant to the provisions of the Indian Oil and Gas Act and Regulations. This revenue is recognized in the accounts of Alexander First Nation when reported by the Government of Canada.

Income earned from oil and gas royalties in the restricted Capital and Revenue trust funds is also recognized when a 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 included in the statement of financial position as deferred trust funds.

Other revenues, including Forestry, 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 measured at the fair value of the consideration received.

Rental and lease revenue are recognized when persuasive evidence of an agreement exists, services have been rendered, the selling price is fixed or determinable, and the collection is reasonably assured. Revenue is measured at the fair value of the consideration received.

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**ALEXANDER FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2021**

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

Land Surrender Claim (“LSC”) distributions are recognized on an annual basis in accordance with the Trust Agreement between the Trustee and the Nation. The Trust Agreement provides for a distribution of up to 50% of the Net Annual Income of the preceding year to fund the Nation’s programs and services from 2003 to 2032.

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, plus short term investments with maturities of three months or less and long-term investments with maturities of five months or more of the subsequent year-end. Cash subject to external restrictions that prevent its use for current purposes is included in restricted cash.

Short term investments

Short term investments, which consist primarily of commercial paper with original maturities at date of purchase and less than twelve months, are carried at amortized cost.

Investment in government business enterprises

The investment in the government business enterprise is 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 has not been adjusted to conform with those of Alexander First 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.

Tangible capital assets

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

Buildings	5%	straight-line method
Infrastructure	5%	straight-line method
Equipment	20%	straight-line method
Automotive equipment	30%	straight-line method
Computer	55%	straight-line method
Renewable conservation equipment	55%	straight-line method
Assets under capital lease	30%	straight-line method

Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

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

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**ALEXANDER FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2021**

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

Pension expenditures

Alexander First Nation sponsors a defined contribution pension plan for certain employees. Under the plan the Nation matches the employee's contribution of 5% of earnings. During the year the Nation contributed \$309,074 (2020 - \$283,162) 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 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 financial statements and the reported amounts of revenues and expenses during the period. Such estimates include useful life of tangible capital assets, collectability of accounts receivable, deferred contributions and accruals of operating expenses, which 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.

2. CHANGE IN CONSOLIDATION

During the year ended March 31, 2020, Alexander Industry Relations Corporation ("AIRC"), a former department of the Nation, had a change in ownership and now meets the criteria of a Government Business Enterprise (GBE). As a result, AIRC is no longer consolidated within the Nation's financial statements, but rather an amount equal to AIRC's retained earnings as of March 31, 2019 has been included in investments in government business enterprises, while all current year activity relating to AIRC was accounted for using the modified equity method.

The change in ownership and change in consolidation of Alexander Industry Relations Corporation was effective April 1, 2019 and as a result, the following amounts have been reflected:

	Financial Position	Accumulated Surplus	Net Financial Debt
Prior year change in consolidation	\$ -	\$ (946,450)	\$ -
Prior year change in investment in government business enterprises	-	979,763	-
Prior year change to net financial debt	-	-	59,497

**ALEXANDER FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2021**

3. COVID-19

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place are having multiple impacts on local, provincial, national and global economies.

As of April 1, 2020, the Nation's ability to provide various services to its members was hindered due to physical distancing practices established as well as difficulty engaging vendors who remain operational. The Nation's Government Business Enterprises have also encountered difficulties to complete contracted services which reduces the Nation's ability to generate self-source revenues through its various subsidiaries. Management is uncertain of the effects of these changes on its financial statements and believes that any disturbance may be temporary; however, there is uncertainty about the length and potential impact of the disturbance.

Despite widespread shutdowns of local and national economies caused by COVID-19, Alexander First Nation continued to and continues to offer essential services to its members through program delivery. Chief and Council of the Nation has concluded that the costs to deliver these services are the responsibility of the federal government as part of its Treaty obligations.

4. RESTRICTED CASH AND SHORT TERM INVESTMENTS

Included in restricted short term investments are Guaranteed Investment Certificates for \$50,000 bearing interest of 0.40% maturing December 30, 2021; \$205,520 bearing interest of 0.35% maturing February 4, 2022; and \$200,000 bearing interest of 0.35% maturing March 7, 2022. This short term investment is required by Royal Bank of Canada as a result of deficient reporting under terms of the Nation's credit facilities. This balance is held as security for long-term debt as described in Note 10.

The MAR Capital Reserve represents segregated funds that will be used to replace moveable capital assets within Health Services. Restricted cash of balance of \$190,297 (2020 - \$164,909) as an asset replacement reserves as required by various funding agencies.

