

ALEXANDER FIRST NATION
Consolidated Financial Statements
Year Ended March 31, 2022

ALEXANDER FIRST NATION
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Year Ended March 31, 2022

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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).



Alexander First Nation, AB
July 28, 2022



KINGSTON
ROSS
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July 28, 2022
Edmonton, Alberta

INDEPENDENT AUDITOR'S REPORT

To the Members of Alexander First Nation

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, 2022, and the consolidated statements of operations, changes in accumulated surplus, changes in net financial asset (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, 2022, 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.

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.

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Independent Auditor's Report to the Members of Alexander First Nation (*continued*)

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.

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.

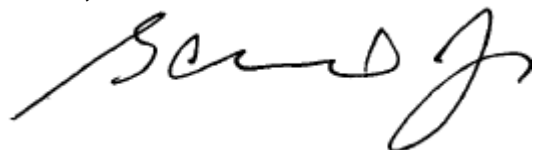


Kingston Ross Pasnak LLP
Chartered Professional Accountants

ALEXANDER FIRST NATION
Consolidated Statement of Financial Position
March 31, 2022

	2022	2021 (Restated)
Financial assets		
Cash and cash equivalents	\$ 13,070,121	\$ 4,173,290
Restricted cash and short term investments (Note 4)	2,337,994	732,246
Accounts receivable (Notes 2, 5)	8,939,518	1,323,336
Investment in government business enterprises (Note 6)	1,440,029	546,502
Restricted capital and revenue trust funds (Note 7)	2,203,292	974,708
	27,990,954	7,750,082
Liabilities		
Accounts payable and accrued liabilities (Note 8)	2,277,137	2,018,398
Deferred revenue (Note 9)	14,520,426	3,425,245
Long term debt (Note 10)	8,062,193	7,816,481
Obligation under capital lease (Note 11)	12,666	33,400
	24,872,422	13,293,524
CONTINGENT LIABILITY (Note 12)		
Net financial assets (debt)	3,118,532	(5,543,442)
Non-financial assets		
Tangible capital assets (Note 13)	25,584,780	25,244,344
Prepaid expenses	50,500	20,500
	25,635,280	25,264,844
Accumulated surplus (Note 15)	\$ 28,753,812	\$ 19,721,402

Chief, on behalf of Council



ALEXANDER FIRST NATION
Consolidated Statement of Operations
Year Ended March 31, 2022

	Budget 2022	2022	2021 (Restated)
Revenues			
Indigenous Services Canada			
Block funding	\$ 12,530,059	\$ 8,583,338	\$ 8,431,240
Fixed funding	-	15,992,947	6,492,167
Flexible funding	-	3,219,781	1,963,896
Grant funding	-	-	160,320
Set funding	-	97,875	100
Health Services Canada	3,129,873	6,442,806	7,056,482
Contributions carried forward to next year	(1,559,385)	(14,520,426)	(3,425,245)
Contributions carried forward from prior year	3,425,245	3,425,245	3,220,698
Other revenue	3,323,932	2,994,023	5,650,763
Province of Alberta	3,246,320	2,997,940	2,104,544
1905 Land Surrender Claim Trust	1,250,000	1,244,586	1,635,877
Industry Relations	-	1,124,908	-
Transfers from Wapski Mahikan Society	-	598,123	4,200
Canada Mortgage and Housing Corporation	1,444,000	1,665,480	617,636
Capital and revenue trust fund withdrawals	703,998	703,998	876,673
First Nation Development Fund	600,000	576,390	346,895
Service Canada	515,367	591,474	371,542
Forestry	-	366,555	42,485
Farm rental	100,000	290,967	274,901
Property taxation	170,000	184,014	172,801
	28,879,409	36,580,024	35,997,975
Expenses			
Education	7,058,275	8,440,092	7,465,991
Band Government	3,786,659	7,755,263	8,332,494
Health Services	2,970,790	4,745,999	4,659,065
Housing	1,974,669	2,993,451	2,172,585
Kipohtakawmik Lodge	2,138,809	2,481,110	1,820,811
Public Works	1,177,473	2,355,631	1,746,032
Social Development	2,775,153	2,316,081	2,164,388
Industry Relations	1,206,145	1,235,272	-
Forestry	1,035,000	1,091,691	749,852
Employment and Labour Services	527,019	682,869	581,919
Economic Development	725,484	579,682	176,585
First Nation Development Fund Grant (FNDF)	322,500	576,390	295,398
Capital Projects	1,443,064	524,449	616,288
Farm	311,494	284,764	173,768
Emergency Response	200,000	200,633	499,864
Lands	116,500	175,128	154,082
TLE Trust	100,000	100,000	72,356
Per Capita Distribution (PCD)	1,010,375	48,458	2,206,924
	28,879,409	36,586,963	33,888,402
(DEFICIT) SURPLUS FROM OPERATIONS	-	(6,939)	2,109,573

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ALEXANDER FIRST NATION
Consolidated Statement of Operations *(continued)*
Year Ended March 31, 2022

	Budget 2022	2022	2021 (Restated)
Other income (expenses)			
Trust claim settlement <i>(Note 14)</i>	-	7,470,269	-
Trust claim expenses and member distribution <i>(Note 14)</i>	-	(1,433,500)	-
Alexander First Nation Business Trust <i>(Note 2)</i>	-	1,605,342	1,186,632
Share of income in government business enterprises <i>(Note 6)</i>	-	331,771	647,907
Loss on disposal of tangible capital assets	-	(55,844)	-
Operational support for Alexander Business Corporation Group of Companies	-	(801,544)	(750,000)
	-	7,116,494	1,084,539
SURPLUS OF REVENUE OVER EXPENSE	\$ -	\$ 7,109,555	\$ 3,194,112

ALEXANDER FIRST NATION
Consolidated Statement of Changes in Accumulated Surplus
Year Ended March 31, 2022

	2022	2021 (Restated)
Accumulated surplus - beginning of year		
As previously reported	\$ 18,534,770	\$ 16,433,742
Change in Alexander First Nation Business Trust (Note 2)	1,186,632	-
Adjusted accumulated surplus - beginning of year (Note 2)	19,721,402	16,433,742
Surplus for the year	7,109,555	3,194,112
	26,830,957	19,627,854
Net change in trust funds	1,228,583	93,548
Change in consolidation (Note 1)	694,272	-
Accumulated surplus - end of year (Note 15)	\$ 28,753,812	\$ 19,721,402

