

**Fort Alexander Indian Band (o\la Sagkeeng First Nation)**  
**Consolidated Financial Statements**  
*March 31, 2024*

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

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For the year ended March 31, 2024

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## Management's Responsibility

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To the Chief and Council of Fort Alexander Indian Band (o\ a Sagkeeng First Nation):

The accompanying consolidated financial statements of Fort Alexander Indian Band (o\ a Sagkeeng First Nation) (the "First Nation") are the responsibility of management and have been approved by the Chief and Council.

Management is responsible for the preparation and fair presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Fort Alexander Indian Band (o\ a Sagkeeng First Nation) Chief and Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial statements. The Chief and Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Chief and Council is also responsible for recommending the appointment of the First Nation's external auditors.

MNP LLP, an independent firm of Chartered Professional Accountants, is appointed by the Chief and Council to audit the financial statements and report directly to the members; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Council and management to discuss their audit findings.

October 24, 2024



**MNP LLP**

True North Square

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

## Qualified Opinion

We have audited the consolidated financial statements of Fort Alexander Indian Band (o\à Sagkeeng First Nation) (the "First Nation"), which comprise the consolidated statement of financial position as at March 31, 2024, and the consolidated statement of operations and accumulated surplus, changes in net debt and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the First Nation as at March 31, 2024, and the results of its operations, changes in its net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

## Basis for Qualified Opinion

Canadian public sector accounting standards ("PSAS") Section PS 3280 Asset Retirement Obligations ("ARO") was adopted by the First Nation as of April 1, 2022 prospectively and requires the recognition of an ARO liability when there is a legal obligation that establishes a clear responsibility to incur retirement costs in relation to a tangible capital asset. The First Nation has not identified ARO liabilities as of March 31, 2024 and we were unable to satisfy ourselves concerning the completeness of those liabilities by alternative means. Consequently, we were not able to determine whether any adjustments would be necessary to liabilities and tangible capital assets as at March 31, 2024, and expenses and changes in net debt end of year for the year-ended March 31, 2024.

The budgetary information was not presented for all reporting segments on the consolidated statement of operations and accumulated surplus and consolidated statement of changes in net debt, which constitutes a departure from the Canadian public sector accounting standards.

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 First Nation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the First 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 First Nation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the First Nation's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our 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 First 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 First 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 First 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 First Nation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Winnipeg, Manitoba

October 24, 2024

*MNP LLP*

Chartered Professional Accountants

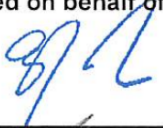
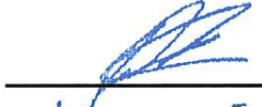
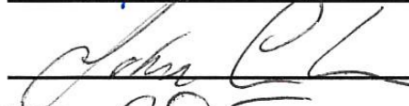
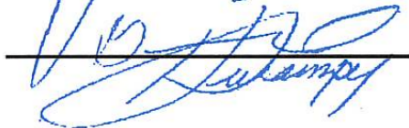


# Fort Alexander Indian Band (o\la Sagkeeng First Nation)

## Consolidated Statement of Financial Position

As at March 31, 2024

|   | 2024         | 2023         |
|---|--------------|--------------|
| <b>Financial assets</b>                 |              |              |
| Cash                                    | 14,863,425   | 5,283,555    |
| Accounts receivable (Note 4)            | 2,473,348    | 1,544,721    |
| Investments (Note 5)                    | 247,566      | 224,284      |
| Inventory for resale (Note 6)           | 420,957      | 302,950      |
| Restricted cash (Note 7)                | 1,799,102    | 1,641,025    |
|   | 19,804,398   | 8,996,535    |
| <b>Liabilities</b>                      |              |              |
| Accounts payable and accruals (Note 8)  | 3,994,469    | 4,096,655    |
| Deferred revenue (Note 9)               | 24,569,483   | 19,552,616   |
| Long-term debt (Note 10)                | 24,634,555   | 25,052,046   |
|   | 53,198,507   | 48,701,317   |
| <b>Net debt</b>                         | (33,394,109) | (39,704,782) |
| <b>Contingent liabilities</b> (Note 11) |              |              |
| <b>Non-financial assets</b>             |              |              |
| Tangible capital assets (Schedule 1)    | 81,240,326   | 80,899,089   |
| Construction-in-progress (Note 12)      | 20,871,786   | 17,644,672   |
| Prepaid expenses                        | 124,706      | 1,102,194    |
|   | 102,236,818  | 99,645,955   |
| <b>Accumulated surplus</b> (Note 13)    | 68,842,709   | 59,941,173   |

Approved on behalf of the Chief and Council

|   |  |            |  |  |  |            |
|---|--|------------|--|--|--|------------|
|  |  | Chief      |  |  |  | Councillor |
|  |  | Councillor |  |  |  | Councillor |
|  |  | Councillor |  |  |  | Councillor |
|  |  | Councillor |  |  |  | Councillor |

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

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

*For the year ended March 31, 2024*

|  | Schedules | 2024              | 2023               |
|--|-----------|-------------------|--------------------|
| <b>Revenue</b>   |           |                   |                    |
| Indigenous Services Canada ("ISC") (Note 15)           |           | 70,993,745        | 59,060,103         |
| Canada Mortgage and Housing Corporation (CMHC)         |           | 999,759           | 952,339            |
| Province of Manitoba                                   |           | 197,537           | 455,335            |
| Superstore sales                                       |           | 13,046,752        | 12,014,915         |
| Other revenue  |           | 4,174,658         | 3,401,650          |
| Service Canada   |           | 1,843,507         | 1,829,802          |
| VLT revenue (net of payouts)                           |           | 2,890,366         | 2,164,602          |
| Bingo revenues (net of payouts)                        |           | 143,918           | (855,520)          |
| Rental income  |           | 812,530           | 966,975            |
| Assembly of Manitoba Chiefs revenue                    |           | 323,937           | -                  |
| First Nations Confederacy of Cultural Education Centre |           | 86,675            | 41,171             |
| Deferred revenue - prior year (Note 9)                 |           | 19,552,616        | 16,880,258         |
| Deferred revenue - current year (Note 9)               |           | (24,569,483)      | (19,552,616)       |
|  |           | <b>90,496,517</b> | <b>77,359,014</b>  |
| <b>Segment expenses</b>                                |           |                   |                    |
| Administration   | 4         | 14,083,548        | 15,388,756         |
| Education  | 5         | 20,034,701        | 18,892,411         |
| Public Works   | 6         | 4,856,235         | 5,332,617          |
| Employment and Training and Daycare                    | 7         | 2,413,741         | 2,444,972          |
| Social Assistance                                      | 8         | 8,687,097         | 9,619,196          |
| CMHC Housing   | 9         | 1,688,902         | 1,515,312          |
| Gaming   | 10        | 1,431,794         | 1,752,552          |
| Wellness   | 11        | 14,630,722        | 12,540,244         |
| Economic Development                                   | 12        | 13,632,419        | 13,037,852         |
| Telecommunications                                     | 13        | 135,822           | 222,748            |
| <b>Total segment expenses</b> (Schedule 2)             |           | <b>81,594,981</b> | <b>80,746,660</b>  |
| <b>Annual surplus (deficit)</b>                        |           | <b>8,901,536</b>  | <b>(3,387,646)</b> |
| <b>Accumulated surplus, beginning of year</b>          |           | <b>59,941,173</b> | <b>63,328,819</b>  |
| <b>Accumulated operating surplus, end of year</b>      |           | <b>68,842,709</b> | <b>59,941,173</b>  |