Also included in restricted short term investments are \$86,430 of Guaranteed Investment Certificates which bear interest at 0.20%. Of these investments, \$50,430 matures on April 17, 2021 and \$36,000 matures on April 2, 2021. These investments are held as security for the Canada Mortgage and Housing Corporation replacement reserves and the use of such investments is therefore restricted. The replacement reserve is under funded at year end as reflected in Note 15.

5. ACCOUNTS RECEIVABLE

	2021	2020
Member receivables	\$ 3,652,904	\$ 3,656,751
General receivables	264,888	254,528
Goods and Service Tax	62,798	156,982
Indigenous Services Canada	70,100	58,600
	<b>4,050,690</b>	4,126,861
Allowance for doubtful accounts	<b>(3,913,987)</b>	(3,843,987)
	<b>\$ 136,703</b>	<b>\$ 282,874</b>

**ALEXANDER FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2021**

6. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISES

	<b>2021</b>	<b>2020</b>
Balance beginning of year	\$ 237,007	\$ -
Share of income (loss)	647,907	(123,566)
Net change in advances with government business enterprises	<b>(338,412)</b>	360,573
	<b>\$ 546,502</b>	237,007

The following is a summary of the percentage of government business enterprises owned and the related year end of the entities. The financial information presented below is combined based on the government business enterprises' respective year ends.

	<b>% Ownership</b>	<b>Year-end</b>
Alexander Business Centre Inc.	100%	March 31, 2021
Alexander Gas Bar Inc.	100%	March 31, 2021
Alexander Contracting & Construction Services (GP) Inc.	100%	March 31, 2021
Alexander Commercial Developments Inc.	100%	March 31, 2021
Alexander Industry Relations Corporation	100%	March 31, 2021
Two Creeks Energy Inc.	100%	March 31, 2021

Alexander Business Centre Inc. is a wholly owned subsidiary of the Nation, which directly owns the remaining listed entities. However, based on form, all entities are still considered to be government business enterprises.

	<b>2021</b>	<b>2020</b>
<b>Aggregate balance sheet information:</b>		
Assets		
Current assets	\$ 992,045	\$ 1,920,868
Capital assets	3,347,855	3,660,189
Other assets	1,490,270	-
Liabilities		
Current liabilities	\$ 4,879,891	4,260,784
Other liabilities	702,170	1,416,519
Equity	248,110	(96,246)
	<b>\$ 5,830,171</b>	<b>(731,166)</b>
<b>Aggregate income statement information:</b>		
Revenue	\$ 8,373,801	\$ 8,357,011
Expenses	(7,725,894)	(9,088,177)
Net income (loss)	<b>\$ 647,907</b>	<b>\$ (731,166)</b>

**ALEXANDER FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2021**

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 Aboriginal Affairs and Northern Development Canada.

	2021	2020
<b>Capital Trust</b>		
Balance, beginning of year	\$ 834,941	\$ 1,991,349
Income from royalties	706,382	1,333,700
Carried forward from prior year	-	(112,612)
Transfer to Nation programs	(715,000)	(2,377,496)
	<b>826,323</b>	834,941
<b>Revenue Trust</b>		
Balance, beginning of year	46,219	10,389
Income from royalties and interest	102,167	142,714
Transfer to Nation programs	-	(106,884)
	<b>148,386</b>	46,219
	<b>\$ 974,708</b>	\$ 881,160

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2021	2020
Trade payables	\$ 1,963,739	\$ 1,690,763
Government remittances	54,659	60,358
	<b>\$ 2,018,398</b>	\$ 1,751,121

**ALEXANDER FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2021**

9. DEFERRED REVENUE

	Opening balance	Contributions received	Revenue recognized	Ending balance
Indigenous Services Canada	\$ -	\$ -	\$ -	\$ -
Block funding contribution	148,592	8,431,240	7,732,286	847,546
Fixed funding contribution	272,047	6,492,167	5,850,114	914,100
Flexible funding contribution	455,404	1,963,896	2,013,110	406,190
Grant funding contribution	-	160,320	160,320	-
Set funding contribution	-	100	-	100
	876,043	17,047,723	15,755,830	2,167,936
Indigenous Services Canada Health	-	-	-	-
Block funding contribution	60,007	2,793,434	2,280,057	573,384
Flexible funding contribution	698,761	3,024,703	3,584,367	139,097
Footprints funding contribution	-	916,749	829,749	87,000
Fixed funding contribution	-	321,596	321,596	-
	758,768	7,056,482	7,015,769	799,481
Province of Alberta	-	-	-	-
Land Surrender Claim Distributions	1,585,887	2,000,327	1,827,346	172,981
	1,585,887	1,635,877	2,936,917	284,847
	\$ 3,220,698	\$ 27,740,409	\$ 27,535,862	\$ 3,425,245

Indigenous Services Canada fixed funding deferred revenue consists of \$445,622 FNWWAP Wastewater - fixed contribution, \$14,106 for A&C Water - fixed contribution, \$48,283 first nation school protection - fixed contribution, \$279,008 for Water System - fixed contribution and \$100,081 for COVID-19 funding - fixed contribution, and \$27,000 community based initiative - fixed contribution.