ALEXANDER FIRST NATION**Consolidated Statement of Changes in Net Financial Asset (Debt)****Year Ended March 31, 2022**

	2022	2021 (Restated)
Surplus for the year	\$ 7,109,555	\$ 3,194,112
Acquisition of tangible capital assets (<i>Note 13</i>)	(4,316,465)	(3,820,990)
Proceeds on disposition on tangible capital assets (<i>Note 13</i>)	200,000	-
Amortization of tangible capital assets	3,720,183	3,598,862
Net change in deposits and prepaid expenses	(29,998)	999
Loss on disposal of assets	55,844	-
Net change in trust funds	1,228,583	-
Net change in consolidation (<i>Note 1</i>)	694,272	-
	1,552,419	(221,129)
Increase in net financial assets	8,661,974	2,972,983
Net financial debt - beginning of year	(5,543,442)	(8,516,425)
Net financial assets (debt) - end of year	\$ 3,118,532	\$ (5,543,442)

ALEXANDER FIRST NATION
Consolidated Statement of Cash Flow
Year Ended March 31, 2022

	2022	2021
OPERATING ACTIVITIES		
Surplus (deficit) of revenue over expense	\$ 7,109,555	\$ 3,194,112
Items not affecting cash:		
Amortization of tangible capital assets (Note 13)	3,720,183	3,598,862
Restricted capital and revenue trust fund	-	-
Gain on disposal of tangible capital assets (Note 13)	55,844	-
Share of income in government business enterprises (Note 6)	(331,771)	(647,907)
	10,553,811	6,145,067
Changes in non-cash working capital:		
Accounts receivable	(7,575,951)	(1,332,803)
Prepaid expenses	-	1,000
Accounts payable and accrued liabilities	211,871	267,276
Deferred revenue	11,095,182	204,547
	3,731,102	(859,980)
Cash flow from operating activities	14,284,913	5,285,087
INVESTING ACTIVITY		
Reinvestment of restricted cash and short term investments	(1,605,752)	(180,907)
Acquisition of Alexander Industry Relations Corporation non-restricted cash	172,061	-
Cash flow used by investing activity	(1,433,691)	(180,907)
FINANCING ACTIVITIES		
Net change in advances with government business enterprises	(165,129)	388,412
Issuance of long term debt	1,226,860	256,876
Repayment of long term debt	(941,462)	(1,145,392)
Repayment of obligations under capital lease	(20,734)	(85,723)
Cash flow used by financing activities	99,535	(585,827)
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(4,253,926)	(3,672,222)
Proceeds on disposal of tangible capital assets	200,000	-
	(4,053,926)	(3,672,222)
INCREASE IN CASH AND CASH EQUIVALENTS	8,896,831	846,131
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	4,173,290	3,327,159
CASH AND CASH EQUIVALENTS- END OF YEAR (Note 17)	\$ 13,070,121	\$ 4,173,290

ALEXANDER FIRST NATION
Consolidated Schedule of Total Expenses by Object
(Schedule 1)
Year Ended March 31, 2022

	Budget 2022	2022	2021
Salaries and benefits	\$ 14,835,402	\$ 17,952,469	\$ 14,330,205
Amortization	-	3,720,183	3,598,862
Special Projects	1,881,780	1,898,679	857,367
Casual labour	1,256,960	1,445,838	2,130,370
Travel and meetings	865,088	1,236,124	680,382
Repairs and maintenance	1,081,877	1,151,762	1,200,943
Utilities	617,033	736,303	658,969
Insurance	430,829	728,098	356,171
Program expense	1,792,095	684,764	778,921
Fuel	467,264	504,582	83,815
Provincial Schools Tuition Agreements	490,000	482,651	495,985
Consulting fees	478,973	476,613	432,000
Office and computer supplies	495,666	462,926	516,126
Election expense	263,178	451,671	78,163
Social assistance	184,520	430,022	643,159
Administration costs	341,316	300,013	386,261
Community support	345,521	258,575	54,933
Legal fees	660,000	247,768	772,708
Staff development	374,765	247,325	232,016
Subcontracts	87,080	242,228	527,566
Telephone and IT support	274,011	230,077	185,341
Emergency assistance	203,000	206,479	183,482
Insurance claims	-	198,978	-
Recreation fees	190,245	162,273	34,541
Audit fees	145,000	153,614	140,500
RRAP	-	153,496	-
Replacement Reserve items	160,000	153,356	74,396
Water and wastewater	-	152,546	193,761
Contracted services	-	121,273	29,769
Staff training	26,153	117,648	365,308
Funeral	-	111,826	148,488
Supplies	94,700	106,595	66,433
Sponsorships and donations	46,964	104,258	111,161
Interest on long-term debt	-	97,652	163,029
Rental	73,000	88,489	160,126
Cultural events	131,412	86,338	121,201
Honorariums	139,000	82,700	-
Prevention and education	27,204	71,650	4,060
Nutrition	69,506	69,467	64,121
Membership communications	50,700	66,756	65,201
Bank charges and interest	42,096	55,967	35,654
Materials	80,557	50,206	199,093
Accreditation	60,000	46,083	38,690
Per capita distribution	-	44,476	2,206,924
Waste disposal and waste transfer station	-	38,728	32,444
Committee fees	6,500	38,305	-
Medical supplies	72,014	35,695	156,735
Equipment lease	28,000	28,107	147,554
Dues and subscriptions	-	25,420	76,080
Medical transport	10,000	11,663	26,061
Governance and election law development	-	11,000	2,100
Interest on capital lease	-	5,090	5,809
Language and culture	-	2,158	35,419
TOTAL EXPENSES BY OBJECT	\$ 28,879,409	\$ 36,586,963	\$ 33,888,403

ALEXANDER FIRST NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2022

Alexander First 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements of Alexander First Nation ("the Nation") are the representation of management and 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.

Basis of consolidation

The reporting entity includes the activities of all departments under the control of the Nation. These consolidated financial statements reflect the assets, non-financial assets, liabilities, revenues and expenses of all programs under the control of Chief and Council.

All controlled entities are fully consolidated on a line-by-line basis except for commercial enterprises which meet the definition of a government business enterprise, which are included in the consolidated financial statements on a modified equity basis. Inter-entity balances and transactions are eliminated upon consolidation.