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



**Fort Alexander Indian Band (o\la Sagkeeng First Nation)**  
**Statement of Change in Net Debt**  
*For the year ended March 31, 2024*

|   | 2024                | 2023         |
|---|---------------------|--------------|
| <b>Annual surplus (deficit)</b>         | <b>8,901,536</b>    | (3,387,646)  |
| Purchases of tangible capital assets    | <b>(3,279,554)</b>  | (11,983,143) |
| Amortization of tangible capital assets | <b>4,755,129</b>    | 4,760,280    |
| Acquisition of accumulated amortization | <b>339,131</b>      | -            |
| Acquisition of construction in progress | <b>(5,383,057)</b>  | (11,283,466) |
| Change in prepaid expenses              | <b>977,488</b>      | (170,414)    |
| <b>Change in net debt</b>               | <b>6,310,673</b>    | (22,064,389) |
| <b>Net debt, beginning of year</b>      | <b>(39,704,782)</b> | (17,640,393) |
| <b>Net debt, end of year</b>            | <b>(33,394,109)</b> | (39,704,782) |

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

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

## Consolidated Statement of Cash Flows

*For the year ended March 31, 2024*

|   | <b>2024</b>  | <b>2023</b>  |
|---|--------------|--------------|
| <hr/>   |              |              |
| <b>Cash provided by (used for) the following activities</b> |              |              |
| <b>Operating activities</b>                                 |              |              |
| Cash receipts from contributors                             | 94,584,757   | 82,390,355   |
| Cash paid to suppliers                                      | (47,771,530) | (48,642,592) |
| Cash paid to employees                                      | (26,938,551) | (25,687,403) |
| Interest on long-term debt                                  | (1,394,499)  | (502,324)    |
|   | <hr/>        | <hr/>        |
|   | 18,480,177   | 7,558,036    |
| <b>Financing activities</b>                                 |              |              |
| Advances of long-term debt                                  | 678,568      | 10,069,946   |
| Repayment of long-term debt                                 | (1,096,059)  | (4,345,636)  |
|   | <hr/>        | <hr/>        |
|   | (417,491)    | 5,724,310    |
| <b>Capital activities</b>                                   |              |              |
| Purchases of tangible capital assets                        | (3,279,554)  | (11,983,143) |
| Purchases in construction in progress                       | (5,383,057)  | (11,283,466) |
|   | <hr/>        | <hr/>        |
|   | (8,662,611)  | (23,266,609) |
| <b>Investing activities</b>                                 |              |              |
| Increase in investments                                     | (23,282)     | (90,016)     |
| Change in restricted cash                                   | 158,077      | 1,017,429    |
|   | <hr/>        | <hr/>        |
|   | 134,795      | 927,413      |
| <b>Increase (decrease) in cash resources</b>                | <hr/>        | <hr/>        |
|   | 9,534,870    | (9,056,850)  |
| <b>Cash resources, beginning of year</b>                    | 5,328,555    | 14,385,405   |
| <b>Cash resources, end of year</b>                          | <hr/>        | <hr/>        |
|   | 14,863,425   | 5,328,555    |

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

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

For the year ended March 31, 2024

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## 1. Operations

The Fort Alexander Indian Band (o\la Sagkeeng First Nation) (the "First Nation") is located in the province of Manitoba, and provides various services to its members. Fort Alexander Indian Band (o\la Sagkeeng First Nation) includes the Nation's members, government and all related entities that are accountable to the First Nation and are either owned or controlled by the First Nation.

## 2. Significant accounting policies

These consolidated financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and including the following significant accounting policies:

### **Reporting entity**

The Fort Alexander Indian Band reporting entity includes the First Nation government and all related enterprises that are accountable to the First Nation and are either owned or controlled by the First Nation. The financial statements consolidate the financial activities of all entities and departments comprising the First Nation reporting entity. Trusts administered on behalf of third parties by Fort Alexander Indian Band (o\la Sagkeeng First Nation) are excluded from the First Nation reporting entity.

The First Nation has consolidated the assets, liabilities, revenue and expenses of the following entities and departments:

- Fort Alexander Indian Band CMHC Housing
- Fort Alexander Health Centre Inc.
- Fort Alexander Holdings Inc.
- George M. Guimond Care Centre Inc.
- Sagkeeng Administration
- Sagkeeng Education
- Sagkeeng Social Services
- Sagkeeng Employment and Training Services
- Sagkeeng First Nation Bingo Committee
- Sagkeeng First Nation Gaming Control Commission
- Sagkeeng First Nation Trust Fund
- Sagkeeng Memorial Arena Inc.
- Sagkeeng Superstore

All inter-entity balances have been eliminated on consolidation.

### **Basis of presentation**

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

### **Cash resources**

Cash resources include balances with banks. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

### **Investments**

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

**Fort Alexander Indian Band (o\la Sagkeeng First Nation)**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2024*

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

***Inventory for resale***

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the weighted average method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion, less selling costs and less provisions made for slow moving or obsolete inventory.

***Funds held in Ottawa Trust Fund***

Funds held in trust on behalf of First Nation members by the Government of Canada in the Ottawa Trust Fund are reported on the consolidated statement of financial position with an offsetting amount in accumulated operating surplus. Trust moneys consist of:

- Capital trust moneys derived from non-renewable resource transactions on the sale of land or other First Nation tangible capital assets; and
- Revenue trust moneys generated primarily through land leasing transactions or interest earned on deposits held in trust.

***Tangible capital assets***

Tangible capital assets are initially recorded at cost based on historical cost accounting records. Contributed tangible assets are recorded at their fair value at the date of contribution. No amortization is taken on construction in progress until the asset is put into use.

***Amortization***

Tangible capital assets are amortized using the straight line and declining balance methods at rates intended to amortize the cost of the assets over their estimated useful lives:

|                              | <b>Years</b> | <b>Rate</b> |
|------------------------------|--------------|-------------|
| Vehicles and heavy equipment | 3-10 years   | 10-30 %     |
| Computers                    | 1-5 years    | 20-100 %    |
| Equipment and furniture      | 3-10 years   | 10-30 %     |
| Community buildings          | 20 years     | 2-10 %      |
| Infrastructure               | 40 years     | 2.5 %       |
| Housing                      | 20 years     | 5 %         |

***Long-lived assets***

Long-lived assets consist of tangible capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The First Nation performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. Impairment losses are recognized when undiscounted future cash flows from its use and disposal are less than asset's carrying amount. Impairment is measured as the amount by which the asset's carrying value exceeds its fair value. Any impairment is included in the consolidated statement of operations for the year in which the asset becomes impaired.

***Net debt***

The First Nation's consolidated financial statements are presented so as to highlight net debt as the measurement of financial position. The net debt of the First Nation is determined by its financial assets less its liabilities. Net debt is comprised of two components, non-financial assets and accumulated surplus.

***Asset classification***

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets, prepaid expenses and construction in progress.

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

## Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

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

#### **Revenue recognition**

Government transfer revenue, which includes, but is not limited to, funding from ISC, CMHC, Province of Manitoba and Service Canada is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under funding arrangements that relates to a subsequent fiscal period is reflected as deferred revenue on the consolidated statement of financial position in the year of receipt, and is matched with the related segment expenses in the year of their occurrence. Funding that is restricted for particular purposes is deferred and recognized when the eligible expenses have been incurred.