Indigenous Services Canada flexible funding deferred revenue consists of \$308,190 prior year community based initiative - flexible contribution, \$45,000 prior year community based initiative - flexible contribution, \$53,000 basic needs - flexible contribution

Indigenous Services Canada set funding deferred revenue consists of \$100 basic needs payable at year end.

Indigenous Services Canada Health flexible deferred revenue consists of \$65,889 from prior year Jordon's Principle - Education music - flexible contribution, \$69,000 Planning & Management - flexible contribution and \$4,208 Medical Transportation - Client Unsuored Services - flexible contribution.

Indigenous Services Canada Health footprints deferred revenue consists of \$87,000 FNIHB Fixed Contribution - NNADAP Treatment Centers Program.

Province of Alberta deferred revenue consists of \$150,521 for Province of Alberta funding and \$22,460 ASLI grant funding provided by the Provincial Government.

10. LONG TERM DEBT

	2021	2020
CMHC 1766611-009 mortgage bearing interest at 1.83% per annum, repayable in monthly blended payments of \$11,814. The loan renews on December 1, 2024 and matures on November 1, 2028 and is secured by a ministerial guarantee.	\$ 1,013,547	\$ 1,135,663

(continues)

**ALEXANDER FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2021**

10. LONG TERM DEBT <i>(continued)</i>	2021	2020
CMHC 1766611-017 mortgage bearing interest at 1.44% per annum, repayable in monthly blended payments of \$3,401. The loan renews on February 1, 2022 and matures on February 1, 2042 and is secured by a ministerial guarantee.	<b>736,952</b>	766,974
CMHC 1766611-016 mortgage bearing interest at 1.03% per annum, repayable in monthly blended payments of \$3,072. The loan renews on October 1, 2021 and matures on October 1, 2041 and is secured by a ministerial guarantee.	<b>683,677</b>	713,368
CMHC 1766611-015 mortgage bearing interest at 1.04% per annum, repayable in monthly blended payments of \$3,057. The loan renewed on March 1, 2021 and matures on March 1, 2041 and is secured by a ministerial guarantee.	<b>662,289</b>	691,949
CMHC 1766611-014 mortgage bearing interest at 1.75% per annum, repayable in monthly blended payments of \$3,340. The loan renews on October 1, 2024 and matures on August 1, 2039 and is secured by a ministerial guarantee.	<b>631,023</b>	659,857
CMHC 1766611-013 mortgage bearing interest at 1.35% per annum, repayable in monthly blended payments of \$3,370. The loan renews on May 1, 2022 and matures on May 1, 2037 and is secured by a ministerial guarantee.	<b>587,310</b>	619,630
CMHC 1766611-018 loan bearing interest at 2.61% per annum, repayable in monthly blended payments of \$2,848. The loan renews on December 1, 2023 and matures on December 1, 2043 and is secured by a ministerial guarantee.	<b>586,587</b>	605,302
CMHC 1766611-012 mortgage bearing interest at 1.03% per annum, repayable in monthly blended payments of \$3,171. The loan renews on October 1, 2021 and matures on October 1, 2036 and is secured by a ministerial guarantee.	<b>547,663</b>	579,917
CMHC 1766611-011 mortgage bearing interest at 0.46% per annum, repayable in monthly blended payments of \$3,584. The loan renewed on May 1, 2020 and matures on November 1, 2029 and is secured by a ministerial guarantee.	<b>365,297</b>	404,287
CMHC 1766611-019 loan initially advanced. The related assets are still under construction and therefore the loan is in non-repayment status. The loan will bear interest of 2.69% and will be repayable over 25 years beginning when the project is complete.	<b>256,875</b>	-
CMHC 1766611-010 mortgage bearing interest at 1.83% per annum, repayable in monthly blended payments of \$1,677. The loan renews on December 1, 2024 and matures on March 1, 2034 and is secured by a ministerial guarantee.	<b>232,814</b>	248,552
		<i>(continues)</i>