Subsidiaries consolidated include:

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

Entities accounted for on a modified equity basis include:

- Alexander Business Corporation Inc.
- Alexander Gas Bar Inc.
- Alexander Contracting & Construction Services (GP) Inc.
- Alexander Commercial Development (GP) Inc.
- Alexander Building Solutions (GP) Inc.
- Alexander HDD (GP) Inc.
- Asphalt & Concrete (GP) Inc.
- Alexander Investment Holdings (GP) Inc.
- Alexander Valve and Supply Inc.

Under the modified equity basis, government business enterprises' accounting policies are not adjusted to confirm with those of the First Nation and inter-entity transactions and balances are not eliminated. The investment in the government business enterprises are accounted for whereby the investment is initially recorded at cost and adjusted thereafter to include the post acquisition earnings of the enterprise. Inter-entity gains and losses are eliminated on assets remaining within the government reporting entities at the reporting date.

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ALEXANDER FIRST NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2022

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

Change in consolidation

During the year ended March 31, 2022 the Nation assumed all assets and liabilities of Alexander Industry Relations Corporation ("AIRC"), which had up to that transaction, been accounted for on a modified equity basis. Subsequent to the transaction, AIRC has been dissolved and the operations are managed by the Nation as a government program. Under the acquisition agreement, the Nation acquired assets of \$772,681, liabilities of \$78,409, and accumulated surplus of \$694,272. Subsequent to the transaction, the revenue recognized by the Industrial Relations program was \$1,124,908 with expenses of \$1,235,272, resulting in a program deficit of \$110,364, which is reflected as a component of unrestricted deficit within Note 15.

Basis of accounting

The Nation follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and (or) the creation of a legal obligation to pay.

Government transfers and funding

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.

Allocation of revenue and expenses

The allocation of revenue and expenses are determined by management in accordance with the specific terms of the applicable contribution agreements.

Expenses which benefit more than one area of funding are allocated amongst their function. The Nation estimates the allocation of certain projects expenses that are applied to individual funding, based on the share of the resources expended. The allocations are approved by Chief and Council and are reviewed regularly.

Capital and Revenue trust funds

Income earned from oil and gas royalties in the restricted Capital and Revenue trust funds is 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. The uncommitted balance in the trust funds accounts is included in the consolidated statement of financial position as accumulated surplus.

Other revenue

Other revenues, including Forestry and Industry Relations, 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.

(continues)

ALEXANDER FIRST NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2022

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

Trust distributions

1905 Land Surrender Claim ("LSC") Trust 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.

Alexander First Nation Business Trust 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 100% of the net annual income for the current year to fund the Nation's programs, services and government business enterprise entities from 2018 onward.

Rental and lease revenue

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.

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. 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.

(*continues*)

ALEXANDER FIRST NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2022

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

Tangible capital assets

Tangible capital assets are stated at cost which includes amounts that are directly attributed to acquisition, construction, development or betterment of assets. The cost, less residual value of the tangible capital asset, excluding land are amortization over their estimated useful lives at the following rates and methods:

Buildings	5%	straight-line method
Infrastructure	5%	straight-line method
Automotive equipment	30%	straight-line method
Equipment	20%	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 amortization at one half of the above rates.

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 \$310,091 (2021 - \$309,074) 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 arm's length 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 16.

ALEXANDER FIRST NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2022

2. CHANGE IN ALEXANDER FIRST NATION BUSINESS TRUST REVENUE

During the year ended March 31, 2021, the Nation was allocated 100% of the net income of Alexander First Nation Business Trust ("AFN Business Trust"), in accordance with the Trust Agreement.

The annual income deemed due and payable to Alexander First Nation resulted in increases in the prior year revenues, accounts receivable, and accumulated surplus as follows:

	AFN Business Trust revenue	Accounts Receivable	Accumulated Surplus (Equity in AFN Business Trust)
Prior year change in Alexander First Nation Business Trust distributions	\$ 1,186,632	\$ 1,186,632	\$ 1,186,632

3. COVID-19

The Coronavirus Disease 2019, or COVID-19 has spread across the globe and continues to impact worldwide economic activity. This global pandemic poses the risk that the Nation or its employees, contractors, suppliers, and other partners may experience periodic interruptions to their regular business activities. While it is not possible at this time to estimate the impact that COVID-19 will have on the Nation's business in the coming fiscal year, the continued spread of COVID-19 and the measures taken by the federal, provincial and municipal governments to contain its impact could adversely impact the Nation's business, financial condition and/or the results of its operations. The extent to which the COVID-19 outbreak will continue to impact the Nation's results will depend on future developments that are highly uncertain and cannot be predicted at this time.

Despite widespread affects to 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 have 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 cashable Guaranteed Investment Certificates for \$855,000 bearing interest of 0.75% maturing January 26, 2023; \$999,999 bearing interest of 1.11% maturing March 29, 2023; and \$326,045 bearing interest of 1.11% maturing March 28, 2023.

The MAR Capital Reserve represents segregated funds that will be used to replace moveable capital assets within Health Services. Restricted cash of balance of \$144,831 (2021 - \$190,297) as an asset replacement reserves as required by various funding agencies.

ALEXANDER FIRST NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2022

5. ACCOUNTS RECEIVABLE

	2022	2021 <i>(Restated)</i>
Indigenous Services Canada	\$ 3,933,452	\$ 70,100
Member receivables	3,656,730	3,652,905
Alexander First Nation Business Trust	2,791,974	1,186,632
General receivables	1,451,531	264,888
Canadian Mortgage and Housing Corporation	1,000,000	-
Goods and Services Tax	37,899	62,798
	12,871,586	5,237,323
Member receivables allowance for doubtful accounts	(3,656,730)	(3,652,905)
General receivables allowance for doubtful accounts	(275,338)	(261,083)
	\$ 8,939,518	\$ 1,323,335

Indigenous Services Canada receivables consist of \$1,287,928 for COVID-19 Community Service First Nation, \$1,548,220 for COVID-19 EMAP, \$61,304 for Institutional Care and \$1,000,000 for Fire Protection.

ALEXANDER FIRST NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2022

6. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISES

	2022	2022
Balance beginning of year	\$ 546,502	\$ 237,007
Share of income	331,771	647,907
Net change in advances with government business enterprises	561,756	(338,412)
	\$ 1,440,029	546,502

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.