The First Nation recognizes VLT revenue as the net win from gaming activities (the difference between gaming wins and gaming losses), consisting of slot machines, on a daily basis. Gaming revenue is net of commissions paid to Manitoba Liquor and Lotteries Commission. Management believes that it is appropriate to present these commissions net of gaming revenue as these amounts are fixed as per their agreement with Manitoba Liquor and Lotteries Commission.

Superstore sales and bingo revenue (net of prize payouts) are recognized when the services are provided or the goods are shipped and collection is reasonably assured.

Rental income is recorded in the year it is earned. At the end of the year, management evaluates the extent of the collectability of its rent revenue and records a bad debt expense and an allowance for doubtful accounts for amounts designated as unlikely to be collected.

Investment and interest revenue is recognized on an accrual basis in the period that it is earned.

Other revenue is recognized by the First Nation, net of trade discounts and allowances, when a price is agreed, goods are shipped to customers, all significant obligations have been satisfied, and collectability is reasonably assured.

#### **Measurement uncertainty**

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

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

By their nature, these judgments are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates and assumptions in future years could be material. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the years in which they become known.

#### **Segments**

The First Nation conducts its business through ten reportable segments as identified in Note 17. These operating segments are established by senior management to facilitate the achievement of the First Nation's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

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

The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in Note 17.

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

## Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

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

#### **Liability for contaminated site**

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the First Nation is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at March 31, 2024.

At each financial reporting date, the First Nation reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The First Nation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

#### **Asset retirement obligation**

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the financial statement date when there is a legal obligation for the First Nation to incur retirement costs in relation to a tangible capital asset (or component thereof), the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at March 31, 2024. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

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

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

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

#### **Fair value measurements**

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

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

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

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

## Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

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

#### **Financial instruments**

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

At initial recognition, the First Nation may irrevocably elect to subsequently measure any financial instrument at fair value. The First Nation has not made such an election during the year.

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

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

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

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

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

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

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

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

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

*For the year ended March 31, 2024*

### 3. Credit facility

The First Nation also has one operating line of credit up to a maximum of \$2,000,000 at an interest rate of prime plus 1%. As at March 31, 2024, \$nil (2023 - \$nil) was drawn on this facility. The operating lines are secured by a general security agreement and band council resolution. Prime rate at March 31, 2024 is 7.20% (2023 - 6.70%).

### 4. Accounts receivable

|  | 2024      | 2023      |
|--|-----------|-----------|
| Accounts receivable  | 1,241,474 | 1,299,193 |
| Indigenous Services Canada                                     | 1,481,827 | 103,500   |
| CMHC subsidy assistance receivable                             | 85,592    | 84,340    |
| First Nations Safety Officer Program                           | -         | 422,197   |
| Members  | 429,173   | 522,209   |
| Tax receivables  | 46,495    | 89,475    |
|  | 3,284,561 | 2,520,914 |
| Less: Allowance for doubtful accounts - staff, trade and other | 811,213   | 976,193   |
|  | 2,473,348 | 1,544,721 |

### 5. Investments

|   | 2024    | 2023    |
|---|---------|---------|
| <b>Measured at cost:</b>                              |         |         |
| Guaranteed investment certificate                     | 115,000 | 115,000 |
| 10040629 Manitoba Ltd. (25% ownership)                | 25      | 25      |
| Treaty One Development Corporation (14.28% ownership) | 1       | 1       |
| Sun Life Financial                                    | 132,540 | 109,258 |
|   | 247,566 | 224,284 |

### 6. Inventory for resale

|                      | 2024    | 2023    |
|----------------------|---------|---------|
| Gaming               | 11,236  | 11,236  |
| Economic Development | 409,721 | 291,714 |
|                      | 420,957 | 302,950 |



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

## Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

### 7. Restricted cash

|   | 2024      | 2023      |
|---|-----------|-----------|
| CMHC replacement reserve                              | 1,431,570 | 1,287,667 |
| CMHC operating reserve                                | 6,427     | -         |
| Fort Alexander Health Centre Moveable Asset Reserve   | 171,263   | 171,513   |
| Sagkeeng First Nation Consolidated Revenue Trust Fund | 185,519   | 177,688   |
| Ottawa Trust Fund                                     | 4,323     | 4,157     |
|   | 1,799,102 | 1,641,025 |

Restricted cash is subject to the restrictions imposed by outside parties and can only be used for the purposes specified.

#### **CMHC replacement and subsidy surplus reserves**

As required as part of the First Nation's Canada Mortgage and Housing Corporation ("CMHC") Housing program, a separate bank account has been established for replacement of capital equipment and for major repairs to the houses. Under the terms of the agreements with CMHC, the replacement reserve must either be held in a separate bank account or invested in accounts or instruments secured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time.

Under the terms of the agreements with CMHC, excess federal assistance payments received must be retained in a subsidy surplus reserve. The reserve is to be comprised of monies deposited in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or as may otherwise be approved by CMHC from time to time. These funds in this account may only be used to meet future subsidy requirements of income-tested occupants.

As at March 31, 2024, the subsidy surplus reserve was overfunded by \$6,427 (2023 - overfunded by \$nil). As at March 31, 2024, the replacement reserve was overfunded by \$4,159 (2023 - overfunded by \$2,288).

#### **Fort Alexander Health Centre Moveable Asset Reserve**

The Fort Alexander Health Centre received Moveable Asset Reserve funding from ISC and has set aside an amount of \$171,263 (2023 - \$171,513) for future movable asset replacement. This funding is externally restricted for the purchase of movable assets that qualify under the agreement between the Nation and ISC. The account is underfunded by \$401,417 (2023 - \$334,568).

#### **Sagkeeng First Nation Consolidated Revenue Trust Fund**

The Sagkeeng First Nation Consolidated Revenue Trust Fund reports the assets related to the Manitoba Hydro agreement and accord dated March 21, 1997, and amendment dated January 8, 1998. The agreement and accord represents the Conservation Law proclaimed by the Nation and the Hydro Law and Process Law and established the Sagkeeng First Nation Consolidated Revenue Trust Fund. Trustees were appointed to administer the assets of the Fund.

#### **Ottawa Trust Fund**

The Ottawa Trust Fund arises from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act. Revenue from the Ottawa Trust Fund is recognized in the year in which it is earned when it is measurable and collection is reasonably assured. Capital and revenue trust monies are transferred to the First Nation on the authorization of the Minister of Indigenous Services Canada, with the consent of the First Nation's Chief and Council.

|               |  |
|---------------|--|
| Capital Trust | \$315 (2023 - \$315); 2024 interest revenue - \$nil (2023 - \$nil)     |
| Revenue trust | \$4,008 (2023 - \$3,842); 2024 interest revenue - \$166 (2023 - \$149) |

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

*For the year ended March 31, 2024*

### 8. Accounts payable and accruals

|                                     | 2024      | 2023      |
|-------------------------------------|-----------|-----------|
| Trade payables                      | 3,669,869 | 3,343,401 |
| Wages and source deductions payable | 324,600   | 753,254   |
|                                     | 3,994,469 | 4,096,655 |