**ALEXANDER FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2021**

10. LONG TERM DEBT <i>(continued)</i>	2021	2020
CMHC 1766611-004 mortgage bearing interest at 1.87% per annum, repayable in monthly blended payments of \$2,077. The loan renews on May 1, 2024 and matures on March 1, 2029 and is secured by a ministerial guarantee.	<b>185,128</b>	206,397
CMHC 1766611-005 mortgage bearing interest at 1.87% per annum, repayable in monthly blended payments of \$2,070. The loan renews on May 1, 2024 and matures on March 1, 2029 and is secured by a ministerial guarantee.	<b>184,453</b>	205,645
CMHC 1766611-007 mortgage bearing interest at 0.96% per annum, repayable in monthly blended payments of \$1,668. The loan renews on September 1, 2021 and matures on April 1, 2031 and is secured by a ministerial guarantee.	<b>192,257</b>	210,336
CMHC 1766611-006 mortgage bearing interest at 1.3% per annum, repayable in monthly blended payments of \$1,523. The loan renewed on October 1, 2020 and matures on March 1, 2030 and is secured by a ministerial guarantee.	<b>155,242</b>	171,802
CMHC 1766611-008 mortgage bearing interest at 1.46% per annum, repayable in monthly blended payments of \$1,086. The loan renews on March 1, 2022 and matures on January 1, 2032 and is secured by a ministerial guarantee.	<b>130,500</b>	141,545
CMHC 1766611-003 mortgage bearing interest at 2.41% per annum, repayable in monthly blended payments of \$1,276. The loan renews on April 1, 2023 and matures on March 1, 2028 and is secured by a ministerial guarantee.	<b>98,577</b>	111,364
CMHC 1766611-002 mortgage bearing interest at 1.35% per annum, repayable in monthly blended payments of \$1,255. The loan renews on May 1, 2022 and matures on February 1, 2027 and is secured by a ministerial guarantee.	<b>85,625</b>	99,438
CMHC 1766611-001 mortgage bearing interest at 1.30% per annum, repayable in monthly blended payments of \$1,217. The loan renewed on December 1, 2020 and matures on July 1, 2025 and is secured by a ministerial guarantee.	<b>62,652</b>	76,697
AIIC 873-12 loan bearing interest at 9.00% per annum, repayable in monthly blended payments of \$2,359. The loan matures on January 8, 2025 and is secured by a ministerial guarantee.	<b>90,196</b>	109,438
AIIC 873-13 loan bearing interest at 9.00% per annum, repayable in monthly blended payments of \$2,359. The loan matures on February 8, 2025 and is secured by a ministerial guarantee.	<b>90,196</b>	109,438
		<i>(continues)</i>

**ALEXANDER FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2021**

10. LONG TERM DEBT <i>(continued)</i>	2021	2020
AIIC 873-14 loan bearing interest at 9.00% per annum, repayable in monthly blended payments of \$1,280. The loan matures on January 8, 2025 and is secured by a ministerial guarantee.	<b>90,178</b>	108,613
AIIC 873-15 loan bearing interest at 9.00% per annum, repayable in monthly blended payments of \$981. The loan matures on January 8, 2025 and is secured by a ministerial guarantee.	<b>48,948</b>	59,390
AIIC 873-16 loan bearing interest at prime plus 1.50% per annum, repayable in monthly blended payments of \$981. The loan matures on January 8, 2025 and is secured by term deposits and/or guaranteed investment certificates in the amount of \$250,000 through a cash collateral agreement on the Bank's form 610.	<b>36,369</b>	44,463
Peace Hills Trust loan bearing interest at 3.95% per annum, repayable in blended monthly payments of \$673. The loan matures on June 1, 2025 and is secured by a ministerial guarantee.	<b>62,126</b>	66,768
Brandt Financing loan was repaid in full during the year.	-	430,436
Royal Bank of Canada loan was repaid in full during the year.	-	127,730
	<b>\$ 7,816,481</b>	<b>\$ 8,704,999</b>

Principal repayment terms are approximately:

2022	\$ 605,999
2023	620,462
2024	635,563
2025	635,772
2026	575,243
Thereafter	<u>4,743,442</u>
	<b><u>\$ 7,816,481</u></b>

Interest paid on long-term debt amounted to \$163,029 (2020 - \$194,917) during the year.

As at March 31, 2021, Alexander First Nation has a demand, non-revolving line of credit for \$500,000, of which they have drawn \$431,343 (2020 - \$431,343) in the form of the AIIC loans. There is \$68,657 (2020 - \$68,657) available on the line of credit to draw.

*(continues)*

**ALEXANDER FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2021**

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10. LONG TERM DEBT (*continued*)

- a) The AIIC loans are secured by a General Security Agreement naming AIIC as having fixed first charges over assets with a carrying value of \$278,856 (2020 - \$403,401), and a Guarantee from the Nation in the amount of \$300,000, in full support of the Nation's bussing operation.

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.

As at March 31, 2021, Alexander First Nation has a \$100,000 revolving demand facility for RBP based loans with Royal Bank of Canada. The balance outstanding for this facility as at March 31, 2021 is \$50,000 (2020 - \$nil).

