

# Wherever Business Takes You

**SAGKEENG FIRST NATION  
PRESENTATION TO COMMUNITY**

***FOR THE YEAR ENDED  
MARCH 31, 2015***





The Sagkeeng First Nation consolidated financial statements consist of the consolidation of the financial activities of the following 15 entities:

1. Sagkeeng First Nation VLT
2. Sagkeeng First Nation (Admin, Social, Education and capital)
3. Sagkeeng First Nation Employment and Training
4. Sagkeeng First Nation Bingo Committee
5. Sagkeeng First Nation Gaming Control Commission

# INTRODUCTION

6. Sagkeeng First Nation CMHC Housing Operations
7. Sagkeeng Memorial Arena Inc.
8. Fort Alexander Health Centre
9. Sagkeeng Miikaanake Ltd.
10. Fort Alexander Holdings Inc.
11. Sagkeeng First Nation Hydro Accord
12. Sagkeeng First Nation Superstore
13. Sagkeeng First Nation Trust Fund
14. Sagkeeng capital projects (managed by PM Associates)
15. George M. Guimond Care Centre

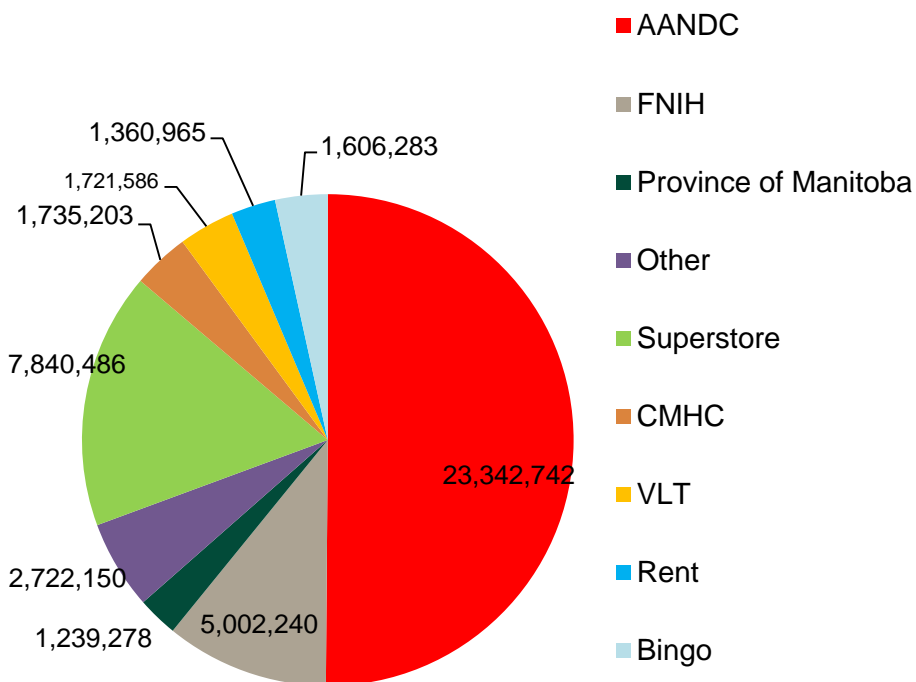
## 2. Consolidated

- Clean audit opinion as at March 31, 2015;
- Audit was completed on July 28, 2015 – before AANDC deadline – prior year was completed in October 2014;
- Accumulated operating surplus in current year of 375,000; however the accumulated operating deficit is at 3.5 million;
- Accumulated surplus \$3,353 in the Ottawa Trust Fund;
- Accumulated equity of \$46.8 million in Capital Assets, which has increased by approximately \$1.1 million from last year;