	% Ownership	Year-end
Alexander Business Centre Inc.	100%	March 31, 2022
Alexander Gas Bar Inc.	100%	March 31, 2022
Alexander Contracting & Construction Services (GP) Inc.	100%	March 31, 2022
Alexander Commercial Development Inc.	100%	March 31, 2022
Alexander Building Solutions (GP) Inc.	100%	March 31, 2022
Alexander HDD (GP) Inc.	100%	March 31, 2022
Asphalt & Concrete (GP) Inc.	100%	March 31, 2022
Alexander Investment Holdings (GP) Inc.	100%	March 31, 2022
Alexander Valve and Supply Inc.	100%	March 31, 2022

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.

	2022	2021
Aggregate balance sheet information:		
Assets		
Current assets	\$ 1,244,550	\$ 992,046
Capital assets	3,062,110	3,347,855
Other assets	2,415,653	1,490,270
	6,722,313	5,830,171

Liabilities		
Current liabilities	\$ 5,892,108	4,879,891
Other liabilities	1,023,426	702,170
Equity	(193,221)	248,110
	\$ 6,722,313	5,830,171

Aggregate income statement information:		
Revenue	\$ 7,846,989	\$ 8,373,801
Expenses	(7,515,218)	(7,725,894)

(continues)

ALEXANDER FIRST NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2022

6. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISES *(continued)*

	2022	2021
Aggregate income statement information:		
Net income (loss)	\$ 331,771	\$ 647,907

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 Service Canada. The uncommitted balance at the end of the year is shown in the accumulated surplus as equity in the trust funds.

	2022	2021
Capital Trust		
Balance, beginning of year	\$ 826,323	\$ 834,941
Income from royalties	1,820,775	706,382
Per capita distribution	(17,500)	-
Transfer to Nation programs	(703,998)	(715,000)
	1,925,600	826,323
Revenue Trust		
Balance, beginning of year	148,386	46,219
Income from royalties and interest	129,306	102,166
Transfer to Nation programs	-	-
	277,692	148,385
	\$ 2,203,292	\$ 974,708

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2022	2021
Trade payables	\$ 2,118,709	\$ 1,963,739
Government remittances	158,428	54,659
	\$ 2,277,137	\$ 2,018,398

ALEXANDER FIRST NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2022

9. DEFERRED REVENUE

	Opening balance	Contributions received	Revenue recognized	Ending balance
Indigenous Services Canada				
Block funding contribution	\$ 847,546	\$ 8,583,338	\$ 7,774,469	\$ 1,656,415
Fixed funding contribution	914,100	15,992,947	9,774,587	7,132,460
Flexible funding contribution	406,190	3,219,781	2,340,198	1,285,773
Set funding contribution	100	97,875	97,975	-
	2,167,936	27,893,941	19,987,229	10,074,648
Indigenous Services Canada Health				
Block funding contribution	573,384	3,895,303	2,703,869	1,764,818
Flexible funding contribution	139,097	830,632	469,729	500,000
Footprints funding contribution	87,000	1,415,435	1,502,435	-
Fixed funding contribution	-	278,136	278,136	-
	799,481	6,419,506	4,954,169	2,264,818
Province of Alberta	172,981	3,411,833	2,675,083	909,731
Service Canada (Indigenous Skills and Employment Training (ISET) Program)	-	472,546	268,102	204,444
Land Surrender Claim Distributions	284,847	1,244,586	1,371,749	157,684
Canadian Mortgage and Housing Corporation	-	1,118,928	209,827	909,101
	\$ 3,425,245	\$ 40,561,340	\$ 29,466,159	\$ 14,520,426

Indigenous Services Canada fixed funding deferred revenue consists of \$105,000 Leadership Governance Cap Development, \$1,000,000 Fire Protection, \$327,228 Community Building, \$1,584,220 OSR (ICSF III), \$900,000 COVID-19 Community Services First Nation, 855,000 Construction, \$90,000 Lot Servicing, \$549,615 for Institutional Care, \$19,194 prior year Community Based Initiative, \$1,702,203 Community Based Initiatives.

Indigenous Services Canada flexible funding deferred revenue consists of \$131,268 prior year Community Based Community Based Initiative and \$1,154,505 COVID-19 Community Services First Nation.

Indigenous Services Canada Health flexible deferred revenue consists of \$500,000 Footprints Renovation.

Land Surrender Claim Distributions deferred revenue consists of \$69,000 from the Health department and \$88,684 from Alexander Industry Relations Corporation.

Province of Alberta deferred revenue consists of \$116,039 Province of Alberta Jordan's Principle, \$500,000 from the Addiction and Mental Health Branch for Health Service Delivery, \$12,322 ASLI grant funding provided by the Province of Alberta and \$281,370 for Home and Community Care (HCC) Service Delivery.

ALEXANDER FIRST NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2022

10. LONG TERM DEBT

	2022	2021
CMHC 1766611-019 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.	\$ 904,461	\$ 256,875
CMHC 1766611-009 mortgage bearing interest at 1.83% per annum, repayable in monthly blended payments of \$11,814. The loan renewed on December 1, 2024 and matures on November 1, 2029 and is secured by a ministerial guarantee.	889,232	1,013,547
CMHC 1766611-017 mortgage bearing interest at 1.88% per annum, repayable in monthly blended payments of \$3,545. The loan renews on February 1, 2022 and matures on May 1, 2047 and is secured by a ministerial guarantee.	706,616	736,952
CMHC 1766611-016 loan bearing interest at 2.27% per annum, repayable in monthly blended payments of \$3,437. The loan renews on October 1, 2021 and matures on December 1, 2043 and is secured by a ministerial guarantee.	652,737	683,677
CMHC 1766611-015 mortgage bearing interest at 1.06% per annum, repayable in monthly blended payments of \$3,058. The loan renewed on March 1, 2021 and matures on February 1, 2042 and is secured by a ministerial guarantee.	631,279	662,289
CMHC 1766611-014 mortgage bearing interest at 1.75% per annum, repayable in monthly blended payments of \$3,340. The loan renewed on October 1, 2024 and matures on October 1, 2041 and is secured by a ministerial guarantee.	601,708	631,023
CMHC 1766611-018 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.	567,417	586,587
CMHC 1766611-013 mortgage bearing interest at 1.35% per annum, repayable in monthly blended payments of \$3,370. The loan renewed on May 1, 2022 and matures on March 1, 2041 and is secured by a ministerial guarantee.	554,572	587,310
CMHC 1766611-012 mortgage bearing interest at 2.27% per annum, repayable in monthly blended payments of \$3,450. The loan renews on October 1, 2021 and matures on August 1, 2039 and is secured by a ministerial guarantee.	514,326	547,663
CMHC 1766611-011 mortgage bearing interest at 1.22% per annum, repayable in monthly blended payments of \$3,698. The loan renews on July 1, 2021 and matures on May 1, 2037 and is secured by a ministerial guarantee.	324,684	365,297