As at March 31, 2021, Alexander First Nation has a \$15,000 revolving demand facility for Letters of Guarantee (LG) with Royal Bank of Canada. The balance for this facility as at March 31, 2021 is \$nil. The LG is secured by a cash collateral agreement on the Bank's form 610 for deposits and/or guaranteed investment certificates in the amount of \$15,000.

As at March 31, 2021 Alexander First Nation has VISA business card with a maximum amount of \$10,000 through Royal Bank of Canada, the balance drawn upon on this facility as at March 31, 2021 is \$1,245 (2020 - \$nil).

**ALEXANDER FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2021**

11. OBLIGATION UNDER CAPITAL LEASE

	2021	2020
2017 Ford - 17FT72B61HEF02640 lease bearing interest at 6.74% per annum, repayable in monthly blended payments of \$1,076. The lease matures on April 4, 2021 and is secured by a vehicle which has a carrying value of \$26,757.	\$ 16,700	\$ 28,024
2017 Ford - 17FT72B61HEF02639 lease bearing interest at 6.74% per annum, repayable in monthly blended payments of \$1,076. The lease matures on April 4, 2021 and is secured by a vehicle which has a carrying value of \$26,757.	16,700	28,024
2017 John Deere 450k Crawler Dozer lease was repaid in full during the year.	-	60,535
Great West Chrysler Jeep lease was repaid in full during the year.	-	1,282
Great West Chrysler Jeep lease was repaid in full during the year.	-	1,282
	<b>\$ 33,400</b>	<b>\$ 119,147</b>

Interest paid on obligations under capital lease amounted to \$5,809 (2020 - \$5,923) during the year.

Future minimum capital lease payments are approximately:

2022	\$ 31,976
2023	1,424
Total minimum lease payments	<u>\$ 33,400</u>

**ALEXANDER FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2021**

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12. CONTINGENT LIABILITY

Government contributions related to the programs of Alexander First 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.

Indigenous Services Canada has conducted a compliance review of certain Nation's expenditures from 2010 to 2016. The Nation's opinion is that all expenditures referred to in the compliance review are eligible expenses. Resolution of the compliance review is ongoing with no formal settlement as of the report date with no terms or possible impact determinable. Any liabilities, if any, resulting from this review will be recorded as an expense in the year of resolution.

Peace Hills Trust (PHT) provides Section 10 loans to individuals of the Nation, which are paid by the members of the Nation and are secured by Ministerial Loan Guarantees (MLG). The occurrence of confirming default on the Section 10 mortgages by individuals of the Nation is undeterminable. The balance for Section 10 mortgages provided by PHT as at March 31, 2021 is \$198,020 (2020 - \$215,740).

As at March 31, 2021 Alexander First Nation has an obligation as a second lessee for vehicles leased by both Alexander Business Centre Inc. and Alexander Gas Bar Inc. (government business enterprises ("GBEs")). The likelihood of default by the GBEs is undeterminable. The balance of this obligation under capital lease at year-end was \$193,454 (2020 - \$288,385).

As at March 31, 2021 Alexander First Nation has an obligation as a guarantor for a credit facility held by Alexander Business Centre Inc. (government business enterprise "GBE"). The likelihood of default by the GBE is undeterminable. The balance of this credit facility at year-end was \$504,488 (2020 - \$623,100).

Various claims and litigation arise in the normal course of operations. It is management's opinion that the occurrence of any contingent losses is not determinable and therefore an estimate of the loss, if any, cannot be made.

**ALEXANDER FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2021**

13. TANGIBLE CAPITAL ASSETS

<b>COST</b>	2020 Balance	Additions	Disposals	2021 Balance
Buildings	\$ 25,557,902	\$ 1,767,970	\$ -	\$ 27,325,872
Infrastructure	27,761,215	1,158,361	-	28,919,576
Equipment	1,779,147	374,888	-	2,301,985
Automotive equipment	2,602,842	129,758	-	2,831,210
Renewable conservation equipment	250,000	-	-	250,000
Computer	83,865	390,013	-	473,878
Assets under capital lease	97,299	-	-	97,299
	\$ 58,132,270	\$ 3,820,990	\$ -	\$ 62,199,820

<b>ACCUMULATED AMORTIZATION</b>	2020 Balance	Amortization	Accumulated Amortization on Disposals	2021 Balance
Buildings	\$ 9,465,237	\$ 1,337,132	\$ -	\$ 10,802,369
Infrastructure	20,776,806	1,344,597	-	22,121,403
Equipment	1,038,315	241,634	-	1,279,949
Automotive equipment	1,841,124	351,271	-	2,291,006
Renewable conservation equipment	62,500	125,000	-	187,500
Computer	40,099	140,455	-	180,554
Assets under capital lease	33,923	58,773	-	92,696
	\$ 33,356,617	\$ 3,598,862	\$ -	\$ 36,955,479