### 9. Deferred revenue

|   | 2024       | 2023       |
|---|------------|------------|
| Administration - ISC (Schedule 4)                                     | 15,496,927 | 11,511,224 |
| Education - ISC (Schedule 5)  | 223,671    | -          |
| Public Works - ISC (Schedule 6)                                       | 2,557,183  | -          |
| Community Infrastructure - ISC (Schedule 6)                           | -          | 1,779,671  |
| Employment, Training and Daycare - AMC (Schedule 7)                   | -          | 301,512    |
| Employment, Training and Daycare - CRF (Schedule 7)                   | -          | 285,487    |
| Employment, Training and Daycare - Fall Economic Funding (Schedule 7) | -          | 351,065    |
| Wellness - ISC (Schedule 11)  | 6,291,702  | 5,323,657  |
|   | 24,569,483 | 19,552,616 |

### 10. Long-term debt

|   | 2024      | 2023      |
|---|-----------|-----------|
| BMO demand loan repayable in monthly payments of \$85,286 at prime plus 1%, due on demand. Loan is secured by a band council resolution approved up to a maximum of \$10,500,000, assignment of tobacco tax rebate revenues, fuel tax rebate revenues and gaming revenues.  | 8,440,559 | 8,801,752 |
| Loan payable in interest only payments at prime plus .50%, due when claim is settled. The loan is authorized up to a combined amount of \$5,976,320 with the surrender claim and is secured by an insurance policy. The loan is for professional services incurred to pursue a financial claim against the Government of Canada. The Nation expects to settle the loan by either a successful legal settlement with the Government of Canada or through an insurance policy in the case of an unsuccessful legal settlement. No assets have been recorded related to this matter.   | 3,717,484 | 3,276,471 |
| Loan in regards to 1923-1926 surrender claim payable in interest only payments at prime plus .50%, due when claim is settled. The loan is authorized up to a combined amount of \$5,976,320 with the land settlement claim and is secured by an insurance policy. The loan is for professional services incurred to pursue a financial claim against the Government of Canada. The Nation expects to settle the loan by either a successful legal settlement with the Government of Canada or through an insurance policy in the case of an unsuccessful legal settlement. No assets have been recorded related to this matter. | 2,298,598 | 2,061,043 |
| Phase 1, Post 1996 - CMHC mortgage repayable in monthly payments of \$9,176 including interest at 4.18%, maturing August 1, 2033, with the next scheduled renewal on December 1, 2028, secured by a Ministerial guarantee for a 25-unit rental housing project and assignment of fire insurance.  | 857,225   | 934,910   |
| Phase 2, Post 1996 - CMHC mortgage repayable in monthly payments of \$8,767 including interest at 3.58%, maturing November 1, 2033, with the next scheduled renewal on January 1, 2029, secured by a Ministerial guarantee for a 25-unit rental housing project and assignment of fire insurance.   | 859,576   | 937,516   |

**Fort Alexander Indian Band (o\la Sagkeeng First Nation)**  
**Notes to the Consolidated Financial Statements**  
*For the year ended March 31, 2024*

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

|   | <b>2024</b>       | 2023       |
|---|-------------------|------------|
| Phase 3, Post 1996 - CMHC mortgage repayable in monthly payments of \$9,704 including interest at 4.18%, maturing December 1, 2034, with the next scheduled renewal on December 1, 2028, secured by a Ministerial guarantee for a 15-unit rental housing project and assignment of fire insurance.                                      | <b>1,008,774</b>  | 1,090,124  |
| Phase 4, Post 1996 - CMHC mortgage repayable in monthly payments of \$3,748 including interest at 0.68%, maturing August 1, 2035, with the next scheduled renewal on August 1, 2025, secured by a Ministerial guarantee for an 8-unit rental housing project and assignment of fire insurance.  | <b>493,883</b>    | 535,341    |
| Phase 5, Post 1996 - CMHC mortgage repayable in monthly payments of \$3,936 including interest at 0.74%, maturing February 1, 2036, with the next scheduled renewal on February 1, 2026, secured by a Ministerial guarantee for a 7-unit rental housing project and assignment of fire insurance.                                       | <b>538,564</b>    | 581,631    |
| Phase 6, Post 1996 - CMHC mortgage repayable in monthly payments of \$6,359 including interest at 2.27%, maturing March 1, 2037, with the next scheduled renewal on April 1, 2027, secured by a Ministerial guarantee for a 10-unit rental housing project and assignment of fire insurance.  | <b>858,946</b>    | 915,111    |
| Phase 7, Post 1996 - CMHC mortgage repayable in monthly payments of \$5,380 including interest at 4.18%, maturing September 1, 2038, with the next scheduled renewal on December 1, 2028, secured by a Ministerial guarantee for a 7-unit rental housing project and assignment of fire insurance.                                      | <b>702,799</b>    | 740,983    |
| Phase 8, Post 1996 - CMHC mortgage repayable in monthly payments of \$7,863 including interest at 3.58%, maturing July 1, 2033, with the next scheduled renewal on January 1, 2029, secured by a Ministerial guarantee for a 6-unit rental housing project and assignment of fire insurance.  | <b>748,515</b>    | 812,897    |
| Phase 9, Post 1996 - CMHC mortgage repayable in monthly payments of \$7,366 including interest at 1.73%, maturing August 1, 2034, with the next scheduled renewal on August 1, 2024, secured by a Ministerial guarantee for a 6-unit rental housing project and assignment of fire insurance.   | <b>842,234</b>    | 915,382    |
| Phase 10, Post 1996 - CMHC mortgage repayable in monthly payments of \$8,442 including interest at .96%, maturing March 1, 2036, with the next scheduled renewal on March 1, 2026, secured by a Ministerial guarantee for a 7-unit rental housing project and assignment of fire insurance. Loan has been renewed until August 1, 2029. | <b>1,147,956</b>  | 1,237,766  |
| Phase 11, Post 1996 - CMHC mortgage repayable in monthly payments of \$8,777 including interest at 1.88%, maturing February 1, 2037, with the next scheduled renewal on February 1, 2027, secured by a Ministerial guarantee for a 6-unit rental housing project and assignment of fire insurance.                                      | <b>1,207,399</b>  | 1,289,218  |
| Phase 12, Post 1996 - CMHC mortgage repayable in monthly payments of \$6,971 including interest at 3.29%, maturing September 1, 2037, with the next scheduled renewal on September 1, 2027, secured by a Ministerial guarantee for a 5-unit rental housing project and assignment of fire insurance.                                    | <b>912,044</b>    | 921,902    |
|   | <b>24,634,555</b> | 25,052,046 |

## Fort Alexander Indian Band (o/a Sagkeeng First Nation) Notes to the Consolidated Financial Statements

*For the year ended March 31, 2024*

### 10. Long-term debt (Continued from previous page)

Principal repayments on long-term debt in each of the next five years, assuming long-term debt subject to refinancing is renewed, are estimated as follows:

|      |           |
|------|-----------|
| 2025 | 7,157,000 |
| 2026 | 1,195,000 |
| 2027 | 1,249,000 |
| 2028 | 1,307,000 |
| 2029 | 1,251,000 |

### 11. Contingent liabilities

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

### 12. Construction in progress

|                                      | 2024       | 2023       |
|--------------------------------------|------------|------------|
| Pitambara Housing Project            | 20,035,615 | 16,468,412 |
| Kookum Lodge Project                 | -          | 1,106,652  |
| Housing Project - Disability Program | 823,436    | 69,608     |
| CMHC Women's Shelter                 | 12,735     | -          |
|                                      | 20,871,786 | 17,644,672 |

### 13. Accumulated operating surplus

Accumulated operating surplus consists of the following:

|                                   | 2024         | 2023         |
|-----------------------------------|--------------|--------------|
| Equity in Ottawa Trust Funds      | 4,323        | 4,157        |
| CMHC replacement reserve          | 1,435,729    | 1,285,379    |
| Equity in tangible capital assets | 83,217,411   | 79,716,229   |
| Unrestricted accumulated deficit  | (16,387,434) | (21,570,673) |
| Moveable asset reserve            | 572,680      | 506,081      |
|                                   | 68,842,709   | 59,941,173   |

### 14. First Nations Financial Transparency Act

The First Nation is required to post its consolidated financial statements on a website and submit the consolidated financial statements to ISC by July 29, 2024. Since the audit report is dated after this date, the First Nation has not complied with this requirement, and the impact of this non-compliance is unknown at this time, if any.