(continues)

ALEXANDER FIRST NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2022

10. LONG TERM DEBT *(continued)*

	2022	2021
RBC loan - 5 Busses loan bearing interest at 3.4% per annum, repayable in monthly blended payments of \$8,569. The loan matures on July 26, 2024 and is secured by general securities.	269,178	-
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 October 1, 2036 and is secured by a ministerial guarantee.	216,797	232,814
CMHC 1766611-020 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.	208,800	-
CMHC 1766611-007 mortgage bearing interest at 1.06% per annum, repayable in monthly blended payments of \$1,675. The loan renews on September 1, 2021 and matures on November 1, 2028 and is secured by a ministerial guarantee.	174,049	192,257
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, 2030 and is secured by a ministerial guarantee.	163,467	185,128
CMHC 1766611-005 mortgage bearing interest at 1.87% per annum, repayable in monthly blended payments of \$2,070. The loan renewed on May 1, 2024 and matures on April 1, 2031 and is secured by a ministerial guarantee.	162,871	184,453
CMHC 1766611-006 mortgage bearing interest at 1.3% per annum, repayable in monthly blended payments of \$1,523. The loan renewed on April 1, 2026 and matures on January 1, 2032 and is secured by a ministerial guarantee.	138,827	155,242
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 March 1, 2034 and is secured by a ministerial guarantee.	119,298	130,500
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, 2029 and is secured by a ministerial guarantee.	85,487	98,577
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 March 1, 2029 and is secured by a ministerial guarantee.	71,629	85,625

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ALEXANDER FIRST NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2022

10. LONG TERM DEBT *(continued)*

	2022	2021
Peace Hills Trust loan bearing interest at prime plus 1.50% per annum, repayable in monthly blended payments of \$667. The loan matured on June 1, 2020 and was 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.	56,351	62,126
CMHC 1766611-001 mortgage bearing interest at 1.04% per annum, repayable in monthly blended payments of \$1,232. The loan renews on June 1, 2021 and matures on March 1, 2028 and is secured by a ministerial guarantee.	48,407	62,652
AIIC 873-13 loan was repaid in full during the year.	-	90,196
AIIC 873-12 loan was repaid in full during the year.	-	90,196
AIIC 873-14 loan was repaid in full during the year.	-	90,178
AIIC 873-15 loan was repaid in full during the year.	-	48,948
AIIC 873-16 loan was repaid in full during the year.	-	36,369
	\$ 8,062,193	\$ 7,816,481

Principal repayment terms are approximately:

2023	\$ 643,080
2024	660,588
2025	647,727
2026	603,130
2027	568,929
Thereafter	4,938,739
	<u>\$ 8,062,193</u>

Interest paid on long-term debt amounted to \$97,652 (2021 - \$163,029) during the year.

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.

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ALEXANDER FIRST NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2022

10. LONG TERM DEBT (*continued*)

As at March 31, 2022 Alexander First Nation has two \$2,000,000 non-revolving term facility for RBP+1.7% based on loans with Royal Bank of Canada. The aggregate Borrowings outstanding under both facilities must not exceed \$2,000,000 at any time. The balance for these facilities as at March 31, 2022 are \$nil.

As at March 31, 2022, Alexander First Nation has a \$600,000 (2021 - \$100,000) revolving demand facility for RBP+1% (2021 - RBP) based loans with Royal Bank of Canada. The balance outstanding for this facility as at March 31, 2022 is \$nil (2021 - \$50,000).

As at March 31, 2022, 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, 2022 is \$nil.

As at March 31, 2022 Alexander First Nation has VISA business card with a maximum amount of \$50,000 (2021 - \$10,000) through Royal Bank of Canada, the balance drawn upon on this facility as at March 31, 2022 is \$1,245 (2021 - \$1,245).

Security for the Borrowings and all other obligations to RBC are secured by an agreement on the Bank's form 924 constituting a first ranking security interest in all personal property of the borrower.

11. OBLIGATION UNDER CAPITAL LEASE

	2022	2021
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, 2022 and is secured by a vehicle which has a carrying value of \$nil.	\$ 6,333	\$ 16,700
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, 2022 and is secured by a vehicle which has a carrying value of \$nil.	6,333	16,700
	\$ 12,666	\$ 33,400

Interest paid on obligations under capital lease amounted to \$5,090 (2021 - \$5,809) during the year.

Future minimum capital lease payments are approximately:

Total minimum lease payments	<u>\$ 12,666</u>
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ALEXANDER FIRST NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2022

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, 2022 is \$182,289 (2021 - \$198,020).

As at March 31, 2022 Alexander First Nation has an obligation as a guarantor for two credit facilities held by government business enterprises (GBEs), Alexander Business Corporation Inc. The likelihood of default by the GBE is undeterminable. The balance of these credit facility at year-end were \$335,813 (2021 - \$504,488) and \$926,761.

As at March 31, 2022 Alexander First Nation has an obligation as a second lessee for vehicles leased by government business enterprises (GBEs), Alexander Business Corporation Inc. and Alexander Gas Bar Inc. The likelihood of default by the GBEs is undeterminable. The balance of this obligation under capital lease at year-end was \$98,522 (2021 - \$193,454).

The Residential Rehabilitation Assistance Program (RRAP) loan payable to CMHC is authorized up to \$117,823, of which \$56,272 has been drawn and recognized as revenue in the year. The loan terms state that the loan will be forgiven if the Nation continues to own and operate properties and maintain occupancy with band members with a total household income at or below the income threshold established by CMHC for the entire term of the loan. The forgivable loan will be earned over 5 years from the first day of the month, following the final advance of the loan funds. If the Nation is in default of any of the loan terms, it will be required to repay the loan including interest at 5.25%.