<b>NET BOOK VALUE</b>	2021	2020
Buildings	\$ 16,523,504	\$ 16,092,666
Infrastructure	6,798,173	6,984,409
Equipment	1,022,036	740,832
Automotive equipment	540,204	761,718
Computer	293,324	43,766
Renewable conservation equipment	62,500	187,500
Assets under capital lease	4,603	63,376
	\$ 25,244,344	\$ 24,830,499

**ALEXANDER FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2021**

14. ACCUMULATED SURPLUS

	2021	2020
Equity in tangible capital assets	\$ 17,456,585	\$ 16,392,588
Equity in trust funds	974,108	881,160
Equity in change in consolidation	-	33,313
Unrestricted surplus (deficit)	104,077	(779,772)
	<b>\$ 18,534,770</b>	<b>\$ 16,527,289</b>

15. RELATED PARTY TRANSACTIONS

During the year, Alexander First 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.

16. CASH FLOW SUPPLEMENTARY INFORMATION

The following transactions have been excluded from the Statement of Cash Flow as they did not require the use of cash or cash equivalents.

	2021	2020
Transfer of tangible capital assets	\$ (148,769)	\$ -

17. 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, 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. The funds in the account may only be used as approved by CMHC. At March 31, 2021, the replacement reserve was under funded by \$602,318 (2020 - under funded by \$54,714).

18. 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, 2021. Unless otherwise noted, the Nation's risk exposure has not changed from the prior year.

*(continues)*

**ALEXANDER FIRST NATION**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2021**

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18. FINANCIAL INSTRUMENTS *(continued)*

***(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, long-term debt, obligations under capital leases, contributions to the pension plan, and accounts payable.

***(c) 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. In seeking to minimize the risks from interest rate fluctuations, the Nation manages exposure through its normal operating and financing activities. The Nation is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

19. 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 Alexander 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.

20. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

**Alexander First Nation**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2021**

21. CONSOLIDATED SEGMENT DISCLOSURES

2021 Fiscal Year	Band Government	PW Works	Kipohakawmik Lodge	Economic Development	Emergency Response	Housing	Health	Social Services	Education Authority	Forestry	Farm	Employment and Labour Services	PCD	Lands	FNDF	TLE Trust	Total
<b>Revenue</b>																	
ISC Block Contribution funding	1,115,865	764,737	518,614	167,166	-	361,656	-	1,566,236	3,936,966	-	-	-	-	-	-	-	8,431,240
ISC Fixed Contribution funding	576,961	1,916,284	-	248,009	250,000	330,000	-	386,330	2,629,501	-	-	-	-	154,082	-	-	6,492,167
ISC Flexible Contribution funding	1,682,887	-	6,433	-	49,864	-	-	125,712	-	99,000	-	-	-	-	-	-	1,963,896
ISC Set Contribution funding	-	-	-	-	-	-	-	100	-	-	-	-	-	-	-	-	100
ISC Grant funding	160,320	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	160,320
First Nation and Inuit Health Branch (FNIHB)	-	-	-	-	-	-	7,056,482	-	-	-	-	-	-	-	-	-	7,056,482
Other Revenue	4,044,716	490,128	381,521	-	-	84,734	71,728	66,833	457,453	35,000	3,703	118,189	1,399	-	-	-	72,356
Province of Alberta	-	-	1,064,765	-	-	-	152,452	64,184	129,329	494,327	-	95,270	-	-	-	-	2,000,327
Service Canada	-	-	-	-	-	-	-	-	-	-	-	371,542	-	-	-	-	371,542
First Nation Development Fund (FNDF)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	346,895	-	346,895
Capital and Revenue Trust funds	715,000	-	-	-	-	161,673	-	-	-	-	-	-	-	-	-	-	876,673
Canada Mortgage and Housing Corporation (CMHC)	-	-	-	-	-	617,636	-	-	-	-	-	-	-	-	-	-	617,636
Forestry revenue	-	-	-	-	-	-	-	-	-	146,702	-	-	-	-	-	-	146,702
Rental and Lease Revenue	-	-	-	-	-	-	-	-	-	-	274,901	-	-	-	-	-	274,901
Land Surrender Claim Trust (LSC) distributions	351,000	224,500	-	-	200,000	191,377	69,000	350,000	250,000	-	-	-	-	-	-	-	1,635,877
Contributions carried forward from prior year	1,585,887	228,103	-	-	-	-	287,507	603,996	515,205	-	-	-	-	-	-	-	3,220,698
Contributions carried forward to next year	263,178	(838,817)	(150,521)	-	-	-	(825,053)	(1,010,822)	(337,054)	-	-	-	-	-	-	-	(3,161,105)
Transfer to (from) other programs	(1,571,241)	729,151	-	(242,407)	-	576,097	(1,285,318)	11,621	(400,903)	-	-	-	2,183,000	-	-	-	(3,425,245)
<b>Total Revenue</b>	<b>8,398,218</b>	<b>3,514,086</b>	<b>1,820,812</b>	<b>173,768</b>	<b>499,864</b>	<b>2,323,173</b>	<b>5,526,798</b>	<b>2,164,390</b>	<b>7,180,497</b>	<b>775,029</b>	<b>278,604</b>	<b>585,001</b>	<b>2,184,399</b>	<b>154,082</b>	<b>346,895</b>	<b>72,356</b>	<b>35,997,976</b>
<b>Expenses</b>																	
Salaries and benefits	1,765,734	809,538	1,627,495	61,445	184,161	193,859	2,808,032	835,304	3,998,468	473,965	-	212,469	-	-	288,332	72,356	13,331,157
Per capita distribution	-	-	-	-	-	-	-	-	-	-	-	-	2,189,676	-	-	-	2,189,676
Repairs and maintenance	74,537	421,464	41,955	-	9,732	-	341,488	79,615	-	17,933	-	-	-	-	-	-	985,704
Legal fees	812,120	-	-	-	-	-	127,569	-	-	5,469	-	11,000	-	-	7,050	-	965,208
Utilities	114,460	11,772	59,423	-	-	1,927	22,527	354,398	94,462	-	-	-	-	-	-	-	658,969
Travel and meetings	335,759	45,067	2,552	2,140	2,417	21,985	41,461	103,097	-	28,082	5,691	5,644	-	-	-	-	593,895
Casual labour	376,088	-	-	-	-	-	45,160	-	94,785	-	-	-	14,500	-	-	-	530,543
Consulting	233,164	-	-	17,203	-	97,150	-	-	49,336	3,350	2,000	-	-	-	-	-	402,203
Insurance	272,179	28	-	-	-	-	32,450	12,242	31,043	8,256	-	-	-	-	-	-	356,199
Subcontracts	-	149,255	-	-	-	38,907	139,861	-	-	14,275	-	-	-	-	-	-	342,298
Program expense	-	-	-	-	-	-	307,531	10,575	-	-	-	-	-	-	-	-	318,105
Staff Development	25,773	7,589	2,987	-	1,700	-	15,131	13,308	-	12,494	-	245,413	-	-	-	-	324,396
Social assistance	-	-	-	-	-	294,894	-	-	-	-	-	-	-	-	-	-	294,894
Administration expenses	23,834	33,482	1,252	-	-	-	140,672	6,826	-	-	31,895	-	-	-	-	-	237,961
Special projects	-	-	19,766	-	-	2,221	158,934	-	-	-	-	-	46,408	-	-	-	227,329
Telephone and IT support	74,957	-	-	-	1,866	-	64,713	9,816	-	3,665	1,650	-	-	-	-	-	177,981
Interest on long-term debt	11,199	-	-	-	-	116,415	-	-	33,218	-	-	-	-	-	-	-	160,831
Rental	49,889	18,941	-	-	-	-	-	78,296	-	-	-	-	13,000	-	-	-	160,126
Cultural events	114,702	-	-	-	-	-	45,100	-	-	-	-	-	-	-	-	-	159,802
Funeral	148,488	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	148,488
Audit fees	130,000	-	-	-	-	10,500	-	-	-	-	-	-	-	-	-	-	140,500
Equipment lease	63,020	-	-	-	124	-	35,893	13,383	-	-	3,600	-	-	-	-	-	116,020
Office supplies	-	19,050	19,766	1,500	-	9,937	27,246	28,507	-	8,474	-	2,186	-	-	-	-	116,665
Materials	-	-	75,960	-	-	-	20,813	-	-	-	-	-	-	-	-	-	96,773
Crop share expense	-	-	-	-	-	-	-	-	-	-	85,321	-	-	-	-	-	85,321
Supplies	-	-	37,633	-	-	-	5,500	-	-	-	-	23,300	-	-	-	-	66,433
Community support	12,547	-	-	-	-	-	-	42,386	-	-	-	-	-	-	-	-	54,933
Gas, oil and fuel	-	37,958	-	-	-	6,000	-	10,490	-	32,122	-	-	-	-	-	-	86,570
Advertising	-	47,396	-	-	-	300	-	-	-	5,250	-	750	-	-	-	-	53,696
Accommodation	-	-	-	-	-	-	38,690	-	-	-	-	-	-	-	-	-	38,690
Language and Culture	-	-	-	-	-	-	-	35,419	-	-	-	-	-	-	-	-	35,419
Bank charges and interest	16,154	4,083	1,571	-	-	1,281	487	3,622	3,196	3,785	450	435	2,748	-	14	-	37,829
Landfill fees	-	32,444	-	-	-	-	-	-	-	-	-	-	-	-	-	-	32,444
Band member assistance	32,273	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	32,273
Contracted services	-	-	-	-	-	-	-	-	-	-	29,769	-	-	-	-	-	29,769
Medical transport	-	-	-	-	-	-	26,061	-	-	-	-	-	-	-	-	-	26,061
Automotive	-	-	-	-	-	-	-	-	-	12,719	-	-	-	-	-	-	12,719
Interest on capital lease	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,809
Management fee (recovery)	-	-	-	-	-	-	-	-	-	(50,000)	-	-	-	-	-	-	(50,000)
Covid-19 - fixed contribution	241,845	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	241,845
Finance mgmt gov capacity development - fixed contribution	203,333	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	203,333
Plan and risk management - fixed contribution	75,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	75,000
Band offices and building - fixed contribution	54,748	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	54,748
Administration and support services - fixed contribution	2,035	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,035
Wastewater systems - fixed contribution	-	162,668	-	-	-	-	-	-	-	-	-	-	-	-	-	-	162,668
Connectivity - fixed contribution	-	-	73,881	-	-	-	-	-	-	-	-	-	-	-	-	-	73,881
Solid waste - fixed contribution	-	43,832	-	-	-	-	-	-	-	-	-	-	-	-	-	-	43,832
A&C water - fixed contribution	-	25,894	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25,894
Covid-19 - fixed contribution	-	22,797	-	-	-	-	-	-	-	-	-	-	-	-	-	-	22,797
FNWAP - Wastewater - fixed contribution	-	-	316	-	-	-	-	-	-	-	-	-	-	-	-	-	316
Risk management steps 7-10 - fixed contribution	-	-	-	59,800	-	-	-	-	-	-	-	-	-	-	-	-	59,800
Community opportunity readiness program - fixed contribution	-	-	-	31,680	-	-	-	-	-	-	-	-	-	-	-	-	31,680
Fire protection - fixed contribution	-	-	-	-	250,000	-	-	-	-	-	-	-	-	-	-	-	250,000
Planning design and construction - fixed contribution	-	-	-	-	-	200,000	-	-	-	-	-	-	-	-	-	-	200,000
Capacity and innovation - fixed contribution	-	-	-	-	-	130,000	-	-	-	-	-	-	-	-	-	-	130,000
Community based initiative - fixed contribution	-	-	-	-	-	-	-	347,810	-	-	-	-	-	-	-	-	347,810
Service delivery - fixed contribution	-	-	-	-	-	-	-	38,520	-	-	-	-	-	-	-	-	38,520
First Nation school targeted - fixed contribution	-	-	-	-	-	-	-	-	1,034,875	-	-	-	-	-	-	-	1,034,875
First Nation school second level- fixed contribution	-	-	-	-	-	-	-	-	657,853	-	-	-	-	-	-	-	657,853
First Nation school protect formula - fixed contribution	-	-	-	-	-	-	-	-	332,399	-	-	-	-	-	-	-	332,399
Covid-19 funding formula top-up - fixed contribution	-	-	-	-	-	-	-	-	243,220	-	-	-	-	-	-	-	24