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

For the year ended March 31, 2024

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## 15. ISC revenue reconciliation

The ISC revenues of \$70,993,745 (2023 - \$59,060,103) on the consolidated statement of operations and accumulated surplus agrees to the ISC confirmation.

## 16. Economic dependence

Fort Alexander Indian Band (o\la Sagkeeng First Nation) receives substantially all of its revenue from ISC as a result of Treaties entered into with the Government of Canada. These treaties are administered by ISC under the terms and conditions of the Indian Act. The ability of the First Nation to continue operations is dependent upon the Government of Canada's continued financial commitments as guaranteed by these Treaties.

## 17. Segments

The First Nation has ten reportable segments. These segments are differentiated by the major activities or services they provide. The First Nation's segments are as follows:

- **Administration** - includes administration and governance activities.
- **Education** - includes the operation of education programs.
- **Wellness** - reports on the First Nation's funding related to health and wellness
- **Social Assistance** - includes delivering social programs.
- **Public Works** - includes activities for the maintenance of the community and its infrastructure.
- **CMHC Housing** - includes activities related to the development and sustainment of on-reserve CMHC housing.
- **Employment and Training and Daycare** - employment services to assist community members to find and maintain meaningful employment.
- **Economic Development** - other First Nation programs not funded by ISC, including its commercial operations.
- **Gaming** - includes the First Nation's VLT and bingo operations.
- **Telecommunications** - currently includes the Wolf FM radio station and in the future it will also include the services of internet and telephone.

Inter-segment transfers are recorded at their exchange amount. The accounting policies of the segments are the same as those described in Note 2.

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

## Notes to the Consolidated Financial Statements

For the year ended March 31, 2024

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### 18. Provision for site rehabilitation

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

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

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

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

### 19. Financial instruments

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

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

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

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

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

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

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

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

### 20. Comparative figures

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

**Fort Alexander Indian Band (o\la Sagkeeng First Nation)**  
**Schedule 1 - Consolidated Schedule of Tangible Capital Assets**

*For the year ended March 31, 2024*

|  | <i>Vehicles and<br/>heavy<br/>equipment</i> | <i>Computers</i> | <i>Equipment<br/>and furniture</i> | <i>Community<br/>Buildings</i> | <i>Infrastructure</i> | <i>Land</i>    | <i>Subtotal</i>   |
|--|---|------------------|------------------------------------|--------------------------------|-----------------------|----------------|-------------------|
| <b>Cost</b>                                      |   |                  |                                    |                                |                       |                |                   |
| Balance, beginning of year                       | 8,419,306                                   | 722,864          | 5,436,655                          | 70,869,627                     | 42,522,201            | 142,587        | 128,113,240       |
| Acquisition of tangible capital assets           | 728,283                                     | 133,458          | 85,891                             | 1,370,656                      | 961,266               | -              | 3,279,554         |
| Construction-in-progress: completed projects     | -   | -                | -                                  | 2,155,944                      | -                     | -              | 2,155,944         |
| Balance, end of year                             | 9,147,589                                   | 856,322          | 5,522,546                          | 74,396,227                     | 43,483,467            | 142,587        | 133,548,738       |
| <b>Accumulated amortization</b>                  |   |                  |                                    |                                |                       |                |                   |
| Balance, beginning of year                       | 6,763,258                                   | 628,498          | 4,889,432                          | 37,084,778                     | 13,705,935            | -              | 63,071,901        |
| Annual amortization                              | 545,553                                     | 67,759           | 189,883                            | 1,838,705                      | 874,411               | -              | 3,516,311         |
| Acquisition of accumulated amortization          | -   | 3,018            | 72,916                             | 263,197                        | -                     | -              | 339,131           |
| Balance, end of year                             | 7,308,811                                   | 699,275          | 5,152,231                          | 39,186,680                     | 14,580,346            | -              | 66,927,343        |
| <b>Net book value of tangible capital assets</b> | <b>1,838,778</b>                            | <b>157,047</b>   | <b>370,315</b>                     | <b>35,209,547</b>              | <b>28,903,121</b>     | <b>142,587</b> | <b>66,621,395</b> |
| Net book value of tangible capital assets 2023   | 1,656,048                                   | 94,366           | 547,223                            | 33,784,849                     | 28,816,266            | 142,587        | 65,041,339        |

**Fort Alexander Indian Band (o\la Sagkeeng First Nation)**  
**Schedule 1 - Consolidated Schedule of Tangible Capital Assets**

*For the year ended March 31, 2024*

|  | <i>Subtotal</i>    | <i>Housing</i>    | <i>2024</i>        | <i>2023</i> |
|--|--------------------|-------------------|--------------------|-------------|
| <b>Cost</b>                                      |                    |                   |                    |             |
| Balance, beginning of year                       | 128,113,240        | 37,015,926        | 165,129,166        | 152,193,523 |
| Acquisition of tangible capital assets           | 3,279,554          | -                 | 3,279,554          | 11,983,143  |
| Construction-in-progress: completed projects     | 2,155,944          | -                 | 2,155,944          | 952,500     |
| <b>Balance, end of year</b>                      | <b>133,548,738</b> | <b>37,015,926</b> | <b>170,564,664</b> | 165,129,166 |
| <b>Accumulated amortization</b>                  |                    |                   |                    |             |
| Balance, beginning of year                       | 63,071,901         | 21,158,176        | 84,230,077         | 79,469,797  |
| Annual amortization                              | 3,516,311          | 1,238,819         | 4,755,129          | 4,760,280   |
| Acquisition of accumulated amortization          | 339,131            | -                 | 339,131            | -           |
| <b>Balance, end of year</b>                      | <b>66,927,343</b>  | <b>22,396,995</b> | <b>89,324,338</b>  | 84,230,077  |
| <b>Net book value of tangible capital assets</b> | <b>66,621,395</b>  | <b>14,618,931</b> | <b>81,240,326</b>  | 80,899,089  |
| <br>   |                    |                   |                    |             |
| Net book value of tangible capital assets 2023   | 65,041,339         | 15,857,750        | 80,899,089         |             |