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, 2022

13. TANGIBLE CAPITAL ASSETS

Cost	2021 Balance	Additions	Disposals	2022 Balance
Infrastructure	\$ 28,919,576	\$ 1,693,496	\$ -	\$ 30,613,072
Buildings	27,325,872	1,746,672	269,309	28,803,235
Automotive equipment	2,831,210	665,867	-	3,497,077
Equipment	2,301,985	101,957	-	2,403,942
Computer	473,877	108,473	-	582,350
Renewable conservation equipment	250,000	-	-	250,000
Assets under capital lease	97,299	-	-	97,299
	\$ 62,199,819	\$ 4,316,465	\$ 269,309	\$ 66,246,975

Accumulated Amortization	2021 Balance	Amortization	Accumulated Amortization on Disposals	2022 Balance
Infrastructure	\$ 22,121,403	\$ 1,397,862	\$ -	\$ 23,519,265
Buildings	10,802,369	1,384,322	13,465	12,173,226
Motor vehicles	2,291,006	336,255	-	2,627,261
Equipment	1,279,949	295,902	-	1,575,851
Computer	180,554	238,739	-	419,293
Renewable conservation equipment	187,500	62,500	-	250,000
Assets under capital lease	92,696	4,603	-	97,299
	\$ 36,955,477	\$ 3,720,183	\$ 13,465	\$ 40,662,195

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ALEXANDER FIRST NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2022

13. TANGIBLE CAPITAL ASSETS *(continued)*

Net book value	2022	2021
Infrastructure	\$ 7,093,807	\$ 6,798,173
Buildings	16,630,009	16,523,503
Automotive equipment	869,816	540,204
Equipment	828,090	1,022,037
Computer	163,058	293,324
Renewable conservation equipment	-	62,500
Assets under capital lease	-	4,603
	\$ 25,584,780	\$ 25,244,344

14. TRUST ACCOUNT CLAIM SETTLEMENT

During the year, the Nation settled a trust account claim with the Government of Canada. A final \$7,470,269 settlement agreement was ratified by the Nation members on December 13, 2021 and for payment by the Government of Canada on February 28, 2022.

As a part of the settlement process, individual members of the Nation were eligible to receive a settlement payment of approximately \$500 each. During the year the Per Capita Distribution was made in the amount of \$1,158,500.

In addition, settlement funds were used to pay legal costs, infrastructure for lot servicing and on-reserve home renovations in the amounts of \$275,000, \$226,769 and \$720,000 respectively.

15. ACCUMULATED SURPLUS

	2022	2021 <i>(Restated)</i>
Equity in tangible capital assets	\$ 17,575,005	\$ 17,456,585
Equity in Trust account claim settlement	5,090,000	-
Equity in Alexander First Nation Business Trust	2,791,974	1,186,632
Equity in capital and revenue trust funds	2,203,292	974,708
Equity in government business enterprises	1,440,029	546,502
Equity in change in consolidation (AIRC)	694,271	-
Unrestricted deficit	(1,040,759)	(443,025)
	\$ 28,753,812	\$ 19,721,402

16. 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.

ALEXANDER FIRST NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2022

17. 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.

	2022	2021
Net advances to Alexander Industry Relations Corporation	\$ 396,627	\$ -
Acquisition of Alexander Industry Relations Corporation tangible capital assets	62,539	-
Transfer of tangible capital assets	60,000	(148,769)
Changes in non-cash working capital relating to Alexander Industry Relations Corporation	23,363	-
	-	-

18. 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, 2022, the replacement reserve was under funded by \$1,656,339 (2021 - under funded by \$602,318).

19. 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, 2022. 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, long-term debt, obligations under capital leases, contributions to the pension plan, and accounts payable.

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ALEXANDER FIRST NATION
Notes to Consolidated Financial Statements
Year Ended March 31, 2022

19. FINANCIAL INSTRUMENTS *(continued)*

(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.

20. 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.