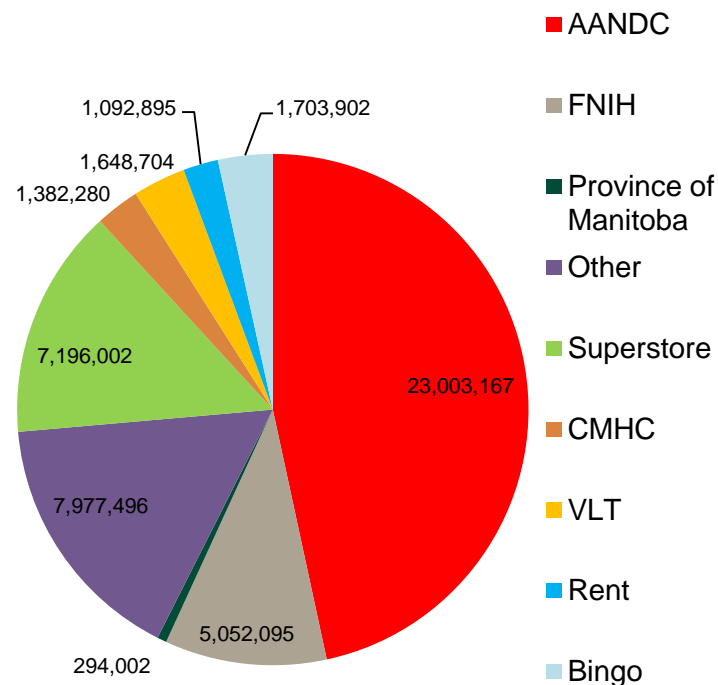
	2015	2014
Financial assets		
Cash	1,344,195	-
Investments (Note 3)	132,121	67,571
Accounts receivable (Note 4)	964,915	1,142,768
Inventory for resale (Note 5)	360,093	240,612
Investment in joint ventures (Note 6)	15,903	254,951
Restricted cash (Note 7)	2,598,673	2,253,330
Employee future benefits (Note 19)	<u>801,589</u>	<u>-</u>
	<u>6,217,489</u>	<u>3,959,232</u>
Liabilities		
Accounts payable and accruals (Note 8)	3,396,245	3,811,287
Deferred revenue (Note 9)	4,915,126	4,928,573
Demand loans (Note 10)	915,667	1,224,010
Long-term debt (Note 13)	13,321,686	11,819,994
AANDC recovery (Note 11)	348,553	464,776
Employee future benefits (Note 19)	<u>-</u>	<u>219,988</u>
	<u>22,897,277</u>	<u>22,468,628</u>
Net debt	<u>(16,679,789)</u>	<u>(18,509,396)</u>
Contingent liabilities (Note 18)		
Non-financial assets		
Tangible capital assets (Schedule 1)	60,364,065	60,298,177
Prepaid expenses	26,963	54,198
Construction in progress	1,448,807	3,522,682
	<u>61,839,835</u>	<u>63,875,057</u>
Accumulated surplus (Note 12)	<u>45,160,046</u>	<u>45,365,661</u>

## 2. First Nation Consolidated Revenues

### Revenues by Source - 2015



### Revenues by Source - 2014



## 2. First Nation Consolidated Expenses

### Expenses by Segment

	<u>2015</u>	<u>2014</u>
Band Governance	3,090,462	2,111,064
Social Assistance	6,180,932	6,066,398
Education	10,000,482	9,985,932
Community Infrastructure	3,879,799	3,991,869
Community Wellness	8,023,949	7,341,479
Housing	2,189,382	2,180,822
Economic Development	13,392,948	12,494,830
Land Management	<u>18,594</u>	<u>14,789</u>
	<u>46,776,548</u>	<u>44,187,183</u>

## 2. First Nation Consolidated Expenses

### Expenses by Object

	<u>2015</u>	<u>2014</u>
Amortization	3,699,768	3,657,245
Bad debts	31,087	56,422
Bank charges and interest	454,095	517,592
Compensation and training	14,741,369	14,240,470
Purchased goods and services	17,193,400	15,438,281
Social assistance	5,923,135	5,864,295
Support to community and members	930,835	934,015
Travel, accommodation, and related costs	515,776	502,610
Tuition	<u>3,287,083</u>	<u>2,976,2553</u>
	<u>46,776,548</u>	<u>44,187,183</u>



## 2. First Nation Consolidated Tangible Capital Asset Additions

- Capital additions for the year can be summarized as follows:

Total Capital Additions	<u>\$8,798,643</u>
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Main additions are in capital infrastructure and Housing

## 2. First Nation Consolidated Long Term Debt

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	New loans		
	Consolidated loan	\$	2,000,000
	Land settlement loan		1,083,230
	Other loans		986,160
	Less: loan repayments per agreements		<u>(2,569,698)</u>
	Net Loan increase	\$	<u>1,501,692</u>

### 3. Highlights

- Refinanced debt into a consolidation loan to make cash flows more manageable
- A new land settlement loan was signed. The loan is authorized up to \$2,988,160 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.
- Contingencies - The Nation has several lawsuits outstanding as of year-end, including two wrongful dismissal claims, one claim with respect to construction contracts and one claim for withheld tobacco tax rebates, none of which the outcome or potential liability can be reasonably determined, and therefore no accrual has been made.
- Employee future benefits – the Nation has contributed \$870,702 during the year. The plan is in an asset balance of \$801,589. Prior year was a deficit of \$219,988.

## 3. Highlights

- AANDC recoveries are down to \$348,553 from \$464,776.
- On a consolidated basis the First Nation has enough cash to fund its restricted cash requirements – CMHC and MAR.
- CMHC, VLTs, Employment, Training and Day Care, and Guimond Care Centre all received clean audit opinions.

## 4. Continuing to Improve

- The Nation still have over a \$3.5 M operating deficit which it has done a good job in the past couple years in reducing this amount, however it is still an area that they are focusing on, and an area they require community support.
- Development of a Human resource department for consistent policies and procedures and support for employees.
- Centralising accounting to ensure consistent accounting policies and procedures, allow for consistent oversight and the availability to have consolidated financial information for Chief and Council.
- Continue to fund the replacement and subsidy reserve in CMHC as there are significantly underfunded in the CMHC audit.
- Continue to focus on own source revenues activities to reduce the overall deficit as well as support the community.