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

*For the year ended March 31, 2024*

|  | <b>2024</b>       | <b>2023</b> |
|--|-------------------|-------------|
| <b>Consolidated expenses by object</b>         |                   |             |
| Amortization                                   | <b>4,755,129</b>  | 4,760,280   |
| Automotive, fuel and insurance                 | <b>1,059,062</b>  | 1,344,880   |
| Bad debts (recovery)                           | <b>2,959</b>      | 418,847     |
| Bank charges and interest                      | <b>192,937</b>    | 154,742     |
| Basic needs                                    | <b>8,355,814</b>  | 9,556,540   |
| COVID-19 expenses                              | <b>2,027,414</b>  | 1,344,451   |
| Community donations and support                | <b>548,689</b>    | 727,978     |
| Contracted services                            | <b>238,764</b>    | 369,101     |
| Cost of goods sold                             | <b>11,341,166</b> | 9,729,954   |
| Council, elders and board travel and honoraria | <b>1,606,111</b>  | 1,499,191   |
| Economic development grants                    | <b>76,659</b>     | 133,519     |
| Insurance                                      | <b>952,814</b>    | 695,349     |
| Interest on long-term debt                     | <b>1,394,499</b>  | 500,854     |
| Professional fees and contract work            | <b>1,964,586</b>  | 2,276,473   |
| Programming and activities                     | <b>4,862,235</b>  | 3,736,883   |
| Property tax                                   | <b>31,882</b>     | 24,095      |
| Rent - equipment and buildings                 | <b>619,758</b>    | 546,402     |
| Repairs and maintenance                        | <b>4,667,871</b>  | 7,474,088   |
| Salaries and benefits                          | <b>26,938,551</b> | 25,687,403  |
| Shoreline repairs                              | <b>254,138</b>    | 50,366      |
| Special needs                                  | <b>315,167</b>    | 54,981      |
| Supplies                                       | <b>1,705,894</b>  | 2,520,573   |
| Telephone and utilities                        | <b>1,503,629</b>  | 1,393,204   |
| Training and professional development          | <b>3,928,648</b>  | 3,468,730   |
| Travel   | <b>991,124</b>    | 885,687     |
| Tuition  | <b>1,160,926</b>  | 1,331,002   |
| VLT lease and licensing                        | <b>98,556</b>     | 61,084      |
|  | <b>81,594,981</b> | 80,746,660  |

**Fort Alexander Indian Band (o\la Sagkeeng First Nation)**  
**Schedule 3 - Consolidated Schedule of Segment Revenue and Expenses**

*For the year ended March 31, 2024*

|                                     | <i>Sch</i> | <i>Total<br/>Revenues</i> | <i>Total<br/>Expenses</i> | <i>2024<br/>Surplus<br/>(Deficit)</i> | <i>2023<br/>Surplus<br/>(Deficit)</i> |
|-------------------------------------|------------|---------------------------|---------------------------|---------------------------------------|---------------------------------------|
| <b>Fort Alexander First Nation</b>  |            |                           |                           |                                       |                                       |
| Administration                      | 4          | 11,082,831                | 14,083,548                | (3,000,717)                           | (7,326,313)                           |
| Education                           | 5          | 24,846,801                | 20,034,701                | 4,812,100                             | 4,916,228                             |
| Public Works                        | 6          | 5,329,070                 | 4,856,235                 | 472,835                               | (573,141)                             |
| Employment and Training and Daycare | 7          | 3,862,830                 | 2,413,741                 | 1,449,089                             | 263,039                               |
| Social Assistance                   | 8          | 9,599,399                 | 8,687,097                 | 912,302                               | (909,125)                             |
| CMHC Housing                        | 9          | 1,518,699                 | 1,688,902                 | (170,203)                             | (24,093)                              |
| Gaming                              | 10         | 2,745,801                 | 1,431,794                 | 1,314,007                             | 426,742                               |
| Wellness                            | 11         | 17,674,054                | 14,630,722                | 3,043,332                             | 1,454,240                             |
| Economic Development                | 12         | 13,665,392                | 13,632,419                | 32,973                                | (388,378)                             |
| Telecommunications                  | 13         | 171,639                   | 135,822                   | 35,817                                | (1,226,843)                           |
| <b>Total</b>                        |            | <b>90,496,517</b>         | <b>81,594,981</b>         | <b>8,901,536</b>                      | <b>(3,387,646)</b>                    |

**Fort Alexander Indian Band (o\la Sagkeeng First Nation)**  
**Administration**  
**Schedule 4 - Schedule of Revenue and Expenses**

*For the year ended March 31, 2024*

|  | <b>2024</b>        | <b>2023</b>        |
|--|--------------------|--------------------|
| <b>Revenue</b>                                 |                    |                    |
| Indigenous Services Canada                     | 15,479,863         | 11,898,775         |
| Province of Manitoba                           | 189,000            | 422,197            |
| Other revenue                                  | 2,660,052          | 1,567,403          |
| Rental income                                  | -                  | 170,864            |
| Deferred revenue - prior year                  | 11,511,224         | 8,573,611          |
| Deferred revenue - current year                | (15,496,927)       | (11,511,224)       |
|  | <b>14,343,212</b>  | <b>11,121,626</b>  |
| <b>Expenses</b>                                |                    |                    |
| Amortization                                   | 3,131,128          | 2,971,012          |
| Automotive, fuel and insurance                 | 113,537            | 86,391             |
| Bad debts                                      | -                  | 332,741            |
| Bank charges and interest                      | 92,442             | 71,021             |
| COVID-19 expenses                              | -                  | 1,081,546          |
| Community donations and support                | 175,950            | 231,366            |
| Contracted services                            | 155,040            | 153,542            |
| Council, elders and board travel and honoraria | 1,448,822          | 1,227,349          |
| Economic development grants                    | 76,659             | 133,519            |
| Insurance                                      | 436,891            | 168,111            |
| Interest on long-term debt                     | 1,110,378          | 106,505            |
| Professional fees and contract work            | 1,247,436          | 1,702,855          |
| Programming and activities                     | 84,691             | 160,110            |
| Property tax                                   | 31,882             | 24,095             |
| Rent - equipment and buildings                 | 237,808            | 264,866            |
| Repairs and maintenance                        | 445,692            | 2,081,069          |
| Salaries and benefits                          | 3,696,262          | 3,375,838          |
| Shoreline repairs                              | 254,138            | 50,366             |
| Supplies                                       | 398,862            | 658,154            |
| Telephone and utilities                        | 403,719            | 293,457            |
| Training and professional development          | 116,794            | 25,565             |
| Travel   | 425,417            | 189,278            |
|  | <b>14,083,548</b>  | <b>15,388,756</b>  |
| <b>Surplus (deficit) before transfers</b>      | <b>259,664</b>     | <b>(4,267,130)</b> |
| <b>Transfers between segments</b>              | <b>(3,260,381)</b> | <b>(3,059,183)</b> |
| <b>Deficit</b>                                 | <b>(3,000,717)</b> | <b>(7,326,313)</b> |