**Alexander First Nation**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2021**

21. CONSOLIDATED SEGMENT DISCLOSURES

<b>Total Expenses</b>	<b>6,946,726</b>	<b>1,967,454</b>	<b>1,820,812</b>	<b>173,768</b>	<b>499,864</b>	<b>1,201,337</b>	<b>4,445,318</b>	<b>2,149,327</b>	<b>6,929,234</b>	<b>684,649</b>	<b>160,375</b>	<b>581,919</b>	<b>2,206,924</b>	<b>154,082</b>	<b>295,397</b>	<b>72,356</b>	<b>30,289,540</b>
Amortization	1,385,768	394,865	-	-	-	971,250	213,748	15,063	536,757	65,202	16,210	-	-	-	-	-	3,598,862
Operational support for ABC Group of Companies	750,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	750,000
	<b>2,135,768</b>	<b>394,865</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>971,250</b>	<b>213,748</b>	<b>15,063</b>	<b>536,757</b>	<b>65,202</b>	<b>16,210</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,348,862</b>
<b>Surplus (Deficit)</b>	<b>(684,276)</b>	<b>1,151,767</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>150,688</b>	<b>857,732</b>	<b>-</b>	<b>(285,494)</b>	<b>25,178</b>	<b>102,019</b>	<b>3,082</b>	<b>(22,525)</b>	<b>-</b>	<b>51,498</b>	<b>-</b>	<b>1,359,573</b>