21. 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, 2022

22. CONSOLIDATED SEGMENT DISCLOSURES

2022 Fiscal Year	Band Government	Capital Projects	Public Works	Kipohtakawmik Lodge	Economic Development	Emergency Response	Housing	Health	Social Services	Education Authority	Forestry	Farm	Employment and Labour Services	PCD	Lands	Community External Relations	FNDF	TLE Trust	Total
Revenue																			
ISC Block Contribution funding	1,135,994	-	778,532	527,970	170,182	475,000	368,180	-	1,594,492	4,007,988	-	-	-	-	-	-	-	-	9,058,338
ISC Fixed Contribution funding	280,355	2,181,057	867,432	680,282	4,735,264	-	1,185,000	-	2,827,670	2,715,790	-	-	-	-	121,892	-	-	-	15,594,742
ISC Flexible Contribution funding	3,219,781	-	-	-	-	-	-	-	-	-	20,900	-	-	-	-	-	-	-	3,240,681
ISC Set Contribution funding	180	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	180
ISC Grant funding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ISC Health Contributions	-	-	-	-	-	-	-	6,442,806	-	-	-	-	-	-	-	-	-	-	6,442,806
First Nation and Inuit Health Branch (FNIHB)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,124,907	-	-	1,124,907
Other Revenue	989,488	8,254	69,409	478,319	-	-	445,767	194,803	46,060	356,719	9,933	21,605	109,329	-	8,737	15,936	-	-	2,754,359
Province of Alberta	-	-	-	1,360,324	-	-	-	500,000	16,419	601,495	771,206	-	162,388	-	-	-	-	-	3,411,832
Service Canada	-	-	-	-	-	-	-	-	-	-	-	-	591,474	-	-	-	-	-	591,474
First Nation Development fund (FNDF)	-	-	-	-	-	-	-	-	-	139,332	-	-	-	-	-	-	576,390	-	715,722
Capital and Revenue Trust funds	703,998	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	703,998
Canada Mortgage and Housing Corporation (CMHC)	-	-	-	-	-	-	1,665,480	-	-	-	-	-	-	-	-	-	-	-	1,665,480
TLE revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100,000	100,000
Property taxation	184,014	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	184,014
Interest revenue	334	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	334
Labour services	-	-	-	-	-	-	-	-	-	-	366,555	-	-	-	-	-	-	-	366,555
Rental and Lease Revenue	-	-	-	-	-	-	-	-	-	-	-	290,967	-	-	-	-	-	-	290,967
Land Surrender Claim Trust (LSC) distributions	275,000	-	-	-	-	200,000	-	-	350,000	250,000	75,000	-	-	-	-	94,586	-	-	1,244,586
Contributions carried forward from prior year	263,178	838,917	-	150,521	-	-	-	825,053	1,010,622	337,054	-	-	-	-	-	-	-	-	3,425,245
Contributions carried forward to next year	(1,459,505)	(1,327,228)	-	(830,985)	(2,484,220)	-	(1,854,101)	(2,846,141)	(3,309,080)	(116,039)	-	-	(204,445)	-	-	-	-	-	(14,520,426)
Transfer to (from) other programs	(1,716,019)	275,000	298,000	320,418	(1,000,000)	-	1,096,769	(500,418)	17,750	(118,724)	-	-	18,724	1,158,500	-	150,000	-	-	-
Total Revenue	3,876,798	1,975,900	2,013,373	2,686,849	1,421,226	675,000	2,907,095	4,616,103	2,553,933	8,173,615	1,243,594	312,572	677,470	1,158,500	130,629	1,296,747	576,390	100,000	36,395,794
Expenses																			
Salaries and benefits	1,497,098	77,250	581,343	2,218,401	154,502	167,551	377,621	2,817,698	296,574	3,753,428	673,894	1,500	396,362	-	7,711	599,936	569,326	64,176	14,254,371
Per capita distribution	-	-	-	-	-	-	-	-	-	-	-	-	-	1,202,976	-	-	-	-	1,202,976
Repairs and maintenance	51,827	1,000	98,064	37,801	-	23,187	140,657	154,821	3,661	114,748	39,998	36,500	-	-	-	9,177	-	-	711,441
Legal fees	199,167	-	-	-	173,890	-	1,800	-	-	2,475	-	-	-	-	-	8,387	-	-	385,719
Utilities	113,457	-	7,232	73,432	4,760	-	44,447	201,958	95,938	-	-	-	-	-	-	-	-	-	541,224
Travel and meetings	374,774	11,528	27,467	5,497	47,936	306	12,353	113,678	138,508	70,865	106,193	999	23,352	-	9,463	169,603	-	2,200	1,114,722
Casual labour	105,516	13,036	122,990	94,796	23,500	2,350	217,309	62,498	73,656	62,498	73,656	-	-	317	6,818	-	24,000	-	746,786
Consulting	120,050	-	3,894	-	16,500	-	-	28,363	17,422	91,501	22,118	-	11,585	-	6,070	152,611	-	6,500	476,614
Insurance	326,612	-	-	-	-	-	145,670	60,265	12,418	30,897	26,095	-	-	-	-	4,741	-	-	606,698
Insurance claims	-	-	-	-	-	-	198,978	-	-	-	-	-	-	-	-	-	-	-	198,978
Honorariums	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	82,700	-	-	82,700
Site visits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	59,807	-	-	59,807
Residential Rehabilitation Assistance Program	-	-	-	-	-	-	153,496	-	-	-	-	-	-	-	-	-	-	-	153,496
Replacement reserve	-	-	-	-	-	-	153,356	-	-	-	-	-	-	-	-	-	-	-	153,356
User fees	-	-	-	-	-	-	149,078	-	-	-	-	-	-	-	-	-	-	-	149,078
Recreation fees	-	-	-	-	-	-	-	-	-	86,245	-	-	-	-	-	-	-	-	86,245
Election expenses	319,271	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	319,271
Subcontracts	-	5,161	47,888	-	-	-	-	54,060	-	-	-	-	-	-	-	-	-	-	107,109
Dues and subscriptions	-	4,288	-	-	-	-	-	-	-	-	-	-	-	-	-	386	-	-	4,674
Prevention and education	-	-	-	-	-	-	-	71,650	-	-	-	-	-	-	-	-	-	-	71,650
Training	-	-	-	1,950	-	-	98,655	-	-	33,381	17,100	-	-	-	-	-	-	-	117,705
Program expense	-	-	-	-	-	-	412,001	-	-	17,000	-	-	49,963	-	-	-	-	-	495,345
Staff Development	3,704	-	-	-	-	-	24,914	-	-	80,890	-	-	95,303	-	-	25,515	-	-	247,326
Social assistance	-	-	-	-	-	-	-	173,917	-	-	-	-	-	-	-	-	-	-	173,917
Administration expenses	20,904	19,473	59,413	1,831	6,100	-	14,999	-	-	47,070	-	-	-	-	-	-	-	-	175,890
Special projects	112,236	385,582	3,378	-	1,500	-	138,275	132,810	20,212	52,448	-	-	-	-	-	5,120	-	-	851,561
Telephone and IT support	107,921	750	7,075	-	-	4,103	1,875	44,159	16,886	19,012	3,550	150	8,097	-	3,500	16,500	-	-	233,578
Interest on long-term debt	-	-	17	-	-	-	87,288	-	-	10,347	-	-	-	-	-	-	-	-	97,632
Tuition costs	-	-	-	-	-	-	-	-	-	53,155	-	-	-	-	-	-	-	-	53,155
Provincial Schools Tuition Agreements	-	-	-	-	-	-	-	-	-	482,651	-	-	-	-	-	-	-	-	482,651
Rental	51,919	-	24,570	-	-	-	-	-	-	-	-	-	12,000	-	-	-	-	-	88,489
Cultural events	32,110	-	-	-	-	-	-	50,762	-	-	-	-	-	-	-	3,465	-	-	86,337
Funeral	111,526	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	111,526
Audit fees	130,000	-	-	-	-	-	10,500	8,000	-	-	-	-	-	-	-	5,114	7,050	-	160,664
Equipment lease	-	-	-	-	-	-	-	10,645	3,068	14,394	-	-	-	-	-	-	-	-	28,107
Office supplies	105,524	3,163	7,928	22,378	-	80	14,216	35,679	14,122	99,353	4,847	-	8,652	-	14,075	12,668	-	3,124	345,809
Materials	-	-	-	-	-	-	263	25,434	-	24,510	-	-	-	-	-	-	-	-	50,207
Nutrition	-	-	-	-	-	-	-	-	-	69,467	-	-	-	-	-	-	-	-	69,467
Committee fees	-	2,153	-	-	-	-	25,396	-	-	-	-	-	-	-	-	10,756	-	-	38,305
Supplies	-	-	-	40,050	-	-	-	325	-	-	-	-	57,220	-	-	-	-	-	106,595
Community events	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23,445	-	-	23,445
Community support	150,295	-	1,300	-	-	-	-	-	56,819	3,715	7,608	-	10,394	-	5,600	-	-	-	235,131
Gas, oil and fuel	119,793	-	82,667	-	-	-	9,000	19,788	-	82,809	52,059	-	-	-	-	14,010	-	-	380,126
Settlements	75,833	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	75,833
Elder's advisory	57,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	57,000
Sponsorships and donations	46,367	800	6,195	-	9,450	-	-	-	15,577	-	24,459	-	2,650	-	-	14,337	-	-	119,835
Emergency assistance	36,653	-	-	-	-	-	-	-	169,826	-	-	-	-	-	-	-	-	-	206,479
Membership communications	32,768	-	-	-	-	-	-	-	-	33,988	-	-	-	-	-	-	-	-	66,756
Governance and election law development	11,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,000
Accreditation	-	-	-	-	-	-	-	46,083	-	-	-	-	-	-	-	-	-	-	46,083
Language and Culture	-	-	-	-	-	-	-	-	2,156	-	-	-	-	-	-	-	-	-	2,156
Housing assistance	-	-	-	-	-	-	1,500	-	-	-	-	-	-	-	-	-	-	-	1,500
Bank charges and interest	28,257	256	1,387	3,921	-	-	2,326	2,993	3,442	4,908	807	543	1,191	3,665	-	2,255	14	-	55,965
Contracted services	-	-	-	-	-	-	-	-	-	-	-	121,273	-	-	-	-	-	-	121,273
Medical supplies	-	-	-	-	-	-	-	35,695	-	-	-	-	-	-	-	-	-	-	35,695
Medical transport	-	-	-	-	-	-	-	11,663	-	-	-	-	-	-	-	-	-	-	11,663
Construction grant	-	-	-	-	-	-	-	3,436	-	-	-	-	-	-	-	-	-	-	3,436
Interest on capital lease	-	-	-	-	-	-	-	-	-	-	5,090	-	-	-	-	-	-	-	5,090
Landholder crop shares	-	-	-	-	-	-	-	-	-	-	-	113,101	-	-	-	-	-	-	113,101
Covid-19 - fixed contribution	157,530	-	-																