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

## Education

### Schedule 5 - Schedule of Revenue and Expenses

*For the year ended March 31, 2024*

|  | <b>2024</b>       | <b>2023</b>       |
|--|-------------------|-------------------|
| <hr/>  |                   |                   |
| <b>Revenue</b>   |                   |                   |
| Indigenous Services Canada                             | 24,922,231        | 23,532,428        |
| Other revenue  | 61,566            | 83,764            |
| First Nations Confederacy of Cultural Education Centre | 86,675            | 41,171            |
| Deferred revenue - prior year                          | -                 | 151,276           |
| Deferred revenue - current year                        | (223,671)         | -                 |
|  | <hr/>             | <hr/>             |
|  | <b>24,846,801</b> | <b>23,808,639</b> |
| <hr/>  |                   |                   |
| <b>Expenses</b>  |                   |                   |
| Automotive, fuel and insurance                         | 338,798           | 205,484           |
| Bank charges and interest                              | 2,678             | 2,203             |
| COVID-19 expenses                                      | -                 | 11,041            |
| Council, elders and board travel and honoraria         | 63,429            | 145,084           |
| Insurance  | 63,063            | 61,649            |
| Professional fees and contract work                    | 216,347           | 197,152           |
| Programming and activities                             | 1,956,538         | 1,123,812         |
| Rent - equipment and buildings                         | 202,714           | 141,677           |
| Repairs and maintenance                                | 623,798           | 757,515           |
| Salaries and benefits                                  | 11,234,111        | 10,947,539        |
| Supplies   | 367,805           | 609,730           |
| Telephone and utilities                                | 498,768           | 571,061           |
| Training and professional development                  | 3,176,746         | 2,762,384         |
| Travel   | 185,932           | 333,358           |
| Tuition  | 1,103,974         | 1,022,722         |
|  | <hr/>             | <hr/>             |
|  | <b>20,034,701</b> | <b>18,892,411</b> |
| <hr/>  |                   |                   |
| <b>Surplus</b>   | <b>4,812,100</b>  | <b>4,916,228</b>  |
| <hr/>  |                   |                   |

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

## Public Works

### Schedule 6 - Schedule of Revenue and Expenses

*For the year ended March 31, 2024*

|  | 2024           | 2023             |
|--|----------------|------------------|
| <b>Revenue</b>                                 |                |                  |
| Indigenous Services Canada                     | 6,027,470      | 4,679,673        |
| Other revenue                                  | 79,112         | 79,803           |
| Deferred revenue - prior year                  | 1,779,671      | 1,779,671        |
| Deferred revenue - current year                | (2,557,183)    | (1,779,671)      |
|  | 5,329,070      | 4,759,476        |
| <b>Expenses</b>                                |                |                  |
| Automotive, fuel and insurance                 | 156,855        | 219,434          |
| Bank charges and interest                      | 2,015          | 1,680            |
| Council, elders and board travel and honoraria | -              | 23,800           |
| Insurance                                      | 55,706         | 89,516           |
| Professional fees and contract work            | 182,938        | 87,165           |
| Programming and activities                     | 8,769          | 59,015           |
| Rent - equipment and buildings                 | 13,923         | 17,217           |
| Repairs and maintenance                        | 2,916,074      | 3,839,729        |
| Salaries and benefits                          | 1,225,650      | 811,043          |
| Supplies                                       | 163,252        | 114,168          |
| Telephone and utilities                        | 123,888        | 37,474           |
| Training and professional development          | 838            | -                |
| Travel   | 6,327          | 32,376           |
|  | 4,856,235      | 5,332,617        |
| <b>Surplus (deficit)</b>                       | <b>472,835</b> | <b>(573,141)</b> |

**Fort Alexander Indian Band (o\la Sagkeeng First Nation)**  
**Employment and Training and Daycare**  
**Schedule 7 - Schedule of Revenue and Expenses**

*For the year ended March 31, 2024*

|  | <b>2024</b>      | <b>2023</b>      |
|--|------------------|------------------|
| <hr/>  |                  |                  |
| <b>Revenue</b>                                 |                  |                  |
| Indigenous Services Canada                     | 113,966          | 156,797          |
| Service Canada                                 | 1,843,507        | 1,829,802        |
| Other revenue                                  | 643,356          | 317,795          |
| Assembly of Manitoba Chiefs                    | 323,937          | -                |
| Deferred revenue - prior year                  | 938,064          | 1,341,681        |
| Deferred revenue - current year                | -                | (938,064)        |
|  | <hr/>            | <hr/>            |
|  | <b>3,862,830</b> | <b>2,708,011</b> |
| <hr/>  |                  |                  |
| <b>Expenses</b>                                |                  |                  |
| Bank charges and interest                      | 4,853            | 4,965            |
| Council, elders and board travel and honoraria | 300              | 1,799            |
| Insurance                                      | 8,960            | 8,239            |
| Professional fees and contract work            | 5,014            | 6,020            |
| Programming and activities                     | 517,663          | 253,676          |
| Rent - equipment and buildings                 | 80,765           | 67,344           |
| Repairs and maintenance                        | 52,601           | 177,807          |
| Salaries and benefits                          | 1,205,966        | 1,042,595        |
| Supplies                                       | 61,309           | 74,709           |
| Telephone and utilities                        | 25,074           | 24,628           |
| Training and professional development          | 367,461          | 400,730          |
| Travel   | 26,823           | 74,179           |
| Tuition  | 56,952           | 308,281          |
|  | <hr/>            | <hr/>            |
|  | <b>2,413,741</b> | <b>2,444,972</b> |
| <hr/>  |                  |                  |
| <b>Surplus</b>                                 | <b>1,449,089</b> | <b>263,039</b>   |
| <hr/>  |                  |                  |

**Fort Alexander Indian Band (o\la Sagkeeng First Nation)**  
**Social Assistance**  
**Schedule 8 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2024*

|                            | 2024             | 2023             |
|----------------------------|------------------|------------------|
| <b>Revenue</b>             |                  |                  |
| Indigenous Services Canada | 9,599,399        | 8,676,933        |
| Province of Manitoba       | -                | 33,138           |
|                            | <b>9,599,399</b> | <b>8,710,071</b> |
| <b>Expenses</b>            |                  |                  |
| Bank charges and interest  | 13,458           | 7,675            |
| Basic needs                | 8,355,814        | 9,556,540        |
| Special needs              | 315,167          | 54,981           |
| Travel                     | 2,658            | -                |
|                            | <b>8,687,097</b> | <b>9,619,196</b> |
| <b>Surplus (deficit)</b>   | <b>912,302</b>   | <b>(909,125)</b> |

**Fort Alexander Indian Band (o\la Sagkeeng First Nation)**  
**CMHC Housing**  
**Schedule 9 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2024*

|  | 2024             | 2023             |
|--|------------------|------------------|
| <b>Revenue</b>                                 |                  |                  |
| Canada Mortgage and Housing Corporation (CMHC) | 999,759          | 952,339          |
| Rental income                                  | 298,446          | 247,822          |
|  | <b>1,298,205</b> | 1,200,161        |
| <b>Expenses</b>                                |                  |                  |
| Amortization                                   | 734,867          | 747,626          |
| Bank charges and interest                      | -                | 20               |
| Insurance                                      | 229,148          | 229,148          |
| Interest on long-term debt                     | 284,121          | 207,288          |
| Professional fees and contract work            | 29,088           | 18,900           |
| Repairs and maintenance                        | 155,501          | 24,747           |
| Salaries and benefits                          | 245,549          | 287,583          |
| Supplies                                       | 10,628           | -                |
|  | <b>1,688,902</b> | 1,515,312        |
| <b>Deficit before transfers</b>                | <b>(390,697)</b> | <b>(315,151)</b> |
| <b>Transfers between segments</b>              | <b>220,494</b>   | <b>291,058</b>   |
| <b>Deficit</b>                                 | <b>(170,203)</b> | <b>(24,093)</b>  |



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

*For the year ended March 31, 2024*

|  | <b>2024</b>      | <b>2023</b>      |
|--|------------------|------------------|
| <hr/>  |                  |                  |
| <b>Revenue</b>                                 |                  |                  |
| VLT revenue (net of payouts)                   | 2,890,366        | 2,164,602        |
| Bingo revenues (net of payouts)                | (6,515)          | 152,569          |
| Other revenue                                  | 29,632           | 32,208           |
|  | <hr/>            | <hr/>            |
|  | <b>2,913,483</b> | <b>2,349,379</b> |
| <hr/>  |                  |                  |
| <b>Expenses</b>                                |                  |                  |
| Amortization                                   | 140,000          | 154,789          |
| Bank charges and interest                      | 13,298           | 5,711            |
| Community donations and support                | 247,504          | 284,925          |
| Council, elders and board travel and honoraria | 9,815            | 14,223           |
| Insurance                                      | 9,312            | 9,312            |
| Interest on long-term debt                     | -                | 139,072          |
| Professional fees and contract work            | 18,057           | 22,540           |
| Rent - equipment and buildings                 | 150              | -                |
| Repairs and maintenance                        | 92,796           | 229,692          |
| Salaries and benefits                          | 726,167          | 716,860          |
| Supplies                                       | 18,462           | 49,058           |
| Telephone and utilities                        | 52,113           | 62,708           |
| Training and professional development          | 2,495            | -                |
| Travel   | 3,069            | 2,578            |
| VLT lease and licensing                        | 98,556           | 61,084           |
|  | <hr/>            | <hr/>            |
|  | <b>1,431,794</b> | <b>1,752,552</b> |
| <hr/>  |                  |                  |
| <b>Surplus before transfers</b>                | <b>1,481,689</b> | <b>596,827</b>   |
| <b>Transfers between segments</b>              | <b>(167,682)</b> | <b>(170,085)</b> |
|  | <hr/>            | <hr/>            |
| <b>Surplus</b>                                 | <b>1,314,007</b> | <b>426,742</b>   |
| <hr/>  |                  |                  |

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

## Wellness

### Schedule 11 - Schedule of Revenue and Expenses

*For the year ended March 31, 2024*

|  | 2024             | 2023               |
|--|------------------|--------------------|
| <b>Revenue</b>                                 |                  |                    |
| Indigenous Services Canada                     | 14,850,816       | 10,115,497         |
| Province of Manitoba                           | 8,537            | -                  |
| Other revenue                                  | 366,643          | 1,022,551          |
| Rental income                                  | 376,217          | 377,950            |
| Deferred revenue - prior year                  | 5,323,657        | 5,034,019          |
| Deferred revenue - current year                | (6,291,702)      | (5,323,657)        |
|  | 14,634,168       | 11,226,360         |
| <b>Expenses</b>                                |                  |                    |
| Amortization                                   | 611,787          | 694,495            |
| Automotive, fuel and insurance                 | 400,232          | 356,264            |
| Bad debts (recovery)                           | 320              | 68,011             |
| Bank charges and interest                      | 6,566            | 6,213              |
| COVID-19 expenses                              | 2,027,414        | 251,863            |
| Community donations and support                | 35,484           | 36,297             |
| Contracted services                            | 83,724           | 215,559            |
| Council, elders and board travel and honoraria | 83,744           | 86,935             |
| Insurance                                      | 72,139           | 62,856             |
| Professional development                       | 3,402            | -                  |
| Professional fees and contract work            | 190,288          | 194,370            |
| Programming and activities                     | 2,289,773        | 2,125,182          |
| Rent - equipment and buildings                 | 78,399           | 49,298             |
| Repairs and maintenance                        | 151,956          | 195,051            |
| Salaries and benefits                          | 7,202,530        | 6,826,839          |
| Supplies                                       | 560,446          | 569,874            |
| Telephone and utilities                        | 266,369          | 285,276            |
| Training and professional development          | 253,947          | 280,052            |
| Travel   | 312,202          | 235,809            |
|  | 14,630,722       | 12,540,244         |
| <b>Surplus (deficit) before transfers</b>      | <b>3,446</b>     | <b>(1,313,884)</b> |
| <b>Transfers between segments</b>              | <b>3,039,886</b> | <b>2,768,124</b>   |
| <b>Surplus</b>                                 | <b>3,043,332</b> | <b>1,454,240</b>   |

**Fort Alexander Indian Band (o\la Sagkeeng First Nation)**  
**Economic Development**  
**Schedule 12 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2024*

|                                       | 2024              | 2023              |
|---------------------------------------|-------------------|-------------------|
| <b>Revenue</b>                        |                   |                   |
| Superstore sales                      | 13,046,752        | 12,014,915        |
| Other revenue                         | 313,091           | 294,135           |
| Rental income                         | 137,867           | 170,338           |
|                                       | <b>13,497,710</b> | <b>12,479,388</b> |
| <b>Expenses</b>                       |                   |                   |
| Amortization                          | 137,348           | 192,360           |
| Automotive, fuel and insurance        | 49,639            | 477,308           |
| Bad debts (recovery)                  | 2,639             | 18,095            |
| Bank charges and interest             | 57,628            | 55,143            |
| Community donations and support       | 42,199            | 117,780           |
| Cost of goods sold                    | 11,341,166        | 9,729,954         |
| Insurance                             | 77,595            | 66,517            |
| Interest on long-term debt            | -                 | 47,989            |
| Professional fees and contract work   | 74,080            | 17,188            |
| Repairs and maintenance               | 229,454           | 168,477           |
| Salaries and benefits                 | 1,350,082         | 1,628,135         |
| Supplies                              | 115,613           | 397,618           |
| Telephone and utilities               | 128,461           | 108,089           |
| Training and professional development | 6,965             | -                 |
| Travel                                | 19,550            | 13,199            |
|                                       | <b>13,632,419</b> | <b>13,037,852</b> |
| <b>Deficit before transfers</b>       | <b>(134,709)</b>  | <b>(558,464)</b>  |
| <b>Transfers between segments</b>     | <b>167,682</b>    | <b>170,086</b>    |
| <b>Surplus (deficit)</b>              | <b>32,973</b>     | <b>(388,378)</b>  |

**Fort Alexander Indian Band (o\la Sagkeeng First Nation)**  
**Telecommunications**  
**Schedule 13 - Schedule of Revenue and Expenses**  
*For the year ended March 31, 2024*

|                                     | 2024           | 2023               |
|-------------------------------------|----------------|--------------------|
| <b>Revenue</b>                      |                |                    |
| Bingo revenues (net of payouts)     | 150,433        | (1,008,089)        |
| Other revenue                       | 21,206         | 3,994              |
|                                     | <b>171,639</b> | <b>(1,004,095)</b> |
| <b>Expenses</b>                     |                |                    |
| Bank charges and interest           | -              | 110                |
| Community donations and support     | 47,552         | 57,612             |
| Professional fees and contract work | 1,338          | 30,283             |
| Programming and activities          | 4,800          | 15,088             |
| Rent - equipment and buildings      | 6,000          | 6,000              |
| Salaries and benefits               | 52,232         | 50,972             |
| Supplies                            | 9,517          | 47,261             |
| Telephone and utilities             | 5,237          | 10,512             |
| Travel                              | 9,146          | 4,910              |
|                                     | <b>135,822</b> | <b>222,748</b>     |
| <b>Surplus (deficit)</b>            | <b>35,817</b>  | <b>(1,226,843)</b> |