Alexander First Nation
Notes to Consolidated Financial Statements
Year Ended March 31, 2022

22. CONSOLIDATED SEGMENT DISCLOSURES

Community based initiative - retroactive - fixed contribution	-	-	-	-	-	-	-	-	512,209	-	-	-	-	-	-	-	-	512,209	
Basic needs - fixed contribution	-	-	-	-	-	-	-	-	574,739	-	-	-	-	-	-	-	-	574,739	
Service delivery - fixed contribution	-	-	-	-	-	-	-	-	38,519	-	-	-	-	-	-	-	-	38,519	
Institutional Care - fixed contribution	-	-	-	63,425	-	-	-	-	-	-	-	-	-	-	-	-	-	63,425	
In-Home Care - fixed contribution	-	-	-	3,425	-	-	-	-	-	-	-	-	-	-	-	-	-	3,425	
Renovation - fixed contribution	-	-	-	-	-	-	240,000	-	-	-	-	-	-	-	-	-	-	240,000	
First Nation school targeted - fixed contribution	-	-	-	-	-	-	-	-	1,034,875	-	-	-	-	-	-	-	-	1,034,875	
First Nation school second level- fixed contribution	-	-	-	-	-	-	-	-	328,924	-	-	-	-	-	-	-	-	328,924	
First Nation school protect formula - fixed contribution	-	-	-	-	-	-	-	-	110,045	-	-	-	-	-	-	-	-	110,045	
First Nation school protect second level - fixed contribution	-	-	-	-	-	-	-	-	328,929	-	-	-	-	-	-	-	-	328,929	
Inuit Skills Link Program - fixed contribution	-	-	-	-	-	-	-	-	234,236	-	-	-	-	-	-	-	-	234,236	
Private school targeted- fixed contribution	-	-	-	-	-	-	-	-	32,529	-	-	-	-	-	-	-	-	32,529	
Provincial schools targeted - fixed contribution	-	-	-	-	-	-	-	-	43,499	-	-	-	-	-	-	-	-	43,499	
Covid-19 school reopening - fixed contribution	-	-	-	-	-	-	-	-	285,392	-	-	-	-	-	-	-	-	285,392	
Summer work experience - fixed contribution	-	-	-	-	-	-	-	-	18,724	-	-	-	-	-	-	-	-	18,724	
Education plan design and construction - fixed contribution	-	-	-	-	-	-	-	-	28,000	-	-	-	-	-	-	-	-	28,000	
RLEMP Non-Core Allocation - fixed contribution	-	-	-	-	-	-	-	-	-	-	-	-	121,892	-	-	-	-	121,892	
Preparedness and mitigation - fixed contribution	-	-	-	-	-	-	-	-	-	20,900	-	-	-	-	-	-	-	20,900	
Covid-19 - flexible contribution	1,280,433	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,280,433	
Perimeter security - flexible contribution	779,843	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	779,843	
Envelope 2 EMAP - flexible contribution	5,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,000	
Preparedness and mitigation - set contribution	180	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	180	
Total Expenses	6,582,693	524,440	1,964,346	2,481,111	579,682	197,577	1,958,444	4,540,332	2,289,033	7,862,771	1,080,849	274,066	682,869	1,206,958	175,129	1,220,533	576,390	100,000	34,297,223
Amortization	(1,447,569)	-	(391,285)	-	-	-	(1,035,007)	(205,669)	(27,050)	(577,320)	(10,843)	(10,698)	-	-	-	(14,742)	-	-	(3,720,183)
Trust account claim settlement	7,470,269	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,470,269
Alexander First Nation Business Trust	1,605,342	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,605,342
Share of income in government business enterprises	331,771	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	331,771
Loss on disposal of tangible capital assets	(55,844)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(55,844)
Operational support for ABC Group of Companies	-	-	40,000	-	(841,544)	-	-	-	-	-	-	-	-	-	-	-	-	-	(801,544)
	7,903,969	-	(351,285)	-	(841,544)	-	(1,035,007)	(205,669)	(27,050)	(577,320)	(10,843)	(10,698)	-	-	-	(14,742)	-	-	4,829,811
Surplus (Deficit)	5,198,074	1,451,460	(302,258)	205,738	-	477,423	(86,356)	(129,898)	237,850	(266,476)	151,902	27,808	(5,399)	(48,458)	(44,500)	61,472	-	-	6,928,382